

Q2 and H1 2025 Production Report

16.07.2025 | [GlobeNewswire](#)

[Kenmare Resources plc](#)

("Kenmare" or "the Company" or "the Group")

16 July 2025

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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 trading update for the quarter and half year ended 30 June 2025 ("Q2 2025" and "H1 2025").

Statement from Tom Hickey, Managing Director:

"Kenmare continued to experience consistent demand for all of its products in Q2, with ilmenite prices remaining stable during H1, and we have a strong order book for H2. However, uncertainty regarding market conditions in the medium term has led us to slightly lower our long-term pricing assumptions. Primarily because of this, we expect to recognise an impairment charge on our assets in H1 2025 that is not expected to exceed \$125 million. While this is disappointing, it will be a non-cash charge with no anticipated impact on our operations, projects or financing facilities or the Company's ability to pay dividends.

Our strong safety performance from 2024 has continued in the first half of 2025, with our team at Moma achieving seven million hours worked without a Lost Time Injury in early July.

At the end of H1 we are on track to achieve our 2025 production and cost guidance, and we expect higher excavated ore volumes to support stronger production in H2.

The Wet Concentrator Plant A upgrade project continues to progress to plan and commissioning of the upgraded plant and dredges is on track to begin later in Q3."

Q2 2025 overview

- Zero Lost Time Injuries ("LTIs") in H1 2025 and improved Lost Time Injury Frequency Rate ("LTIFR") of 0.03 per 200,000 hours worked for the 12 months to 30 June 2025 (30 June 2024: 0.09)
- Kenmare is on track to achieve 2025 production and cost guidance, with higher anticipated excavated ore volumes expected to increase production in H2
- Heavy Mineral Concentrate ("HMC") production of 358,300 tonnes in Q2 2025, up 5% year-on-year ("YoY"), due to a 16% increase in ore grades offsetting a 12% decrease in excavated ore volumes
- Ilmenite production of 245,400 tonnes, up 3% YoY, benefitting from increased HMC processed
- Primary zircon production of 13,100 tonnes, up 1% YoY
- Total shipments of finished products of 181,800 tonnes, down 23% YoY, mainly due to poor weather and maintenance of transshipment vessels
- The Wet Concentrator Plant ("WCP") A upgrade project continues to progress to plan, with commissioning on track to begin in Q3 - the project's estimated capital cost remains at \$341 million
- Market conditions for ilmenite were stable in Q2 2025, with demand continuing to exceed Kenmare's ability to supply, and the Company has a strong order book for H2
- Managing Director Tom Hickey met with the President of Mozambique in June and constructive discussions with the Government are continuing regarding the extension of Moma's Implementation Agreement ("IA")

- The Company expects to recognise an impairment charge on its assets in H1 2025 that is not expected to exceed \$125 million mainly due to lower projected future revenue assumptions associated with an uncertain pricing outlook
- At the end of H1 2025, net debt was \$83.1 million (31 December 2024: \$25.0 million) - Kenmare retains significant financial flexibility to fund its capital projects and make shareholder returns
- Kenmare has been included in the FTSE4Good Index Series, following the June 2025 review

Operations update

Production from the Moma Mine in Q2 2025 and H1 2025 was as follows:

	Q2 2025 tonnes	Q2 2024 % variance	Q1 2025 % variance	H1 2025 tonnes	H1 2024 % variance
Excavated ore ¹	9,119,000	-12%	-2%	18,456,000	-6%
Grade ¹	4.45%	16%	5%	4.33%	12%
Production					
HMC production	358,300	5%	15%	670,600	2%
HMC processed	360,900	5%	19%	664,800	2%
Ilmenite	245,400	3%	20%	449,900	2%
Primary zircon	13,100	1%	-6%	27,200	28%
Rutile	2,300	-8%	-8%	4,800	20%
Concentrates ²	10,400	-11%	14%	19,400	-9%
Shipments	181,800	-23%	-41%	488,900	2%

1. Excavated ore tonnage and grade prior to any floor losses.

2. Concentrates include secondary zircon and mineral sands concentrate.

No LTIs were recorded during H1 2025 and the Moma team passed the milestone of seven million hours worked (over 10 months) since Kenmare's last LTI. Kenmare's rolling 12-month LTIFR to 30 June 2025 improved to 0.03 per 200,000 hours worked (30 June 2024: 0.09).

HMC production was 358,300 tonnes in Q2 2025, a 5% increase YoY. This was the product of a 16% increase in ore grades, offsetting a 12% decrease in excavated ore volumes. Ore grades were higher in Q2 2025 YoY due to WCP B mining a high-grade portion of the Pilivilil ore zone. Excavated ore volumes were lower in Q2 2025 YoY due to more challenging mining conditions at each of the WCPs.

HMC processed in Q2 2025 was 360,900 tonnes, up 5% YoY, in line with HMC produced.

Production of finished products in Q2 2025 was up 2% YoY, slightly lagging HMC processed. Ilmenite production in Q2 was 245,400 tonnes, up 3% YoY, although impacted by lower recoveries; primary zircon production was 13,100 tonnes, only up 1% YoY, because of a drawdown on intermediate zircon stocks in the prior period; and rutile production was 2,300 tonnes, down 8% YoY, due to lower feed grade and recoveries.

