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Overview: Kenmare Resources



World's largest merchant ilmenite supplier





4th largest producer of TiO₂ feedstocks

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

Moma Titanium Minerals Mine

- > >12 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\$1.3 billion



Kenmare: Investment case



Kenmare's three strategic pillars

GROWTH

35%

Targeted production rate represents a 35% increase compared to 2019

Third of three development projects scheduled for completion in Q4 2020 to deliver 1.2 Mtpa ilmenite production



MARGIN EXPANSION

>38%

Through increased production, EBITDA margins are expected to increase (H1 2019: 38%), positioning Kenmare in the first quartile of the industry revenue to cost curve

From 2021, free cash flow is expected

to strengthen significantly, allowing

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



SHAREHOLDER RETURNS

>20%

Maidend dividend paid in October 2019, in line with
dividend policy to pay minimum 20% of profit after tax

^{1.} In 2020 real terms

Mineral sands: Essential to modern life



Emerging market demand growing rapidly

Two core product streams of minerals sands

Titanium feedstocks (ilmenite and rutile)

- TiO₂ pigment imparts whiteness and opacity in the manufacture of paints, plastics and paper
- Non-recyclable and difficult to substitute

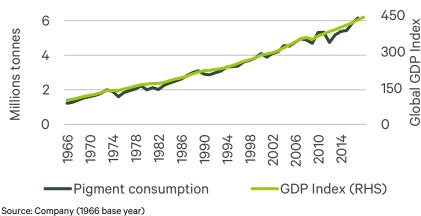
Zircon

- 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

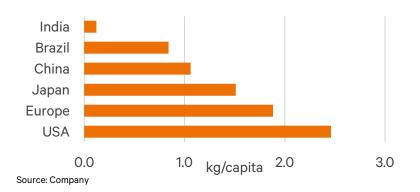
Demand driven by global GDP growth

- Pigment is "quality of life" product, consumption grows as income levels increase
- Significantly higher TiO₂ pigment consumption per capita in developed western economies
- Large population developing economies are set for strongest pigment and zircon demand growth

World GDP vs TiO₂ pigment consumption



Regional pigment consumption (2017)



Demand for TiO₂ feedstocks and zircon is driven by global GDP growth and urbanisation in emerging markets

Financial snapshot



US\$13.7m net cash at year-end 2019

Robust financial position

- US\$81.1m cash and cash equivalents at year-end 2019
- US\$16.1m reduction in gross debt during 2019

Increasing revenue and EBITDA generation

- 2018 revenue: US\$262.2m, H1 2019 revenue: US\$122.7m
- 2018 EBITDA: US\$93.3m, H1 2019 EBITDA: US\$42.8m
- Profitability expected to increase significantly from 2021 as production increases to 1.2 Mtpa of ilmenite and cash operating costs per tonne decrease to US\$125-135/t1 (in 2020 real terms)
- Free cash flow also anticipated to increase significantly from 2021 following completion of outlined capital projects in Q4 2020

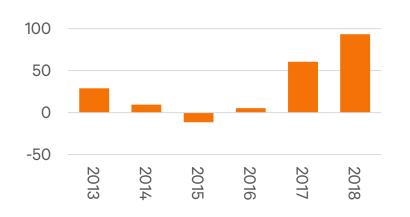
Supported by strong ilmenite market

- Higher average ilmenite prices achieved in 2019 than in 2018
- Positive ilmenite market fundamentals due to continuing supply constraints and demand growth in line with global GDP

Strong revenue generation (US\$m)



Strengthening EBITDA (US\$m)



^{1.} Total cash cost per tonne of finished product

Delivering shareholder returns



Maiden dividend (interim) paid in October 2019

H1 2019 profit after tax

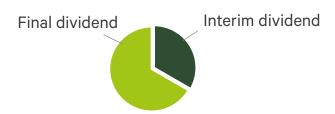
US\$21.9m

Total dividend distribution

US\$2.9m

Dividend per share

USc2.66



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

New debt facilities



First disbursement of US\$67.4m made on 18 December 2019

New facilities agreed in December 2019

- New facilities provided by a syndicate of existing lenders and new lenders
- Proceeds of the initial drawdown were used to repay in full existing project loans of US\$64m and to pay transaction costs

Additional financial flexibility

- New facilities extend debt maturity profile beyond current short period of increased capital expenditure
- New facilities also provide increased liquidity and protection in the case of any events that may affect cash flows, such as falls in product prices

More favourable interest rates

- From 1 February 2020 onwards, the new facilities have lower interest rates than the previous project loans
- Term loan interest rate: 5.40% + LIBOR
- Revolving credit facility interest rate: 5.00% + LIBOR

Term Loan

Revolving Credit Facility

US\$110m

US\$40m

Sources and uses of capital



Overview: Moma Titanium Minerals Mine



Globally significant Mineral Reserves

Tier 1 resource base

- >100 year life of mine at targeted production rate of 1.2 Mtpa
- Moma is comprised of multiple ore zones 8
 billion tonnes of Mineral Resources
- Current mine plan runs beyond 2040

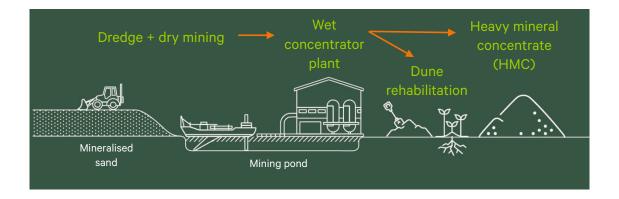
Low cost, bulk mining operation

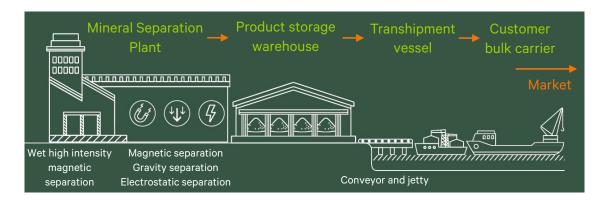
- Mature operation in production since 2007
- When WCP C commences production, there will be 3 wet concentrator plants (WCPs) mining the Namalope ore zone
- Dedicated on-site port facilities

Low environmental impact

- Primarily hydro-generated power (88% of power demand in 2019)
- Progressive rehabilitation of mined areas
- No chemicals used

Operational process outline





Sustainable operating practices



Our guiding principles: We Care, We Grow, We Excel

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

EMPLOYMENT

- Kenmare directly employed over 1,420 people at the end of 2019
- 96% of employees are Mozambican focus moves towards skills and development, whilst maintaining diversity of workforce
- 8% of employees are female, compared to 7% at the end of 2018

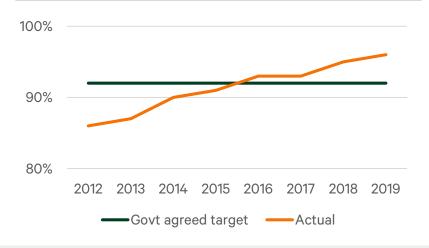
ENVIRONMENT

- ➤ 200 Ha of land rehabilitated in 2019, representing a 26% increase compared to 2018
- > 88% of Moma's power supplied from hydropower, transmitted through the national power grid

Named Best Mine (open cast) at 2018 NOSCARS



% of Mozambican employees at Moma



2019 production update



A record year for excavated ore

HMC production

1,202,100t

-12%

FY 2018: 1,370,800t

Primary zircon

46,900t

-3%

FY 2018: 48,400t

Concentrates

40,200t

43%

FY 2018: 28,200t

Ilmenite

892,900t

-7%

FY 2018: 958,500t

Rutile

8,300t

1%

FY 2018: 8,200t

Shipments

1,029,300t

-4%

FY 2018: 1,074,400t

HMC production impacted by anticipated lower grades

- > 12% decrease in HMC production in 2019 compared to 2018
- Expected decline in ore grades partially offset by record excavated ore tonnes in 2019 (38.6Mt)
- Ilmenite production was within 1% of original 2019 guidance range and original guidance was achieved for all other products

Significantly stronger concentrates production

- > 43% increase in concentrates production in 2019 compared to 2018
- Due to introduction of mineral sands concentrate product in Q4 2018 and higher recoveries in 2019 than in 2018, benefitting secondary zircon production (included in concentrates)

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

Targeting unit cost reductions from 2021



Production and cash operating cost per tonne profile



- Targeting total cash operating cost per tonne of US\$125-135/t (in 2020 real terms) from 2021, benefitting from higher production volumes and delivering margin expansion
- > Total cash operating costs in 2020 are anticipated to increase marginally, primarily as a result of the addition of WCP C
- Cash operating cost per tonne guidance of US\$162-182/t in 2020, reflecting lower forecast annual production volumes

^{*1.} Total cash operating costs include all mine production, transhipment, sales and distribution, taxes, royalties, and corporate costs.

Three development projects



Adding capacity and accessing higher grade ore

2018

2019

2020

WCP B upgrade



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

Cost: <US\$10m

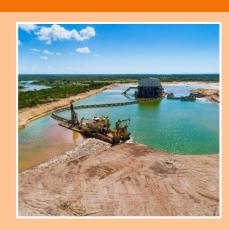
WCP C development



First HMC production expected from WCP C by end of February 2020

Cost: US\$45m

WCP B move



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

Cost: US\$106m

WCP C development: Adding capacity



Smaller scale, high grade production

Why develop WCP C?

- WCP C will target a high grade area of the Namalope ore zone that is inaccessible to either of the larger WCPs
- Fit for purpose WCP C has a nameplate mining capacity of 500 tph, representing <10% of Moma's total mining capacity
- Located close to the MSP minimises operating costs by leveraging existing fixed cost base and infrastructure
- Expected to add 150kt/annum (average) of additional heavy mineral concentrate production to Moma's profile

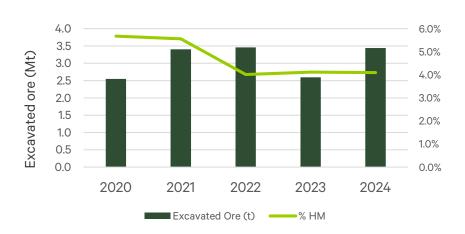
High grade production

- Forecast average grade of 5.67% THM in first year of mining
- Forecast average grade of 4.69% THM during first 5 years

Compelling economics¹

- \triangleright NPV_{10%} of US\$96m and IRR of 48%
- US\$45m capital expenditure payback period of ~2 years
- Project economics reflect incremental revenues and costs, and returns are supported by use of existing infrastructure

Forecast WCP C excavated ore and grade



Julia dredge's launch in the Netherlands



^{*1.} Using flat product prices over WCP C's 20 year life of mine of US\$200/t ilmenite and US\$1,300/t zircon.

WCP B move: Accessing higher grade ore



Relocation scheduled to take up to 12 weeks

Pilivili ore zone

- Highest grade ore zone in Moma's portfolio Mineral Reserves of 4.4% 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

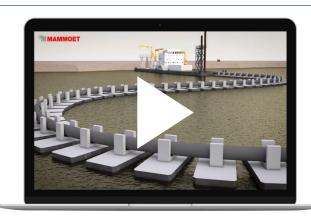
Higher grades, additional production

- 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

- Scheduled to take place in Q3 2020
- Various options considered transportation by road is lowest risk option and move will be undertaken by a specialist contractor
- Construction of road has begun following approval of Environmental,
 Health and Social Impact Assessment (ESHIA)

Watch an animation of the WCP B move



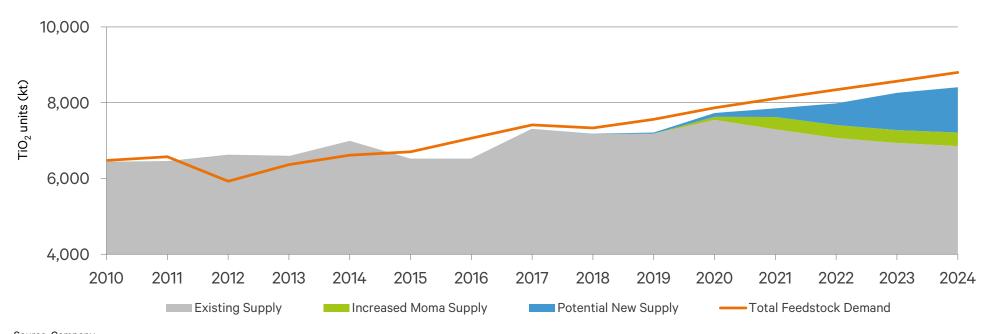
Construction of road commenced



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

- 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

- 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

Targeting strong free cash flow from 2021



Limited anticipated capital expenditure from 2021 to 2023, prior to the move of WCP A

Development capital

Sustaining capital

Ilmenite production

Cash operating costs per tonne

US\$5m per annum

1.2 Mtpa
per tonne

US\$125-135
per tonne

Minimal development capital anticipated between 2021 and 2023

- Third of three development projects expected to be completed in Q4 2020
- Annual sustaining capital between 2021 and 2023 of US\$20-25m
- Due to targeted production of 1.2 Mtpa of ilmenite and expected cash operating costs per tonne of US\$125-135/t¹, operating cash flow is expected to increase significantly (H1 2019: US\$42.5m)
- With limited development capital expected from 2021 to 2023, Kenmare expects to generate strong free cash flow, enabling increased shareholder returns

^{1.} In 2020 real terms.

Conclusion: Building on our strategy



	Strategy	2019 Focus	2020 Focus			
Growth: targeting 1.2 Mtpa ilmenite production from 2021, representing a 35% increase compared to 2019						
>	Low capital intensity growth to fully utilise existing installed facilities	 WCP B delivering 20% increase in throughput following upgrade works DFS for WCP B move to Pilivili completed in June 2019 and Board approval received 	 First HMC production expected from WCP C before end of February 2020 WCP B move expected to take place in Q3 2020 			
Margin expansion: 1.2Mtpa production is expected to deliver increased EBITDA margins (H1 2019: 38%)						
>	Focus on margin expansion through cost reductions and/or increased revenue streams	 First mineral sands concentrate despatched from Moma in Q2 2019 WCP B dredge automation in commissioning in Q2 2019 	 Continued utilisation improvements targeted due to Projecto Oitenta WCP A dredge automation underway 			
Shareholder returns: From 2021 free cash flow is expected to strengthen, enabling increased shareholder returns						
>	Returns >20% profit after tax to shareholders and balance sheet strength and flexibility remain core	 Net cash position of US\$13.7m at 31 December 2019 Maiden dividend paid based on H1 2019 results 	Balancing 2019 final dividend based on full-year results			

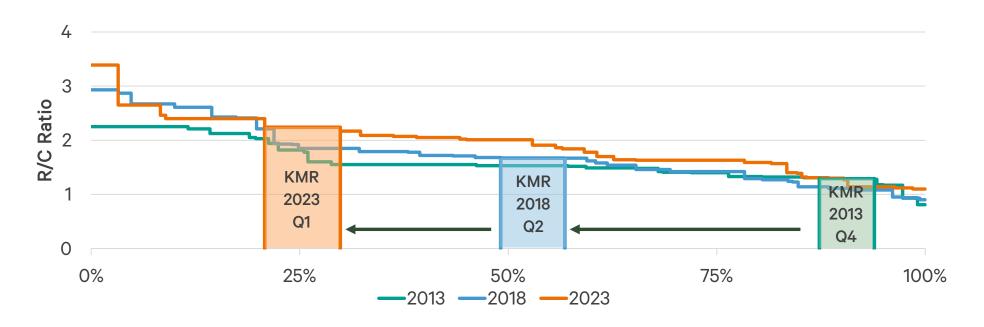


Becoming a first quartile margin producer



Kenmare is well-positioned to deliver strong free cash flow

Industry revenue to cash cost curves



- Kenmare is on track to become a first quartile margin producer from 2021
- This is expected to deliver increased cash flow stability
- Ability to remain cash flow positive throughout the commodity price cycle

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 anticipated lower grades at WCP A and WCP B
- > Production is expected to be weakest in Q3 and strongest in Q4 2020 due to the relocation of WCP B
- > 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 US\$119.5m and sustaining capital costs are expected to be US\$22m

^{1.} Concentrates includes secondary zircon and mineral sands concentrate.

To be reported in full year financial statements.

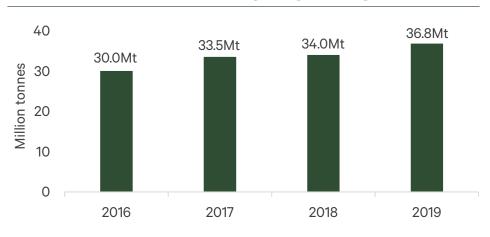
Optimisation of operations progressing well



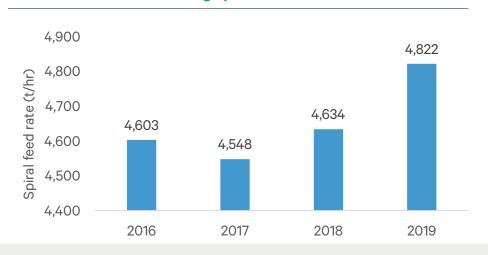
Margin expansion initiatives delivering positive results

- 5% increase in throughputs to 4,822 tonnes per hour in 2019 compared to 2018, driven by 20% capacity increase at WCP B
- Projecto Oitenta continued in 2019 and as a result, mine utilisation increased to 72% in 2019
- > 8% increase in excavated ore tonnes to 36.8Mt in 2019 compared to 2018, setting a new annual record
- Record tonnes benefitted from 20% capacity increase of WCP B in 2018, WCP B dredge automation and continued utilisation gains from maintenance improvements

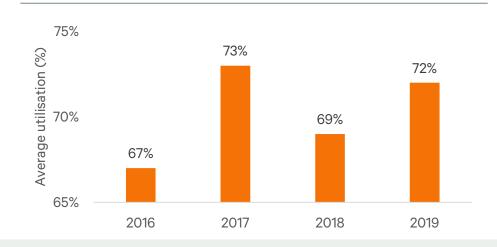
Increased excavated ore mitigating lower grades



Increased annual throughputs



Increased annual mine average utilisation



Margin expansion in 2019 including a new product



First shipment of mineral sands concentrate (MSC) despatched in 2019

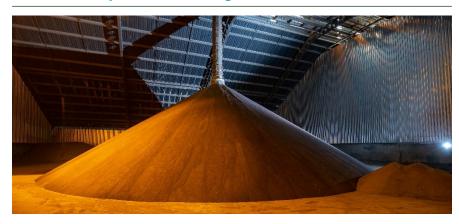
Strong project economics

- Monetises former tailing streams, including monazite
- Net present value (NPV)_{10%} of approximately US\$30m¹
- Internal rate of return (IRR) of approximately 100%¹
- Project economics reflect incremental revenues and costs, and returns are supported by use of existing infrastructure
- Successfully commissioned in Q4 2018 within US\$4m budget
 payback period of less than 1 year
- Contributed to record concentrates production in 2019 (40,200 tonnes)²

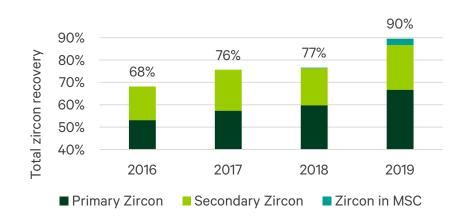
Additional zircon efficiencies

- MSC production increased zircon recoveries to record levels
- Conversion of lower grade zircon concentrates to primary zircon
- Reprocessing of stockpiled tailings increased secondary zircon production

MSC in the product storage warehouse



MSC production also benefits zircon recoveries

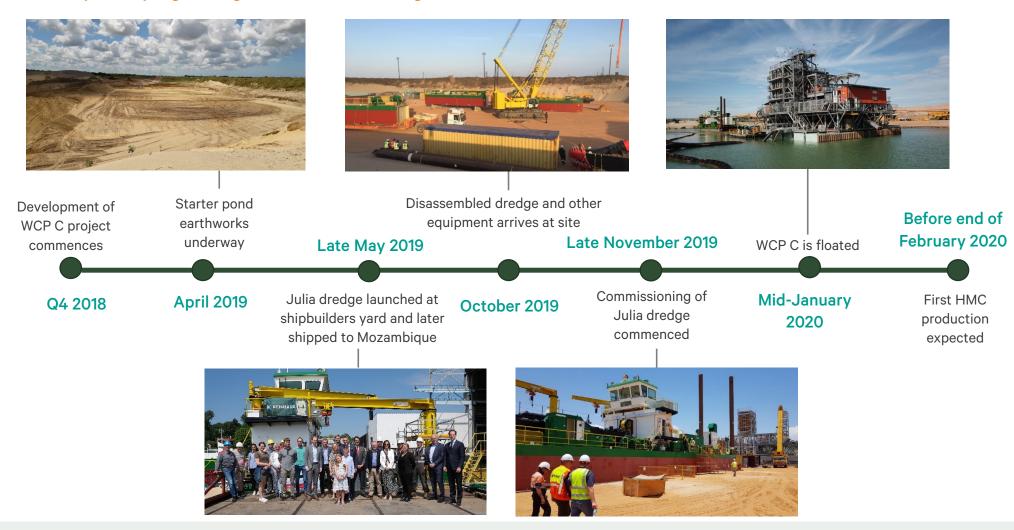


^{1.} Using flat product prices for the next 20 years of MSC production 2. MSC is included in concentrates for reporting purposes.

WCP C: Timeline to build our third mining plant



Development progressing within US\$45m budget



WCP B move: Key contracts awarded



~60% of contracts now awarded and four key contracts in place

Electricals

RXHK (China) & TGC (South Africa)

Task: Construction of statcom and sub-station.

Status: In construction and on schedule. Factory acceptance testing due February 2020, followed by shipping from China to site.

Pumping

Feluwa (Germany)

Task: Fabricating and installing a 17km positive displacement pump system to transport HMC from Pilivili to the MSP Status: In construction and on schedule.

Civil engineering

Teichmann Earthworks & Civils (Mozambique)

Task: Constructing a 23km purpose-built road and infrastructure terrace at Pilivili.Status: Road construction commenced in Q4 2019 and proceeding on schedule.

Specialist heavy lifting and transport

ALE, acquired by Mammoet (South Africa)

Task: Lifting WCP B and its dredge onto SPMTs¹ and transporting them along the purpose-built road to Pilivili

Status: Move scheduled for Q3 2020

KMAD: 2019 Highlights



Focused on leaving a positive and sustainable legacy

>40 small businesses supported by KMAD by yearend 2019



Second phase of technical school for vocational development constructed



New ambulance provided to community health centre



Nurses sponsored to undertake a 2-year mother and child healthcare course



Construction of a primary school in Cabula village



Mozambican NGO engaged to improve primary education in the district



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Kenmare has gone social

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- Click the name of the social network to visit out profiles and connect with Kenmare: Facebook, Twitter and LinkedIn

