KENMARE RESOURCES PLC

Responsibly meeting global demand for **quality-of-life minerals**

ANNUAL REPORT AND ACCOUNTS 2022

Welcome to the 2022 Annual Report

Kenmare Resources plc is one of the world's largest producers of mineral sands products

Who we are

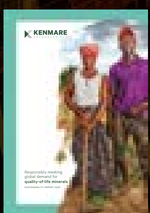
Kenmare is an established mining company that operates the Moma Titanium Minerals Mine, located on the north east coast of Mozambique. Kenmare is listed on the London Stock Exchange and Euronext Dublin. Our mineral sands products are key raw materials ultimately consumed in everyday "quality-of-life" items such as paints, plastics and ceramic tiles. Our mine has been in production for 15 years. We have a long-term commitment to being a responsible corporate citizen.

What we do

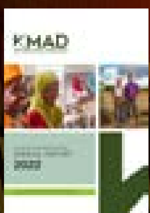
Kenmare's production in 2022 accounted for approximately 7% of global titanium feedstocks, supplying over 25 customers operating in more than 15 countries. Our mine has resources sufficient to support production for more than 100 years at current rates.

How we do it

Kenmare has three mining ponds where dredges mine titanium-rich sands. Three to five percent of the ore contains valuable heavy minerals, which are removed and separated at our plant into four final products: ilmenite, zircon, rutile and mineral sands concentrate. These products are then loaded onto ocean-going vessels at our dedicated port facility. After mining, we rehabilitate the land, and it is progressively returned to the local community. We are proud of our low environmental impact, with hydro-electric power providing half of our overall energy requirements and 90% of our electrical power consumption, and with no toxic chemicals used in our operations.



Read our 2022 Sustainability Report



Read our 2022 KMAD Report

For more information visit:
www.kenmareresources.com

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Highlights

LOST TIME INJURY FREQUENCY RATE
0.09
PER 200,000 HOURS WORKED
(UP FROM 0.03)

CARBON INTENSITY (SCOPES 1&2)
0.055
TONNE CO_2 / TONNE PRODUCT
(DOWN 4%)

PRODUCTION OF FINISHED PRODUCTS
1,200,800
TONNES
(DOWN 2%)

SHIPMENTS OF FINISHED PRODUCTS
1,075,600
TONNES
(DOWN 16%)

REVENUE
$526m
(UP 15%)

EBITDA
$298m
(UP 39%)

PROFIT AFTER TAX
$206m
(UP 60%)

DIVIDEND PER SHARE
USc54.3
(UP 66%)

Contents

RESPONSIBLY MEETING GLOBAL DEMAND

Sustainability is central to every aspect of how we operate, whether it is the safety and health of our employees, our impact on the environment, or how we relate to our host communities.

In 2022, we commissioned our RUPS project, at a cost of $21 million, to stabilise power supply and reduce carbon emissions. We also invested $3 million into community initiatives through KMAD.

97%
MOZAMBICAN EMPLOYEES

50%
TOTAL ENERGY DERIVED FROM RENEWABLE SOURCES

See pages 52-68 to read more about **sustainability at Kenmare**

Demand for the commodities we produce has steadily grown over time.

Kenmare is the world's largest supplier of ilmenite, the primary mineral used in the production of titanium dioxide, a bright white pigment consumed in the production of paints, paper and plastics.

As the global economy grows and continues to urbanise, demand for these "quality-of-life" minerals has steadily increased.

0.2%
GROWTH IN GLOBAL DEMAND FOR TITANIUM MINERALS IN 2022

29%
INCREASE IN ILMENITE PRICES IN 2022

See pages 24-29 to read more about **our marketplace**

Our Moma Mine is one of the largest titanium minerals deposits in the world.

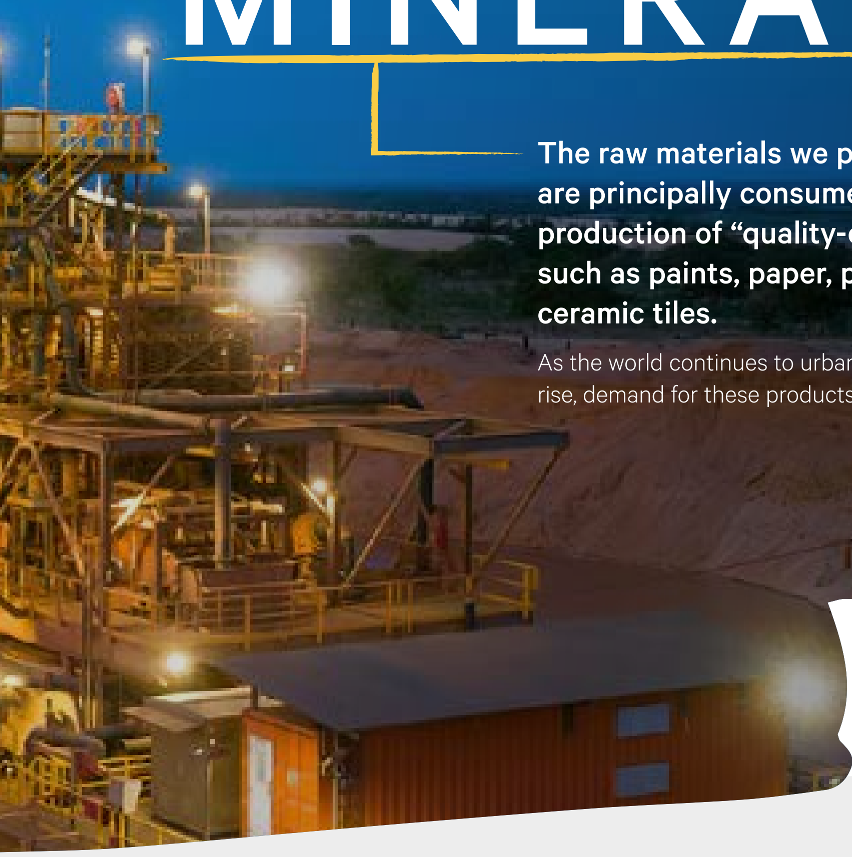
Production began in 2007 and at current rates we have sufficient mineral resources to support production for more than 100 years. This provides optionality to continue to grow as global demand increases and other mines continue to deplete.

1.09 Mt
OF ILMENITE PRODUCTION IN 2022

7%
OF GLOBAL TITANIUM FEEDSTOCKS ARE PRODUCED AT MOMA

See pages 34-41 to read more about **our operations**

FOR QUALITY-OF-LIFE MINERALS



The raw materials we produce are principally consumed in the production of "quality-of-life" items such as paints, paper, plastics and ceramic tiles.

As the world continues to urbanise and incomes rise, demand for these products has also risen.

4
COMMODITY PRODUCT STREAMS PRODUCED AT MOMA

$4.5bn
OF TITANIUM FEEDSTOCK INDUSTRY REVENUES PER ANNUM

See pages 06-07 to read more about **our products**

1 **Rubens Junior**
WCP A Shift Supervisor

2 **Admiro Dias**
Plant Operator

3 **Lourenço Faria**
Plant Operator

May

Completion of the Rotary Uninterruptible Power Supply (RUPS) project

In May 2022, the Rotary Uninterruptible Power Supply project became fully operational. The objective of the RUPS is to improve power stability at the Mineral Separation Plant while also making a significant contribution to reducing greenhouse gas emissions. Since becoming operational, RUPS has proved successful at mitigating a number of electrical supply disruptions in accordance with this objective.

$21m

CAPITAL COST OF RUPS PROJECT

2022 YEAR

January

Zero Lost Time Injuries in the 12 months to 6 January 2022

Record safety performance achieved. The first 12 months of operation without a Lost Time Injury since operations began in 2007.

8m

HOURS WORKED WITHOUT AN LTI TO Q1 2022

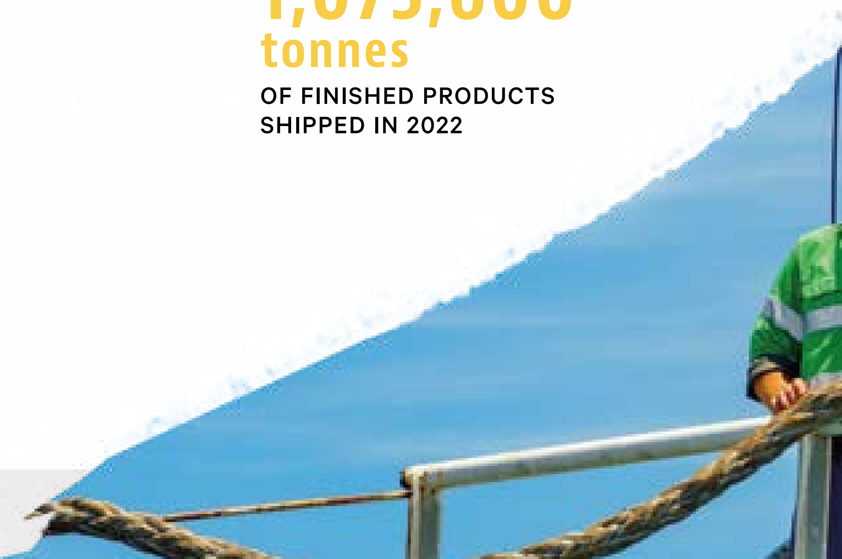
August

Bronagh J transshipment vessel returned from dry dock

One of Kenmare's two transshipment vessels, the Bronagh J, left site in early May 2022 for its five-yearly dry dock maintenance work, reducing significantly Kenmare's shipping capacity in Q2 and Q3 2022. The Bronagh J returned to site on 25 August 2022 and shipping volumes increased significantly in September 2022.

1,075,600 tonnes

OF FINISHED PRODUCTS SHIPPED IN 2022



October

Interim dividend paid of $10.6 million

In August, Kenmare announced a $10.6 million interim dividend (USc10.98 per share) which was paid in October. This represented a 51% increase on 2021, benefitting from the share buy-back completed in December 2021.

USc10.98

PER SHARE INTERIM DIVIDEND

IN REVIEW

December

End-of-year net cash of $27.5 million

Kenmare moved to a net cash position of $27.5 million at the end of 2022, representing a $110.3 million improvement from the prior year, while also having paid record dividends.

$108.3m

OF CASH AND CASH EQUIVALENTS AT YEAR END 2022

OUR PRODUCTS

What we produce

Kenmare has two core product streams: titanium feedstocks (ilmenite and rutile) and zircon, which is a zirconium mineral. Ilmenite is our primary product, representing more than 70% of revenues. We also produce a small quantity of monazite (a mineral containing rare-earth elements) as part of a mixture of products in a concentrate.

Titanium and zirconium minerals are known for imparting the qualities of whiteness and opacity in the products they are consumed in. These products can be found in many areas of everyday life.

Titanium Feedstocks

The production of titanium dioxide pigment accounts for approximately 90% of the demand for titanium feedstocks, like ilmenite and rutile, with smaller quantities used to produce titanium metal and welding electrode fluxes.

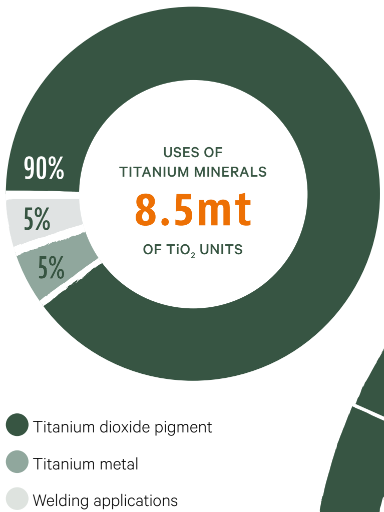
Titanium feedstock production is a $4.5 billion per annum industry and the TiO_2 pigment industry has annual revenues of over $15 billion.

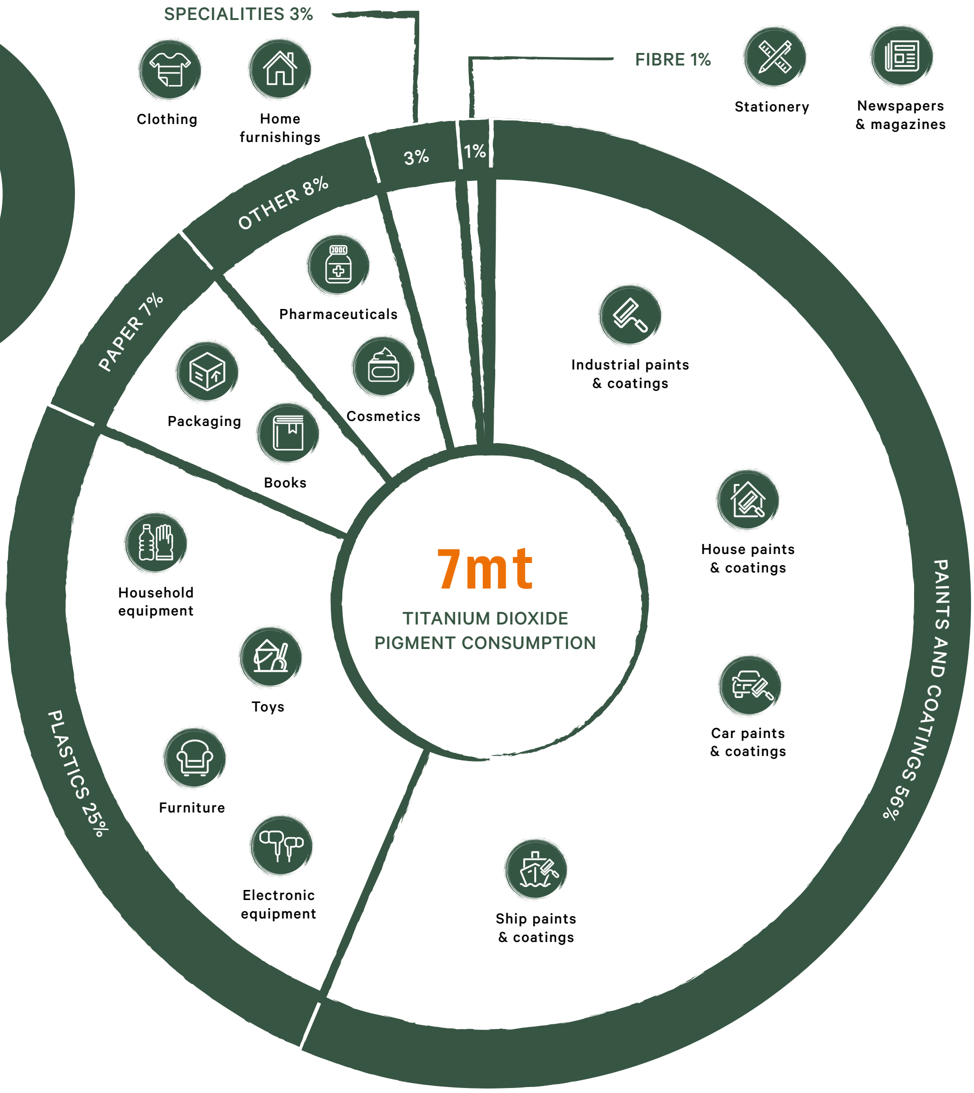
1.09mt

ILMENITE PRODUCED BY KENMARE IN 2022

7%

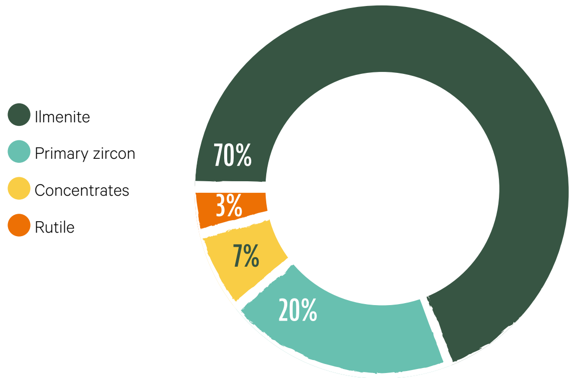
OF GLOBAL TITANIUM FEEDSTOCK PRODUCTION





Revenue by product

Ilmenite is our primary product, generally representing more than 70% of revenues, though this varies from year to year. The relative percentages of the different products sold changes with the pricing of the commodities as well as the volumes of shipments made, which can vary from one period to the next.



Zircon

Zircon sand is an important feedstock to a wide range of industries, of which the ceramics sector is the largest consumer, due to zircon's brilliant whiteness. Zircon is also used in refractory, foundry and chemical applications, which are essential to modern manufacturing.

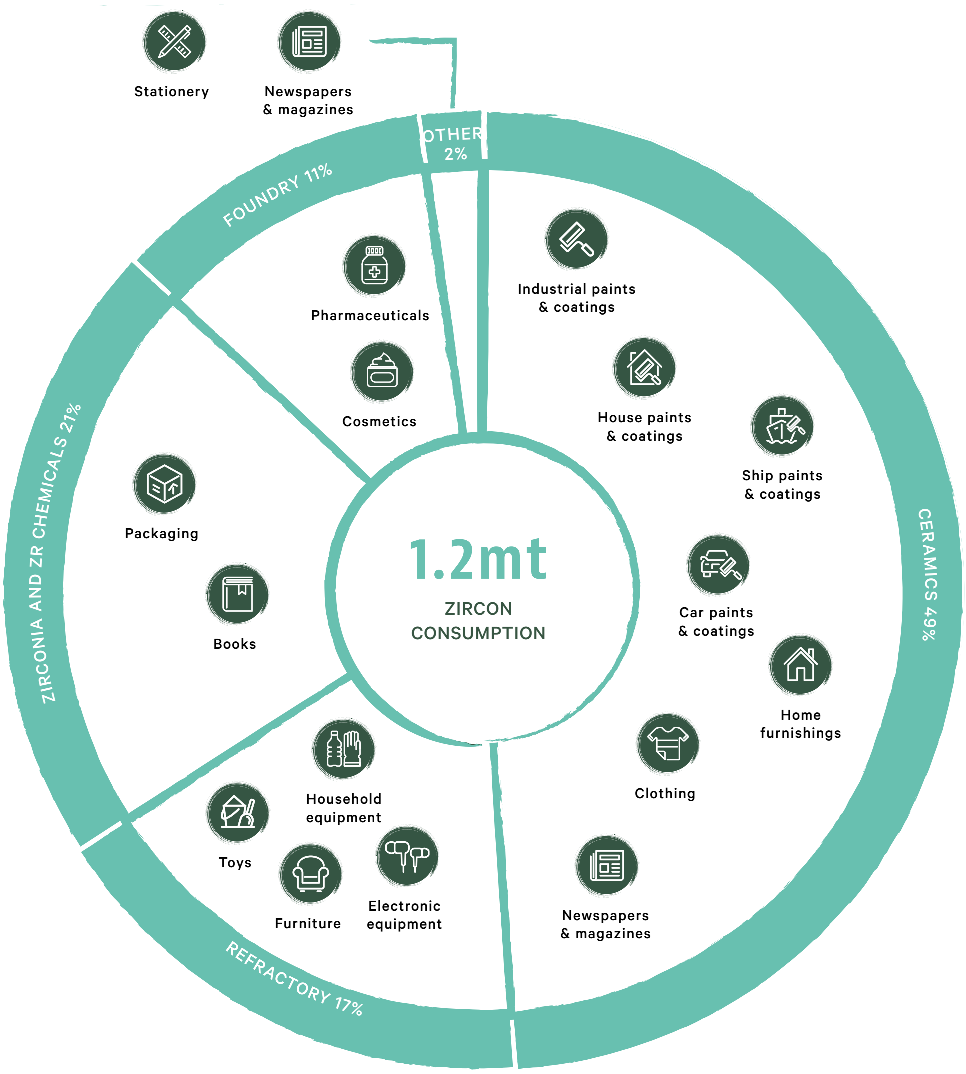
The zircon sand supply sector represents an approximately $1.7 billion per annum industry, with Europe and Asia being the largest markets.

58.4kt

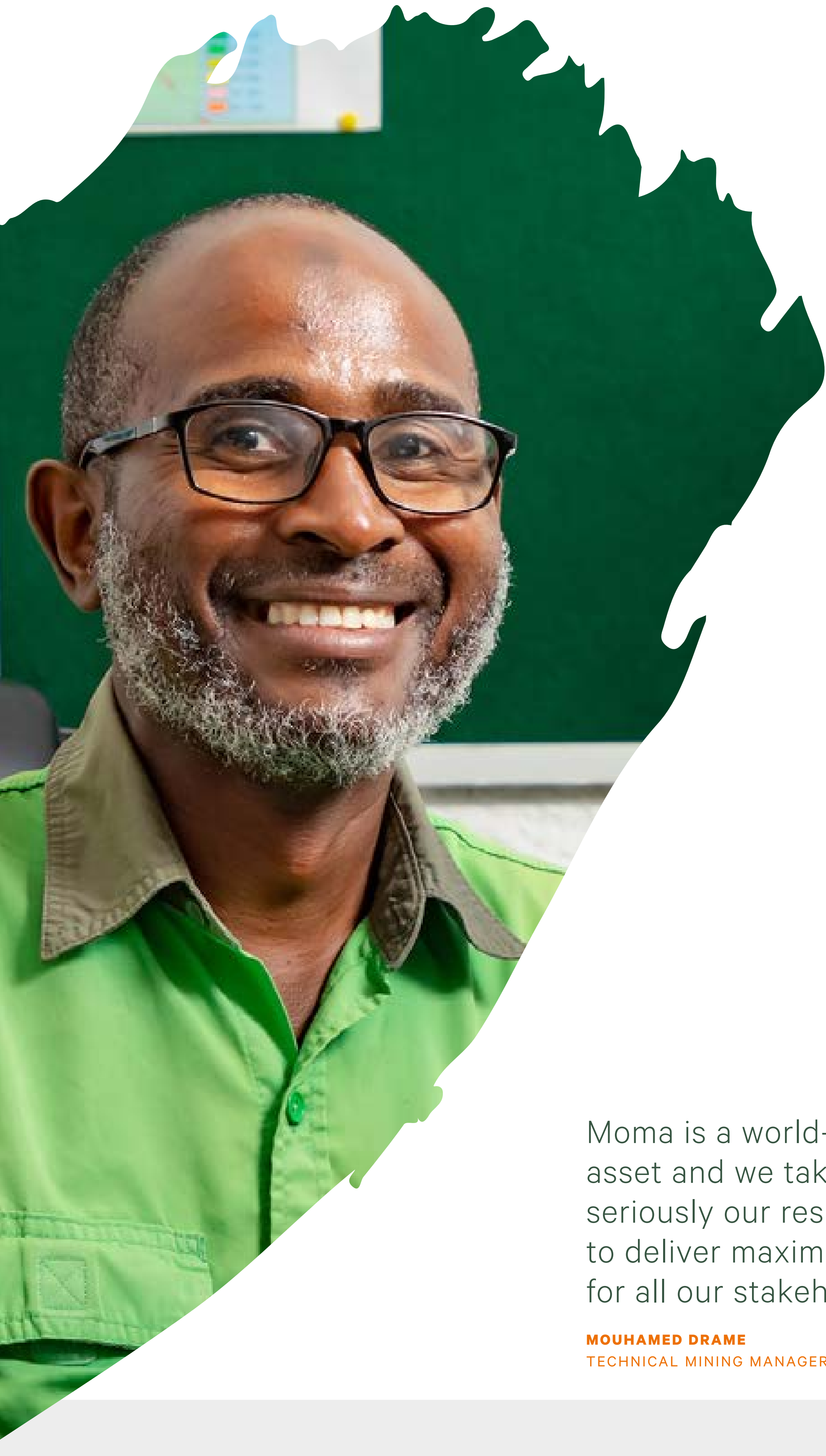
ZIRCON PRODUCED BY KENMARE IN 2022

4%

OF GLOBAL ZIRCON PRODUCTION



STRATEGIC REPORT



Moma is a world-class asset and we take very seriously our responsibility to deliver maximum value for all our stakeholders.

