

Project Update

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[Kenmare Resources plc](#)
("Kenmare" or "the Company")

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Project Update

Kenmare Resources plc (LSE:KMR, ISE:KMR), one of the leading global producers of titanium minerals and zircon, which operates the Moma Titanium Minerals Mine (the "Mine" or "Moma") in northern Mozambique, is pleased to provide a project update for the Wet Concentrator Plant ("WCP") A upgrade and transition to the Nataka ore zone.

Statement from Michael Carvill, Managing Director:

"The Board has approved the final part of the Definitive Feasibility Study for the WCP A upgrade and transition to the Nataka ore zone, relating to the infrastructure. The total capital costs for the project remain in line with previous estimates. On-going detailed engineering and scheduling work has resulted in lower expected capital expenditure in 2024."

Works are advancing well for the upgrade, with the fabrication of the two new dredges and the upfront desliming circuit making encouraging progress. Nataka represents over 70% of Moma's Mineral Resources and unlocking this ore zone secures production for decades to come, whilst maintaining Kenmare's first quartile position on the industry revenue to cost curve."

Overview

Nataka is the largest ore zone in Kenmare's portfolio, containing 6.4 billion tonnes of Moma's 9.0 billion tonnes of Mineral Resources. WCP A is the largest of Kenmare's three mining plants, representing approximately 50% of total mining capacity. WCP A will begin its transition from its current mine path in Namalope, where it has mined for 17 years, to Nataka in late 2025. This is the only move of this kind that is required in WCP A's economic life, which is expected to extend beyond the existing mine plan that runs to 2045.

Kenmare's Board approved the initial three parts of WCP A's Definitive Feasibility Study ("DFS") in 2023, while the DFS relating to infrastructure was completed in Q2 2024. The Infrastructure DFS addresses four key elements:

- Electricity supply - including a new 110kV overhead powerline from the Mineral Separation Plant ("MSP") to the Nataka substation
- Pumping and piping - allowing for transportation of slimes from WCP A to the primary densification paddock and ultimately the Tailings Storage Facility ("TSF"), as well as distributing water
- Heavy Mineral Concentrate ("HMC") handling - including a new terrace for stacking and storage of HMC. HMC will be pumped from WCP A to the infrastructure terrace by pipeline and in the early years of operation, transported to the MSP by road
- Other infrastructure - including the new Nataka electricity substation, maintenance workshops for heavy mobile equipment, and offices

Capital costs

The total capital cost for the upgrade and transition of WCP A is expected to be in line with previous estimates and totals \$341 million. This includes \$106 million in respect of WCP A infrastructure (including both base capital expenditure of \$88 million and \$18 million of the overall project contingency). Kenmare plans to fund the WCP A upgrade and transition from cash flow and existing debt facilities.

The breakdown of the total capital costs remains similar to Kenmare's previous guidance, including contingency of \$52 million. The breakdown is as follows:

Component	Cost estimate in July 2024	Cost estimate in December 2023
New dredges	65	65
Other WCP A upgrades (e.g. upfront desliming circuit)	100	100
TSF	36	36
Nataka infrastructure	88	98
Contingency	52 ¹	42
Total	341	341

1. A portion of contingency has been committed.

Kenmare began incurring capital expenditure for the WCP A upgrade and transition in 2023, beginning with orders for key long lead time items, such as the two new higher capacity dredges. The capital expenditure incurred to date has been lower than expected and further detailed engineering and scheduling work has deferred \$38 million of expected capital expenditure from 2024 into subsequent years, in line with the expected mine plan.

Kenmare continues to expect to begin the transition of WCP A to the Nataka ore zone in late 2025.

Capital expenditure schedule (\$m)	2023	2024	2025	2026	2027	2028	Total
July 2024	11	141	128	40	4	17	341
December 2023	11	179	121	20	10	-	341

Project status update

The WCP A upgrade and transition project consists of three key components, in addition to the infrastructure included in the WCP A Infrastructure DFS, and their current status is as follows:

1. New more powerful dredges - the fabrication of two new higher capacity dredges is progressing with Kenmare's contractor in the Netherlands
2. Upfront desliming circuit to more effectively manage slimes at Nataka - the fabrication of pontoons and surge bin (parts of the desliming circuit) is underway and the earth works for the starter pond are also in progress
3. Introduction of a TSF to replace the current paddock system - the detailed design of the TSF is progressing well and on schedule for completion in Q3 2024. Construction is expected to begin in Q4 2024

Other capital projects

Work continues on both the DFS for the WCP B upgrade, which is expected to increase WCP B's capacity by over 40%; and the Pre-Feasibility Study for the Congolone ore zone, which is a potential future growth opportunity for the Company. Kenmare expects to provide an update on both studies with the Company's Interim Results, which will be announced on 14 August 2024.

The Company will announce its Q2 and H1 2024 Production Update on 17 July 2024.

For further information, please contact:

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About Kenmare Resources

Kenmare Resources plc is one of the world's largest producers of mineral sands products. Listed on the London Stock Exchange and the Euronext Dublin, Kenmare operates the Moma Titanium Minerals Mine in Mozambique. Moma's production accounts for approximately 7% of global titanium feedstocks and the Company supplies to customers operating in more than 15 countries. Kenmare produces raw materials that are ultimately consumed in everyday quality-of-life items such as paints, plastics and ceramic tiles.

All monetary amounts refer to United States dollars unless otherwise indicated.

Forward Looking Statements

This announcement contains some forward-looking statements that represent Kenmare's expectations for its business, based on current expectations about future events, which by their nature involve risks and uncertainties. Kenmare believes that its expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve risk and uncertainty, which are in some cases beyond Kenmare's control, actual results or performance may differ materially from those expressed or implied by such forward-looking information.

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