Concentrates production was 10,400 tonnes, down 11% YoY, due to lower grade feedstock. Concentrates production excludes Kenmare's new concentrates product, ZrTi, as there was none shipped during the quarter (ZrTi is a tailings product and only recognised as production upon shipment).

At the end of H1, Kenmare is on track to achieve its 2025 production and cost guidance. The Company expects higher production in H2 versus H1, supported by higher excavated ore volumes from the installation of two new higher-capacity dredges as part of the WCP A upgrade. This is anticipated to offset the three to four weeks of downtime for WCP A while the upgrade work is undertaken, bolstered by production from the Selective Mining Operation ("SMO").

Total shipments in Q2 2025 were 181,800 tonnes, down 23% YoY. This was due primarily to poor weather conditions and maintenance to both transshipment vessels that led to some shipments being delayed,

including a high-value zircon and rutile shipment. One of the Company's two transshipment vessels, the Peg, left for its five-yearly dry dock in early June and is scheduled to return to Moma in late August.

Shipments in Q2 comprised 154,000 tonnes of ilmenite, 14,500 tonnes of primary zircon, and 13,400 tonnes of concentrates. No rutile was shipped during the quarter. Kenmare no longer expects shipments to exceed production in 2025 and a further update will be provided in the H1 2025 Results.

Closing stock of HMC at the end of Q2 2025 was 16,900 tonnes, including a 3,000-tonne stock adjustment, compared to 22,400 tonnes at the end of Q1 2025. Closing stock of finished products at the end of Q2 2025 was 300,100 tonnes, compared to 210,600 tonnes at the end of Q1 2025.

Capital projects update

WCP A upgrade

WCP A is Kenmare's largest mining plant and the Company is undertaking a project to upgrade it in advance of its transition to Nataka. As the largest ore zone in Moma's portfolio, Nataka contains approximately 70% of Moma's nine billion tonnes of Mineral Resources, and mining this area will secure production from Moma for decades to come.

Work on WCP A continued to advance to plan in Q2 2025. The capital cost estimate for the project remains at \$341 million and by the end of 2025 over 75% of the project budget is expected to have been successfully incurred and deployed.

In early June, the two new high-capacity dredges left the contractor's dockyard in the Netherlands and were transported to Moma by sea. They anchored to the north of Moma in early July and the first dredge is due to be landed on the beach at Moma before the end of the month. The second dredge is expected to be landed soon afterwards, with timing dependent on favourable weather and calm sea conditions. Kenmare will provide further updates on the de-risking of the project through the achievement of these milestones over the coming months.

Photographs of the WCP A upgrade work can be viewed at www.kenmareresources.com/media/image-library/#projects. An animation of the WCP A upgrade sequence can be viewed at www.kenmareresources.com/media/videos/.

Selective Mining Operation

In early 2025 Kenmare began commissioning a small-scale, low-cost dredge mining and concentrating operation, or SMO, that will enable mining in peripheral areas of Moma's Mineral Resources. It has a targeted run rate of 300 tonnes per hour, delivering 50,000 tonnes of HMC production per annum. Due to its simple modular nature, it has a low capital cost of less than \$6 million.

Operational optimisation, including the use of dry mining to provide consistent feed to the SMO, was undertaken in Q2. The concentrator is now performing in line with design expectations, and further enhancements are planned for Q3.

Building on the success of the SMO to date, an order has been placed for a second unit, SMO 2, with capacity of 1,000 tonnes per hour. SMO 2 is expected to be commissioned in H1 2026 and Kenmare anticipates that it will be fed exclusively by dry mining. The expanded unit, with additional capacity and upgraded design features for reliability, is expected to cost approximately \$15 million, which will be incurred in 2025 and 2026. The two SMOs, in combination with some debottlenecking work at WCP B, represent a highly capital efficient alternative to the previously planned WCP B upgrade project.

Market update

In Q2 2025 Kenmare experienced consistent demand for its products, which continued to exceed the Company's ability to supply. Ilmenite pricing was stable during the quarter, following a decrease in Q1 2025, while zircon and rutile prices continued to decline.

Global demand for titanium feedstocks remained robust, supported by improved sentiment among pigment producers outside of China. This followed the introduction of anti-dumping duties on Chinese pigment producers, which Western producers responded to by increasing plant utilisation rates, leading to anticipated stronger margins and bolstering demand for Kenmare's products. Chinese pigment production continued at healthy levels in Q2 2025 but moderated slightly from the record highs of Q1 2025. The titanium metal market remains strong and currently accounts for approximately 20% of Kenmare's sales.

The growth of HMC production from Chinese concentrates producers in countries like Mozambique, Sierra Leone and Nigeria has continued in H1 2025, although at a slower rate than in H2 2024. This, combined with higher domestic ilmenite production in China, means the feedstock market is currently oversupplied. Rutile and lower-quality ilmenite producers have been most impacted by this oversupply, with some producers likely to be operating at or near marginal cost.

The zircon market remained subdued in Q2 due to persistently weak demand, particularly in China's construction sector, and greater substitution of lower-quality products in downstream markets. Recent improvements in this sector have not yet been reflected in market demand for zircon. The increased supply of concentrates has also added more lower-grade zircon to the market, although demand for high-grade products, such as Kenmare's zircon, remains robust. The Company continues to experience consistent demand for zircon, exceeding its ability to supply.

Kenmare enters H2 2025 with a strong order book. However current market dynamics and outlook, including the oversupply position outlined above, have led Kenmare and external commentators to take a more cautious view on the likely pace of pricing recovery and market growth in the medium term, and to slightly lower long-term pricing assumptions.

Corporate update

Implementation Agreement

The IA governs the terms under which Kenmare conducts its mineral processing and export activities. Although the IA's original expiry date was 21 December 2024, the Ministry of Industry and Commerce provided confirmation that Kenmare's existing rights and benefits remain in full force and effect pending conclusion of the extension process. Mining operations at Moma are conducted under a separate regulatory framework, which is not impacted in any way by the IA process.

Kenmare's Managing Director Tom Hickey met with the President of Mozambique, His Excellency Daniel Chapo, in mid-June. During the meeting Tom was pleased to discuss with the President Kenmare's significant investments into Moma, its meaningful contribution to the local and national economy, its future plans, and the importance of a near-term conclusion of this agreement.

The Company continues to engage constructively with the Government of Mozambique, while reserving the right to safeguard its contractual entitlements, if an agreement cannot be reached.

Inclusion in the FTSE4Good index

Kenmare announces it has been included in the FTSE4Good Index Series. Created by the global index and data provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indexes are used by a wide variety of market participants to create and assess responsible investment funds and other products.

FTSE Russell evaluations are based on performance in areas such as Corporate Governance, Health &

Safety, Anti-Corruption and Climate Change. Businesses included in the FTSE4Good Index Series meet a variety of environmental, social and governance criteria.

New Chief Financial Officer

James McCullough joined Kenmare as Chief Financial Officer on 1 May 2025. James brings extensive mining, strategic and financial experience to Kenmare, having served for 14 years with [Rio Tinto Plc](#), most recently as General Manager - Group Strategy. James succeeds Tom Hickey, who was previously Finance Director before being appointed as Managing Director in August 2024.

Termination of offer discussions

On 19 June 2025, Kenmare announced that it had terminated offer discussions with Oryx Global Partners Limited and Michael Carvill (together, "the Consortium"). During the Company's most recent engagement with the Consortium, it was made clear by the Consortium that it would only be willing to proceed with an offer at pricing substantially below the initial proposal of 530p per Kenmare share. The revised pricing was subject, *inter alia*, to a request for an additional period of due diligence to conclude financing and other arrangements.

Kenmare's Board, together with its advisers, considered the revised pricing and unanimously rejected it on the basis that it significantly undervalued Kenmare's business and its prospects. Kenmare's Board will continue to review all opportunities to create significant long-term value for all stakeholders, including shareholders.

Finance update

Impairment charge in H1 2025 Results

Lower revenue assumptions associated with the uncertain pricing outlook outlined above are expected to result in a lower estimated recoverable value attributable to Kenmare's mining and processing assets as at 30 June. Accordingly, as this value is less than the carrying value of property, plant and equipment, an impairment will be recognised in Kenmare's H1 2025 results. This impairment, which also reflects the latest proposed amendments to the IA, is unlikely to exceed \$125 million at the consolidated Group level; it would be a non-cash charge and would not impact Kenmare's continuing operations, development programmes, ability to pay creditors, or debt covenant compliance. No impairment is expected to the Company's balance sheet (i.e. on a non-consolidated basis), and therefore there is no anticipated impact to Kenmare's distributable reserves or ability to pay dividends. Should circumstances permit, there is scope for this impairment to be reversed in future periods. Further details will be provided in the H1 2025 Results.

Dividends and financial position

Since 2019, Kenmare has returned approximately \$295 million to shareholders through dividends and share buy-backs. The Company remains committed to continued shareholder returns through its full capital investment cycle and the 2025 interim dividend is likely to be in the range of US\$8-12/share. The Company will disregard the impairment charge in the determination of the full year dividend.

Following the 2024 final dividend distribution of \$28.6 million and significant capital investments in H1, cash and cash equivalents were \$46.5 million at 30 June 2025 (31 December 2024: \$56.7 million). Kenmare had debt of \$128.5 million (31 December 2024: \$80.4 million) and lease liabilities were \$1.1 million (31 December 2024: \$1.3 million). Accordingly, at 30 June 2025, Kenmare had net debt of \$83.1 million (31 December 2024: \$25.0 million).

The Company expects net debt to increase through H2 2025, to remain elevated through the remainder of the current capital project in H1 2026, and to reduce in H2 2026 as free cashflow increases.

Kenmare will announce its H1 2025 Results on 20 August 2025.

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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 Euronext Dublin, Kenmare operates the Moma Titanium Minerals Mine in Mozambique. Moma's production accounts for approximately 6% 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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