MOUHAMED DRAME
TECHNICAL MINING MANAGER

Record profitability for a second consecutive year

ANDREW WEBB
CHAIRMAN

Dear Shareholders,

Introduction

It is a great honour to have succeeded Steven McTiernan as Chair of Kenmare following our AGM in May 2022. Kenmare has a world-class asset at Moma, a dedicated and talented workforce, safe and well-run operations, and a strong balance sheet.

I'm delighted that the Company achieved record financial results in 2022, including revenues, profitability and dividends.

A highlight of my year was getting out to site at Moma, meeting so many of our colleagues and seeing the passion and enthusiasm they have for our business. Our conversations really drove home to me the strength of Kenmare's culture and how it is lived on a daily basis by staff at all levels of the business.

The visit also provided an opportunity to see the new maternity unit at the Pilivili health centre and inspect the high quality housing which was being built in preparation for the relocation of 83 households from the Isoa village. The Isoa relocation, which was completed in late 2022, has received extremely positive feedback: the new housing delivers a genuine uplift in living standards which I hope will be of lasting value to the community.

Transition to Nataka

Moma first achieved production in 2007, and 2022 marked 15 years of continuous operations there. The feasibility studies for the move to Nataka have demonstrated a clear route to the efficient and effective mining of this orebody and Wet Concentrator Plant (WCP) A is expected to begin transitioning to Nataka from 2025. Nataka represents the majority of our mineral resources and the detailed work we are doing now will underpin low-cost operations for decades to come. TZMI, the leading independent titanium minerals consultancy, has confirmed that Kenmare was a first quartile producer in 2021.

When assessing financial investments, our priority is maintaining the best industry position possible on a sustainable basis to ensure strong business performance through the cycle. Further updates on the Nataka plans will be provided by the management team at the Capital Markets Day on 26 April 2023.

Shareholder returns

2022 marks the fourth consecutive year of dividend payments to shareholders.

66%
INCREASE IN TOTAL DIVIDENDS COMPARED TO 2021

The Board is recommending a final dividend for 2022 of USc43.33 (2021: USc25.42) per share, taking total dividends to $51.7 million or USc54.31 per share (2021: USc32.71), up 66% on 2021.

Looking forward, Kenmare remains committed to returning excess cash to shareholders. In 2023 we expect to begin making capital investments to support the transition of WCP A to Nataka, and there will be a need to balance our planning for long-term returns to shareholders with these funding requirements. We intend to maintain a strong balance sheet as we fund this capital programme, recognising a less certain global economic outlook.

Sustainability

We achieved almost 12 million hours worked without a Lost Time Injury to late September 2022, representing more than 18 months of operations. This was a phenomenal achievement, made possible by the hard work and dedication of all our colleagues. Maintaining this focus on safety is an important goal for 2023.

I am pleased that we have increased the number of female mine employees from 6.9% in 2018 to 14.5% at the end of 2022. This met our gender diversity target for the year but, looking beyond numerical targets, our talented female colleagues are demonstrating the real benefits of diversity through their invaluable contributions across the Kenmare team.

We acknowledge the human contribution to climate change and aim to reduce emissions from our already low carbon intensity operations. Kenmare has an ambition to achieve Net Zero on Scope 1 and 2 emissions by 2040, through ongoing decarbonisation of our operations and active offsetting to abate residual emissions. Absolute greenhouse gas emissions reduced by 6% year on year in 2022, benefitting from the investment we made in the Rotary Uninterruptible Power Supply (RUPS) to reduce the usage of diesel generators, while maintaining stable power to support operations at the Mineral Separation Plant. An extensive maintenance programme at the Mineral Separation Plant also delivered significant diesel efficiencies at the dryers. More details on our achievements, targets and challenges can be found in the Sustainability section of our Annual Report.

6%

YEAR ON YEAR ABSOLUTE GHG EMISSIONS REDUCTION IN 2022

Board developments

Steven McTiernan stepped down as Chair of the Board of Directors following our 2022 AGM, having served nine years on the Board, most of them as Chair. During his time Steven greatly improved the Board's strength and diversity and its governance of Kenmare. I'd like to thank Steven for his guidance, dedication and the time he took to ensure a smooth handover.

In May 2022, the Company announced that our longstanding Financial Director, Tony McCluskey, would be stepping down from the role. Alongside Michael Carvill, Tony led the Company from the exploration phase through to mine development and onto expansion and his dedication to the role was unwavering through his tenure.

Tom Hickey was appointed as Tony's replacement and brings significant financial and natural resources experience to Kenmare, having served for 15 years as Executive Director of several public companies, including eight years as Chief Financial Officer of the African and South American-focused oil and gas producer Tullow Oil plc.

On 31 December 2022, Sameer Oundhakar stepped down from his role with Oman Investment Authority (OIA), which controls African Acquisition S.à.r.l. (AAS), one of Kenmare's largest investors, and which had nominated Sameer to the Kenmare Board. As a result, he stepped down from the Kenmare Board on that date and AAS nominated Issa Al Balushi in his place, who was appointed as a Director in early 2023.

Consequently, four of our nine Directors have been appointed in the last eighteen months. Priorities for 2023 include continued senior management succession planning.

I was pleased to see that this year's internal performance evaluation process indicated a high level of satisfaction with the composition, performance and effectiveness of the Board and Committees. We will continue to improve this effectiveness through a number of initiatives in 2023.

Acknowledgements

On behalf of the Board, I would like to thank Steven McTiernan and Tony McCluskey for their leadership and contributions to the growth of Kenmare over many years, making it the business it is today.

Thank you to everyone who has contributed to the Company's success over the past year: in particular our employees, customers, contractors, local communities and suppliers.

We are a business of scale, supplying over 7% of global titanium feedstocks, and we are fortunate to have mineral resources to grow even further. We are continuing to invest in Moma to ensure a smooth transition to mining at Nataka, where the bulk of our mineral resources lie, while seeking to maintain a first quartile industry position for decades to come.

I look to the future with great optimism and excitement and firmly believe that the successful transition to Nataka will establish a foundation for the long-term success of the Company, to the benefit of all our stakeholders.

ANDREW WEBB
CHAIRMAN

Read more about **our strategy in action** on pages 20-23

Read more about **changes to our Board** on page 105

MANAGING DIRECTOR'S STATEMENT

> Studies to support WCP A's transition to Nataka, from around 2025, continue to progress well

MICHAEL CARVILL
MANAGING DIRECTOR

Dear Shareholders,

Introduction

2022 marked a year of outstanding financial performance for Kenmare, supported by strong product markets. Record revenue and EBITDA, for a second consecutive year, moved the Company into a net cash position by year end.

This has enabled the Board to recommend significantly increased dividends, up 66% on 2021 to USc54.31 per share; also benefitting from the reduced share count related to the buyback completed in late 2021.

After over 30 years with Kenmare, Tony McCluskey retired in 2022 and I'd like to personally thank him for his huge contribution. He leaves Kenmare in the strongest financial position in its history. I would also like to welcome Tom Hickey who has been appointed as Tony's successor, an experienced CFO with 15 years as Executive Director in public companies and significant experience in natural resources and operating in Africa.

Safety

We achieved almost 12 million hours worked without any Lost Time Injuries (LTI) to late September 2022 – a huge achievement and testament to the strong safety culture we have been striving to build.

12m
HOURS WORKED WITHOUT A LOST TIME INJURY

While Kenmare's LTIFR increased to 0.09 incidents per 200,000 hours worked compared to 0.03 in 2021, it nevertheless reduced by 50% relative to the three-year rolling average of 0.18. For a seventh consecutive year we also retained our NOSA maximum five-star level, based on NOSA's independent assessment of the safety systems and procedures at Moma.

However, the three LTIs recorded in late 2022 have caused us to redouble efforts to ensure consistent observance of good safety practices.

Sustainability

At Kenmare, we have always tried to put sustainability at the heart of everything we do by being a trusted corporate citizen that aims to deliver a net positive impact to all stakeholders.

In 2022 the Company completed the RUPS project; this helps to mitigate power supply disruptions at the Mineral Separation Plant and successfully reduced outages during the 2022/3 wet season. It also helps to drive lower carbon emissions, through the reduced usage of diesel generators.

The RUPS project is a good example of NPV positive projects that are also aligned to our goals of achieving Net Zero on Scope 1 and 2 emissions by 2040. We are working hard to identify more projects in the same vein.

Kenmare prides itself on being an organisation where employees can continue to grow and develop over many years. It was particularly pleasing for me to present at our Long Service Awards ceremony at Moma in September 2022, where we congratulated almost 500 employees who had completed more than 10, 20, or even 30 years of service. I was very honoured to see the long-term commitment many of our colleagues have made to the success of our business. We have continued to invest in our people. Each employee at Moma received an average of 46 hours of training during the year, including 186 employees taking part in a bespoke management and leadership coaching programme.

We recently completed our second bi-annual employee engagement survey. Overall engagement levels were found to be 83%, which is high relative to the 65% average reported by the company that carried out the survey. However, the results are lower than our previous survey (2020: 97% engaged) and we will be analysing them closely to form thematic action plans.

Operational performance

In 2022, revised production guidance was achieved for ilmenite and rutile while original production guidance was achieved for primary zircon and concentrates. HMC production in 2022 was 1,586,200 tonnes, a 2% increase compared to 2021. While this was a slight improvement, excavated ore and recoveries were impacted by power outages, difficult mining conditions and slimes, as well as the previously reported bad weather early in the year.

Shipments were impacted by our Bronagh J transshipment vessel going into five-yearly dry dock for maintenance work in Q2/Q3 and by poor weather conditions. However, Q4 2022 was the strongest quarter of the year for shipments and close to a record, with 365,700 tonnes shipped, demonstrating our ability to achieve a 1.3 Mtpa run rate.

Costs were negatively impacted by high inflation rates and unit costs were a product of lower production and higher operating costs.

It has been a stated core strategy of the business to achieve a first quartile revenue to cash cost position in our industry and we were delighted that TZMI, the leading independent commodity consultancy in mineral sands, declared that Kenmare achieved this goal in respect of 2021.

Product market

Kenmare's unique 100-year life-of-mine operation produces a range of titanium feedstocks and accounts for 7% of global titanium feedstock supply. Titanium is listed on the critical minerals list of a number of countries, including the US and in Europe, and used in a wide variety of applications such as providing opacity and colour in paints, paper, plastics, fabrics, inks, and in the manufacture of titanium metal. Zircon products are used in the ceramic industry and in the production of zirconia chemicals, which in turn are used in screens and electronics. Our mineral sands concentrate product contains rare earth oxides which have also been highlighted as critical minerals for the energy transition.

2022 was a strong year for Kenmare's sales. The average price of Kenmare's product suite increased 42% to a record of $463/t as Kenmare continued to establish its position as a reliable supplier of titanium feedstocks. With security and reliability of supply increasingly prominent considerations for many downstream customers, we are seeing the market assign a greater value to Kenmare as a proven, stable long-term supplier, enabling us to place our products in the strongest downstream markets. As high-grade feedstocks continue to deplete, Kenmare's position as the largest merchant supplier of ilmenite provides an optimal position from which to capitalise on ilmenite's growing market share through beneficiation. It also enables us to invest for the future with confidence.

The first half of 2022 saw momentum continue from 2021 as pigment producers operated at close to full capacity and were constrained due to shortages of titanium feedstocks. Pigment demand decreased throughout the year as the global economic outlook weakened and China's zero-COVID-19 policy muted industrial activity. Pigment destocking and inflationary cost increases pressured pigment producers' margins, forcing some producers to delay purchases, constrain production or idle pigment lines. We expect pigment stocks to have depleted in early 2023 with strong signs of increasing demand and the restarting of pigment lines. Despite increased pressure on the pigment market, Kenmare continued to see robust demand and in Q4 2022 achieved a ninth consecutive quarterly price increase for ilmenite.

42%
INCREASE IN RECEIVED PRODUCT PRICES IN 2022

Capital projects

To support the future mine life at Moma we will need to transition production to Nataka, the largest ore zone in Moma's portfolio, in the coming years. Studies to support WCP A's transition to Nataka, which starts mining there from 2025, continue to progress well.

Unlike the move of WCP B via road, WCP A will mine its way to a high-grade path in Nataka through a transition corridor from Namalope. Once WCP A has arrived in Nataka, the plant will spend the rest of its economic life there. The ore we mine contains very fine particles that do not settle easily in water - known as slimes. They cause challenges with our operations and slimes management is a key factor in keeping our operating costs low. The slimes levels in our mining path have been growing in recent years and the move to Nataka will further raise the levels of slimes encountered. Management of these conditions is essential to successful production at Nataka and we expect to introduce a dedicated desliming circuit at WCP A in advance of the move to fully address these operational challenges.

Studies have been focused on the optimisation of mining in this new ore zone to make sure that we can remain in the first quartile of the revenue to cash cost position in our industry, as this is central to our strategy of ensuring strong cash flows through the cycle. This has involved extensive work developing a robust operating model and assessing the appropriate balance between capital and operating costs to obtain the optimal solution.

Outlook

I would like to thank all our colleagues who have continued to work tirelessly to support the growth of Kenmare. Working closely with our partners, particularly those in Mozambique, is a key element to our success and I would like to thank them all for their support last year.

The work Kenmare has completed since 2018 to increase production volumes, control costs and become a first quartile producer in our industry has built a great foundation. Despite a potentially softer global economy in the short term, we remain strongly positioned with record profitability.

In 2023 we expect our product markets to be more challenging, although our fundamentals remain strong. We have an industry-leading safety record and a long-life orebody with mineral resources to support production for more than 100 years. Our robust balance sheet and strong cash flow generation give us confidence in our ability to maintain strong shareholder returns while funding the transition of WCP A to secure mining for decades to come.

I look forward to laying out our future plans in more detail at the Capital Markets Day on 26 April 2023.

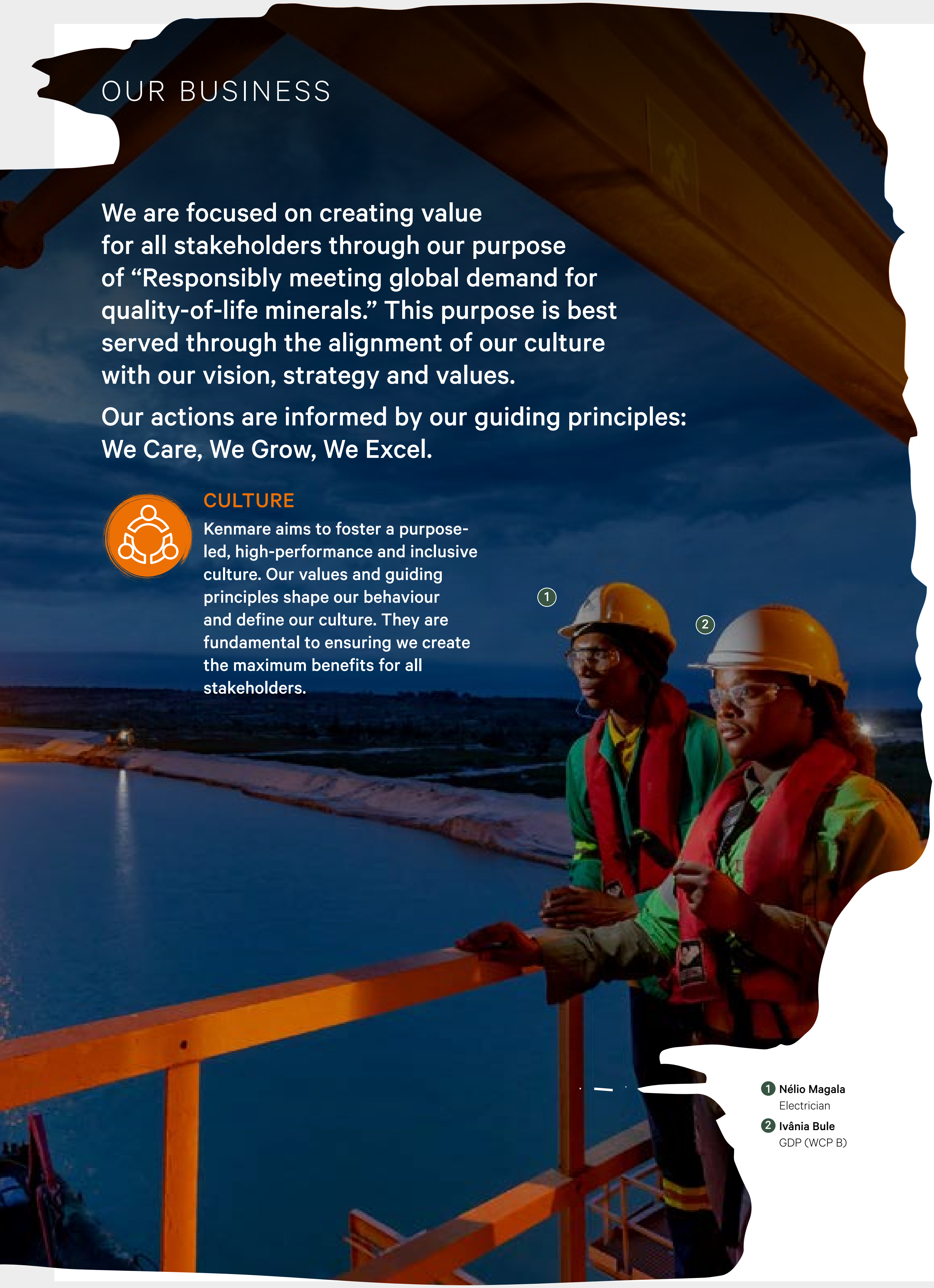
MICHAEL CARVILL
MANAGING DIRECTOR

We are focused on creating value for all stakeholders through our purpose of "Responsibly meeting global demand for quality-of-life minerals." This purpose is best served through the alignment of our culture with our vision, strategy and values.

Our actions are informed by our guiding principles: We Care, We Grow, We Excel.

CULTURE

Kenmare aims to foster a purpose-led, high-performance and inclusive culture. Our values and guiding principles shape our behaviour and define our culture. They are fundamental to ensuring we create the maximum benefits for all stakeholders.



1 **Nélio Magala**
Electrician

2 **Ivânia Bule**
GDP (WCP B)

We care for:

- The safety, health, security and well-being of our employees, the environment, communities and other stakeholders.
- Our host communities by forming partnerships; sharing and participating in the preservation of their environment, traditions and values.
- Company assets by providing suitable security and risk management systems and striving for best practice in their operation and maintenance.

We grow our:

- Employees by providing attractive work opportunities, treating them fairly and providing opportunities for personal growth to match their interests and capabilities.
- Host communities by forming partnerships to develop and promote economic and social well-being.
- Company through exploration, production expansion projects, and expanding existing and new markets.

We excel by:

- Optimising operations, increasing productivity and lowering costs through the continuous improvement of processes, procedures and skills.
- Achieving control and standardisation through planning and developing systems and processes of work.
- Striving for best practice in all areas of operations, customer service and corporate citizenship.

Positioned in the first quartile

What it means

A first quartile producer generates more revenues per dollar of cash costs than 75% of its competitors.

The benefits

Companies who operate in the first quartile will generate higher cash margins, providing an opportunity to invest through the commodity cycle, while supporting returns to shareholders.

STAKEHOLDER ENGAGEMENT

Kenmare aims to be a respected and respectful corporate citizen and for our operations to run without interruption.

To achieve this, we require an understanding of the political, social, environmental, and economic context of our operations and how our presence and activities impact neighbouring communities.

Responsibility for stakeholder engagement is embedded across the business, from the Board to the Executive Committee and site leadership teams, to our community liaison teams, to KMAD, and our contractors. Everyone who interacts with Kenmare's employees, investors, lending banks, national or local government, suppliers and host communities is responsible for ensuring that we not only understand the context and impacts of our operations, but also the benefits that can arise from our activities.

Read more about **commitment to sustainability** on pages 52-68

Read more about **our payments to government** on page 66

Employees and unions

Communities

IMPORTANCE OF ENGAGING

At Kenmare we believe that our employees are the cornerstone of our business and that a partnership approach is vital to achieving business objectives. We provide competitive remuneration and invest in professional and personal development, while providing a safe and healthy working environment.

Kenmare values our relationship with our host communities highly. Our stakeholder engagement plan is updated annually and reflects the changing dynamics in the relationship between the Mine and our host communities.

WAYS WE ENGAGE AND HOW WE MONITOR ENGAGEMENT

- Facilitate quarterly union meetings
- Undertake quarterly performance and feedback meetings with employees
- Undertake bi-monthly departmental "focal points" meetings
- Engage union representatives constructively on collective bargaining issues
- Support networking forums such as the Kenmare Women in Mining Forum
- Operate an independent whistleblowing service
- Publish company newsletters, host town hall meetings and undertake staff engagement surveys

- Host formal bi-monthly and informal ad hoc community meetings to understand and discuss our host communities' concerns and priorities
- Support community radio stations to inform the community of Kenmare's and KMAD's activities
- Conduct Environmental, Social and Health Impact Assessments to identify potential positive and negative impacts of the Mine's activities
- Operate grievance mechanisms to address community concerns and maintain a grievance register
- KMAD hosts three meetings annually and publishes a quarterly newsletter

SIGNIFICANT TOPICS RAISED

- Training and development opportunities
- Remuneration
- Working conditions
- Labour rights
- Human rights
- Health and safety

- Respect for local values and traditions
- Socio-economic development
- Employment and procurement opportunities
- Land rehabilitation
- Community well-being

KENMARE'S RESPONSE AND ACTIONS TAKEN

- 290 public security personnel have received external training on the Voluntary Principles
- Leadership development training programme
- Employee engagement at 83% as measured by biennial survey
- Female representation in mine workforce reached 14.5%, with 25% female senior management

- 191 ha of land rehabilitated
- $660,000 generated by KMAD-sponsored micro-businesses
- 11 new contracts with local suppliers
- Independent social baseline survey undertaken to understand impact of the Mine on its host communities over time

Government and regulators

Kenmare complies with applicable laws and regulations and ensure that Mozambique shares in the benefits of the Moma Mine. We maintain a proactive dialogue with national, district and provincial government so they are well-informed of our activities.

- Direct engagement with local, provincial and national government authorities regarding mining rights, environmental issues and permitting
- Provide monthly, quarterly and annual reports to the Ministry of Mineral Resources and Energy
- Provide annual report to the Ministry for Land and Environment
- Provide quarterly report to the District Authorities
- Provide Portuguese summary of Kenmare's Annual Report to all government departments

- Compliance with applicable laws and regulations
- Employment opportunities and labour rights
- Health and safety
- