

Investor Presentation

January 2020



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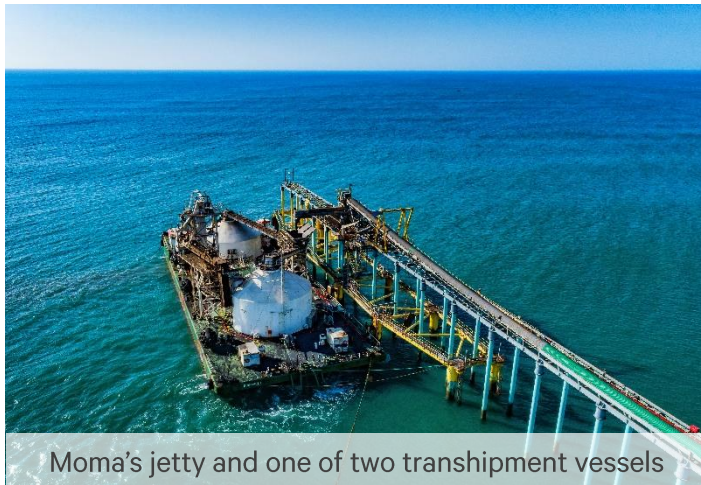
Overview: Kenmare Resources



World's largest ilmenite producer



Wet Concentrator Plant (WCP) A



Moma's jetty and one of two transshipment vessels

4th largest producer of TiO_2 feedstocks

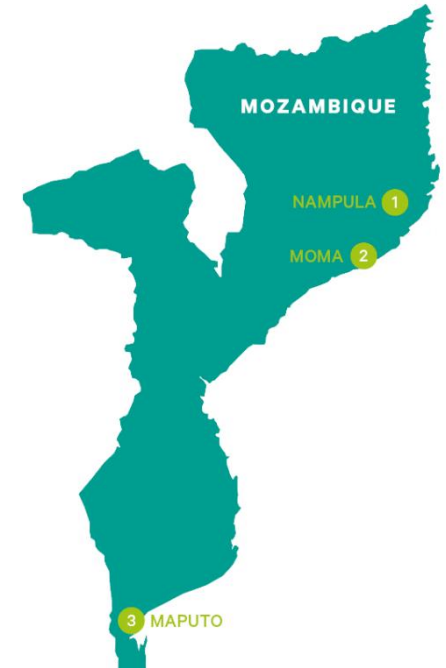
- Currently representing 7% of global supply
- Growing to 10% of global supply from 2021

Moma Titanium Minerals Mine

- >10 years of operations, 30 years in Mozambique
- 100+ years life of mine
- ~5% of Mozambique's exports in 2018
- Meaningful contribution to the local and national economy

Significant capital investment

- Capital expenditure of >US\$1.2 billion



Mineral sands: essential to modern life



Emerging market demand growing rapidly

Two core product streams of minerals sands

Titanium feedstocks (ilmenite and rutile)

- TiO_2 pigment imparts whiteness and opacity in the manufacture of paints, plastics and paper
- Non-recyclable and difficult to substitute

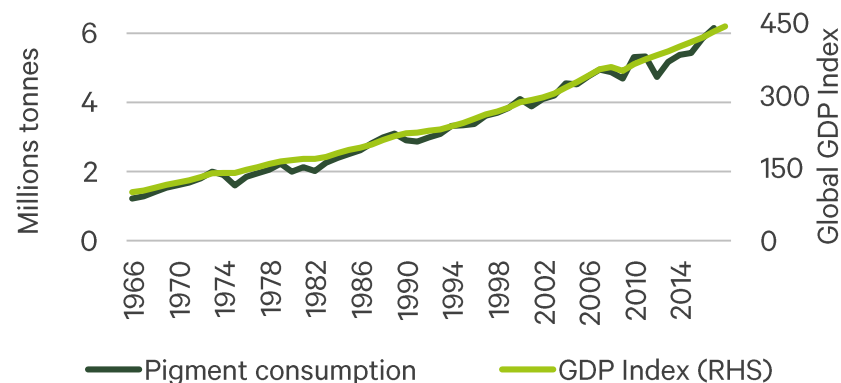
Zircon

- An important raw material for the ceramics industry for wall tiles, floor tiles and sanitary ware
- Favoured for whiteness, opacity, high melting point and shock resistance

Demand driven by global GDP growth

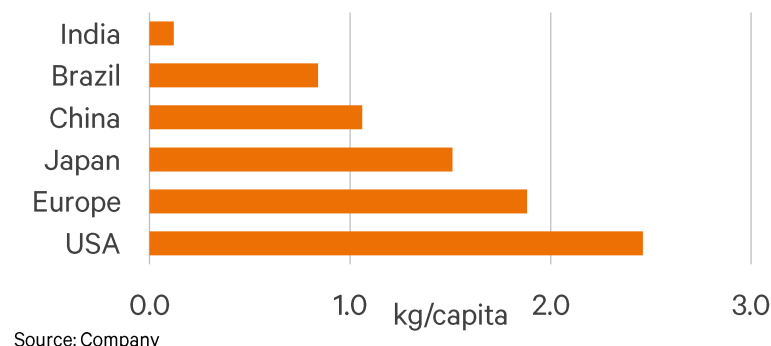
- Pigment is “quality of life” product, consumption grows as income levels increase
- Significantly higher TiO_2 pigment consumption per capita in developed western economies
- Large population developing economies are set for strongest pigment and zircon demand growth

World GDP vs TiO_2 pigment consumption



Source: Company (1966 base year)

Regional pigment consumption (2017)



Source: Company

Demand for TiO_2 feedstocks and zircon is driven by global GDP growth and urbanisation in emerging markets

Overview: Moma Titanium Minerals Mine



Globally significant Mineral Reserves of heavy minerals

Tier 1 resource base

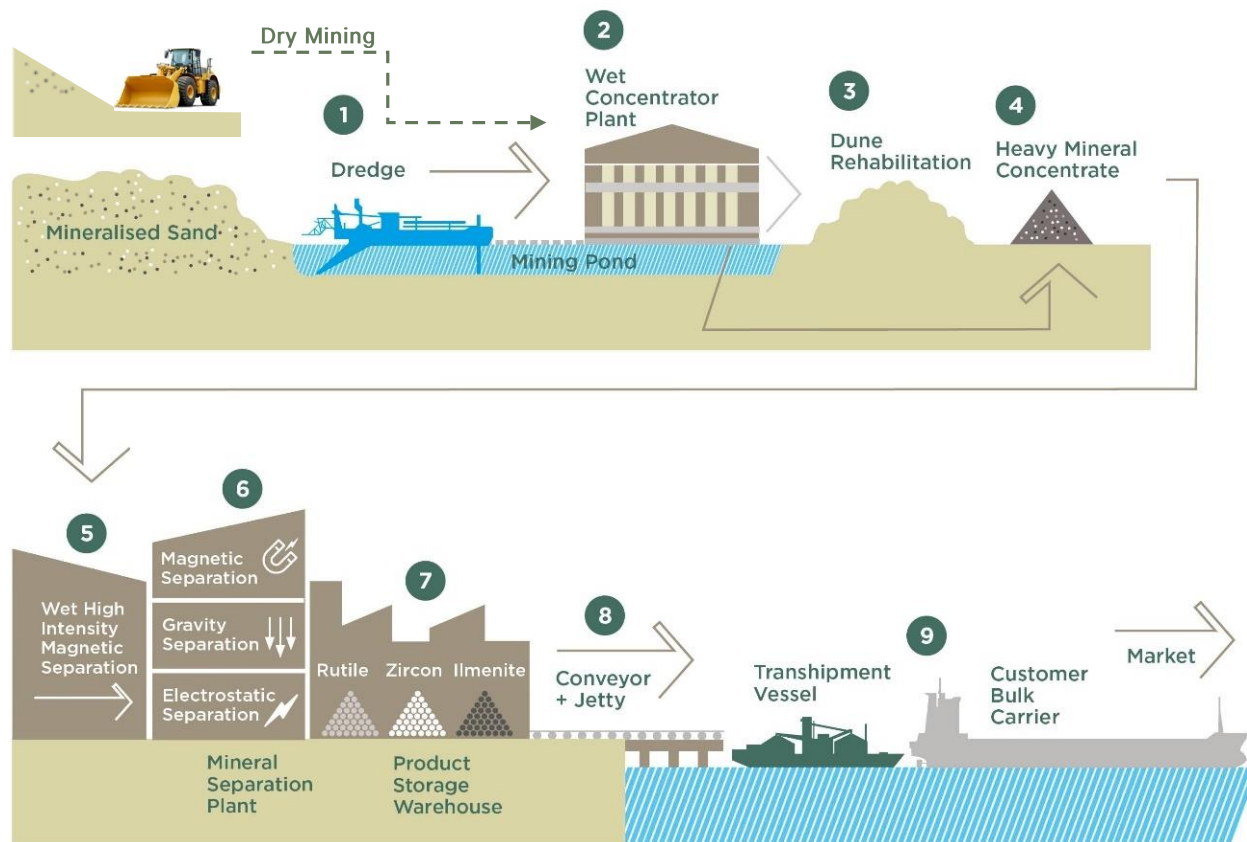
- >100 year life of mine
- Moma is multiple ore bodies – 8 billion tonnes of Mineral Resources
- Current mine plan runs to 2040

Low cost, bulk mining operation

- Mature operation – in production since 2007
- Currently two wet concentrator plants (WCPs) mining the Namalope ore zone
- Dedicated on-site port facilities

Low environmental impact

- Primarily hydro-generated power (80% of power demand in 2018)
- Progressive rehabilitation of mined areas
- No chemicals used



Sustainable operating practices



Kenmare is committed to being a responsible corporate citizen

SAFETY

- LTIFR of 0.27 per 200k man hours worked to 31 Dec 2019
- Increased focus on employee empowerment and personal accountability for safety
- Five star rating achieved from NOSA safety audit in Q4 2019 for fourth consecutive year

EMPLOYEES

- 1,400 direct employees at year-end 2018
- 95% of employees are Mozambican
- Targeting 10% female workforce by 2020

COMMUNITY

- Economic development and livelihoods
- Healthcare development
- Education development

Named Best Mine (open cast) at 2018 NOSCARS



KMAD-constructed technical school



Kenmare's core strategy



Focused on creating shareholder value

GROWTH

- Last of three development projects scheduled for completion in 2020
- 35% production growth targeted in 2021 (2019: 893kt)

MARGIN EXPANSION

- Expected lower cash operating costs of US\$125-135/t¹ from 2021 (2020 guidance US\$162-182/t)

SHAREHOLDER RETURNS

- Minimum 20% Profit After Tax dividend policy established
- Maiden dividend paid in October 2019

1. In 2020 real terms

Three development projects



On track for all projects to be completed by Q4 2020

2018

WCP B upgrade



20% capacity upgrade of WCP B complete and delivering to scope

Cost: <US\$10m

2019

WCP C development



First HMC production expected from WCP C in February 2020

Cost: US\$45m

2020

WCP B move



Project execution commenced to move WCP B to Pilivili in Q3 2020

Cost: US\$106m

WCP C project update



First HMC expected in February 2020

Smaller scale, high grade production

- WCP C has a nameplate mining capacity of 500 tph
- Targeting a high grade area of the Namalope ore zone that is inaccessible to either of the larger Wet Concentrator Plants
- Expected to add 150kt/annum (average) of additional heavy mineral concentrate production to Moma's profile

Commissioning of dredge commenced

- New Julia dredge was fabricated in the Netherlands and shipped to Mozambique in September 2019
- Commissioning of Julia dredge commenced in November 2019, as planned
- Commissioning of concentrator expected in January 2020, due to delayed delivery of the plant by the contractor

Project remains within budget

- Project remains on track to be completed within budget of US\$45m

Julia dredge's launch in the Netherlands



WCP C construction site in early January 2020



Execution underway of WCP B move



Relocation scheduled to take place in Q3 2020 and scheduled to take up to 12 weeks

Pilivili ore zone

- Highest grade ore zone in Moma's portfolio – Mineral Reserves of 4.4% Total Heavy Mineral (THM)
- Other favourable characteristics including free flowing sand, low slimes and close proximity to MSP
- Expected to deliver 130kt/annum (average) of additional heavy mineral concentrate production

Higher grades, additional production

- Average grade mined of 4.6% THM over 8 year life of mine and average grade of 5.3% THM in years 1-4
- Adjacent future ore zones identified for mining in Mualadi and Nataka – no further move expected in WCP B's economic life

Transportation of WCP B

- Various options considered – moving the assembled plant by road was selected as lowest risk option
- Specialist heavy lifting and transport contractor will be appointed
- Construction of road has begun following approval of ESHIA

Watch an animation of the WCP B move



Construction of road commenced



FY 2019 production update



A record year for excavated ore tonnes

HMC production

1,202,100t

-12%

FY 2018: 1,370,800t

Ilmenite

892,900t

-7%

FY 2018: 958,500t

Primary zircon

46,900t

-3%

FY 2018: 48,400t

Rutile

8,300t

1%

FY 2018: 8,200t

Concentrates

40,200t

43%

FY 2018: 28,200t

Shipments

1,029,300t

-4%

FY 2018: 1,074,400t

36.8Mt of excavated ore in 2019

- 8% increase in excavated ore tonnes compared to 2018, setting a new annual record
- Excavated ore tonnes benefitted from a 20% capacity increase of WCP B, undertaken in 2018

HMC production impacted by anticipated lower grades

- 12% decrease in HMC production in 2019 compared to 2018
- Ilmenite production was within 1% of original 2019 guidance range and original guidance was achieved for all other products
- 43% increase in concentrates production in 2019 compared to 2018 due to introduction of mineral sands concentrate product in Q4 2018

New quarterly record for shipments

- Q4 2019 was a record quarter for shipments (352,900t), representing a 23% increase compared to Q4 2018 and an 83% increase compared to Q3 2019
- 4% decrease in shipments in 2019 compared to 2018 due to poor weather conditions in first 3 quarters impacting loading rates

Delivering shareholder returns



Maiden dividend (interim) paid in October 2019

Dividend policy

- Commitment to deliver shareholder value
- Policy to pay a minimum 20% of profit after tax

Subject to:

- Market conditions, debt and capital requirements
- Higher cash balances likely to be maintained until capital development projects completed

Maiden dividend

- Interim dividend of USc2.66/share¹
- Dividend distribution of US\$2.9m
- FY19 final dividend will be a balancing payment to meet the dividend policy

Expected higher capital returns from 2021

- Following completion of development projects
- May come in form of special dividend or share buy-backs

H1 2019 profit after tax

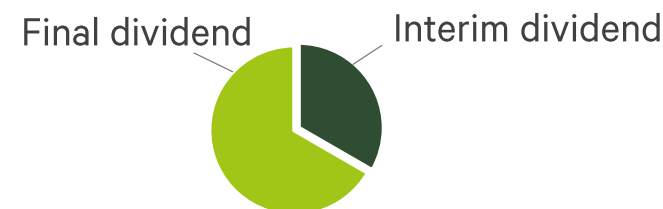
US\$21.9m

Total dividend distribution

US\$2.9m

Dividend per share

USc2.66



2019 interim dividend is calculated as 20% of H1 2019 profit after tax (US\$21.9m) multiplied by one-third and annualised (US\$21.9m x 20% x 1/3 x 2)

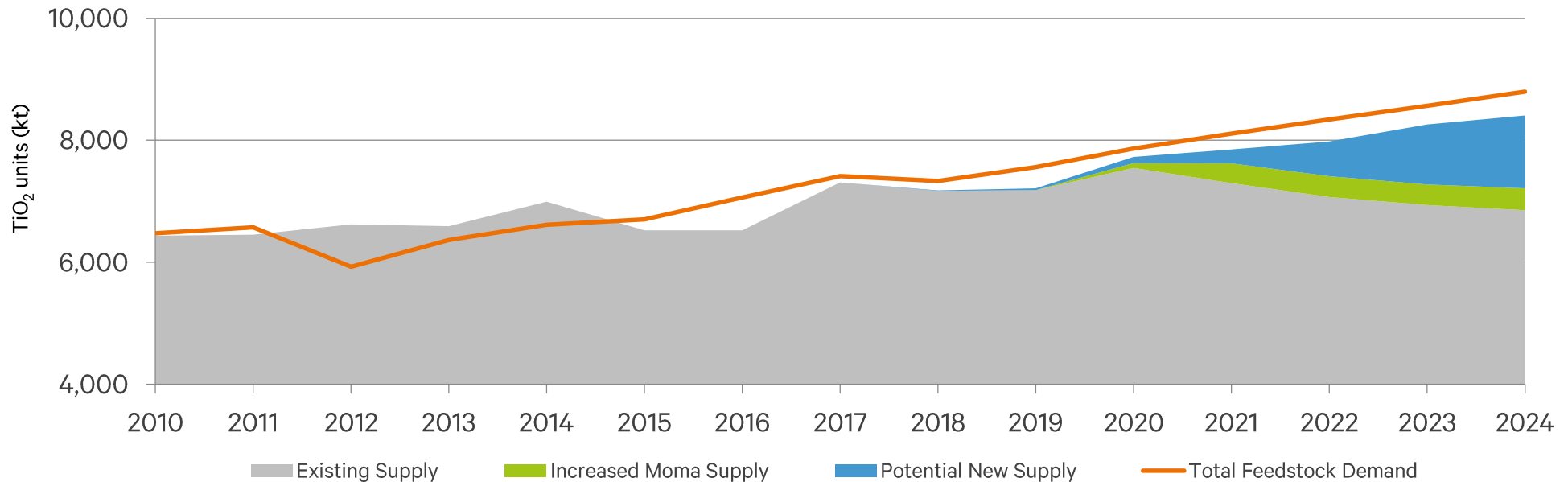
Market update



Supply deficit for titanium feedstocks



Forecast supply/demand market balance



Source: Company

Strong fundamentals for all products

- Global primary mine supply deficit since 2015 – excess inventories built during the last cycle have balanced the market to date
- Supply from existing mines expected to decline through depletion
- Additional supply necessary in the short/medium term
- Current prices only profitable for existing producers

Positive outlook for all products



Q4 2019 markets update



Ilmenite

Ilmenite

- Higher average price achieved for ilmenite in 2019 than 2018, with H2 received prices up >10% on H1 2019
- Despite lower global pigment production in 2019, strong ilmenite market conditions were supported by continuing supply constraints
- Declining ilmenite production in some major producing countries was partially offset by a ~10% increase in Chinese ilmenite production
- Ilmenite prices have continued to increase in 2020



Zircon

Zircon

- Lower average price achieved for zircon in 2019 than 2018
- Market weakening due primarily to slower global growth leading to lower demand, coincident with increased supply
- This resulted in softer pricing, particularly in the Chinese market
- 2020 expected to be a challenging year for the zircon market, however global supply constraints expected to emerge as existing mines deplete and production reduces in coming years – support pricing in medium term

Long-term fundamentals for all Kenmare products remain strong



Outlook for 2020

2020 guidance



Provided on 9 January 2020

Production		2020 Guidance	2019 Actual
Ilmenite	tonnes	800,000-900,000	892,900
Primary zircon	tonnes	44,500-50,100	46,900
Rutile	tonnes	7,700-8,700	8,300
Concentrates ¹	tonnes	34,700-39,000	40,200

Costs			
Total cash operating costs	US\$ m	153-172	N/R ²
Cash costs per tonne of finished product	US\$/tonne	162-182	N/R ²

- Production of all finished products in 2020 is expected to be lower than in 2019 due primarily to WCP B mining lower grade ore as it approaches the end of its current mine path and anticipated lower grades at WCP A
- WCP B is expected to cease production for up to 12 weeks during its relocation to Pilivili, however production will benefit from the operation of WCP C
- Shipment volumes are expected to be higher than production volumes in 2020 but lower than in 2019
- Total cash operating costs in 2020 are anticipated to increase marginally, primarily as a result of the addition of WCP C
- Development capital costs are expected to be approximately US\$119.5m
- Sustaining capital costs are expected to be approximately US\$22m

1. Concentrates includes secondary zircon and mineral sands concentrate.

2. To be reported in full year financial statements.

Conclusion: Building on our strategy



Strategy	2019 Focus	2020 Focus
Growth		
<ul style="list-style-type: none"> ➤ Low capital intensity growth to fully utilise existing installed facilities 	<ul style="list-style-type: none"> ➤ WCP B delivering 20% increase in throughput following upgrade works ➤ DFS for WCP B move to Pilivilil completed in June 2019 and Board approval received 	<ul style="list-style-type: none"> ➤ First HMC production expected from WCP C in February 2020 ➤ WCP B move expected to take place in Q3 2020
Margin expansion		
<ul style="list-style-type: none"> ➤ Focus on margin expansion through cost reductions and/or increased revenue streams 	<ul style="list-style-type: none"> ➤ First mineral sands concentrate despatched from Moma in Q2 2019 ➤ WCP B dredge automation in commissioning in Q2 2019 	<ul style="list-style-type: none"> ➤ Continued utilisation improvements targeted due to Projecto Oitenta ➤ WCP A dredge automation underway
Shareholder returns		
<ul style="list-style-type: none"> ➤ Returns >20% profit after tax to shareholders and balance sheet strength and flexibility remain core 	<ul style="list-style-type: none"> ➤ Net cash position of US\$13.7m at 31 December 2019 ➤ Maiden dividend paid based on H1 2019 results 	<ul style="list-style-type: none"> ➤ Balancing 2019 final dividend based on full-year results



Appendices

Kenmare Moma Development Association (KMAD)



Not-for-profit development organisation

Established in 2004, KMAD's objective is to implement development programmes in the Moma Mine's host communities.

Examples of KMAD's initiatives to date:

Economic Development and Livelihoods

- Funding provided for >65 new local businesses
- Agriculture projects supported to teach local farmers how to increase crop yields

Healthcare Development

- 24 boreholes drilled to provide clean drinking water for c.24,000 people
- Community health centre constructed to provide care for c.18,000 people per year

Education Development

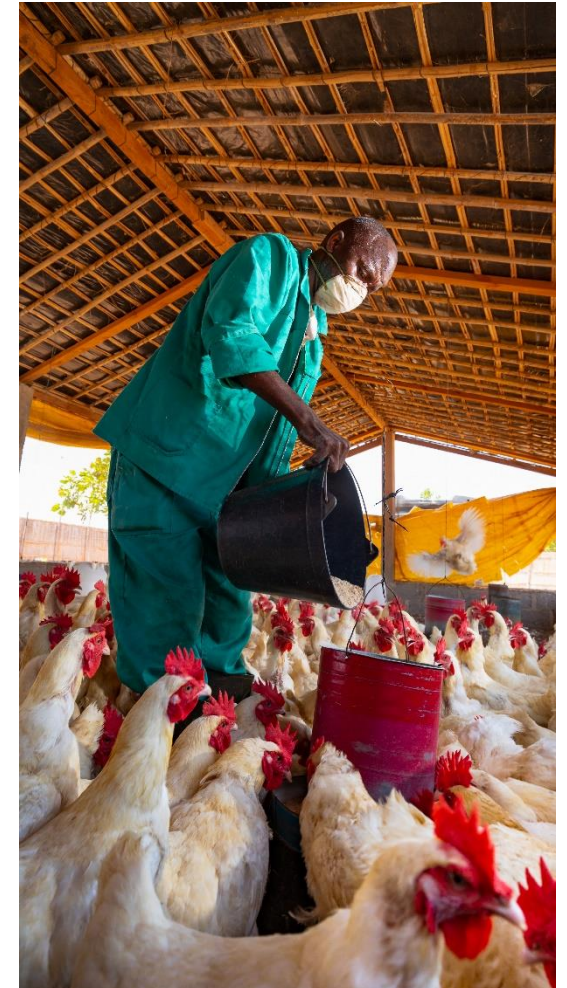
- 31 classrooms constructed in local schools, plus 1,100 desks, and 90 scholarships funded
- Technical school constructed and equipped for vocational development



KMAD-constructed technical school



KMAD-constructed health centre



KMAD-supported poultry farm

H1 2019 Financial Results



Robust financial performance

Revenue

US\$122.7m

-12%

H1 2018: US\$140.1m

Sales price (FOB) ^{1,2}

US\$239/t

+7%

H1 2018: US\$223/t

Total cash costs³

US\$152/t

0%

H1 2018: US\$151/t

Net ilmenite unit cost

US\$78/t

-11%

H1 2018: US\$88/t

EBITDA

US\$42.8m

-11%

H1 2018: US\$48.2m

Profit after tax

US\$21.9m

-17%

H1 2018: US\$26.4m

Net cash

US\$3.5m

-US\$10.0m

31 Dec 2018: US\$13.5m

Dividend per share

US\$c2.66

-

H1 2018: -

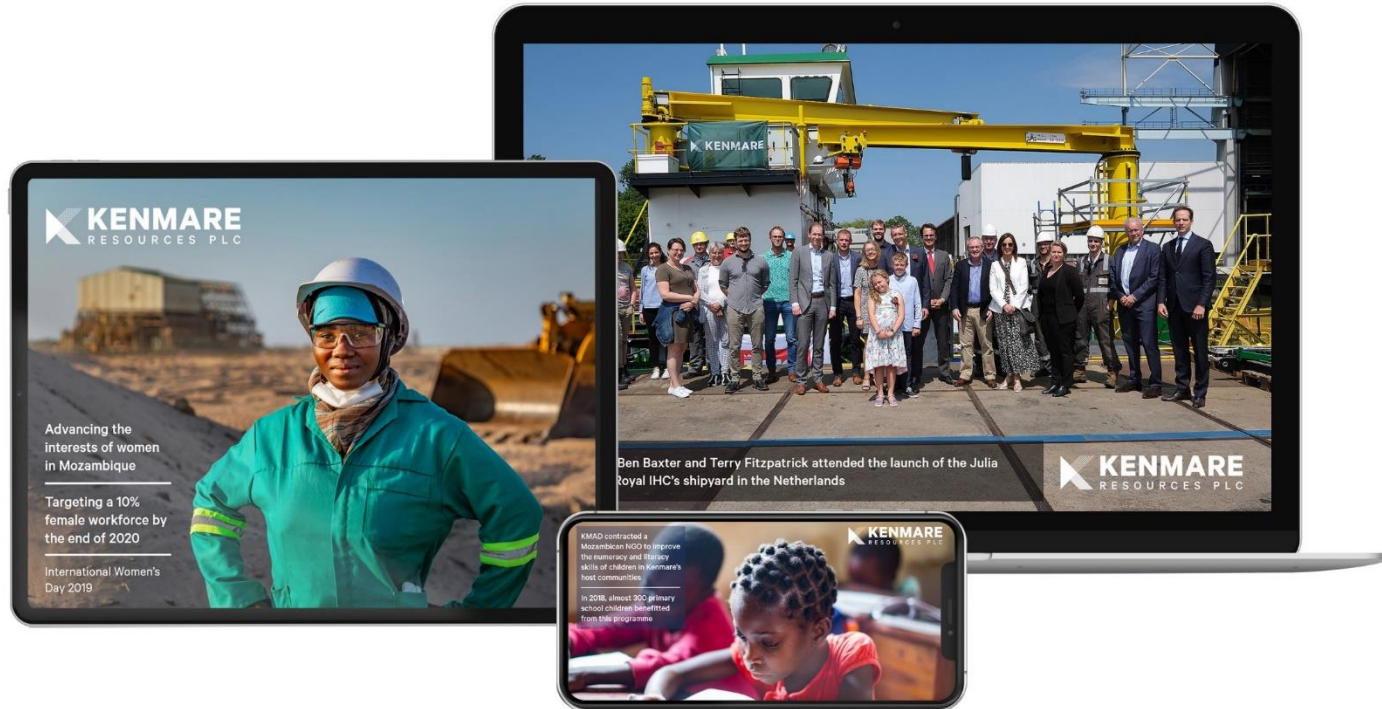
Maiden dividend paid in October 2019

1. Weighted average sales price per tonne of product sold 2. Free on Board 3. Total cash cost per tonne of finished product

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- Kenmare has profiles on Facebook, Twitter and LinkedIn, which feature regular updates on our corporate social responsibility initiatives, operational and development milestones, news flow and more
- Click the name of the social network to visit our profiles and connect with Kenmare: [Facebook](#), [Twitter](#) and [LinkedIn](#)



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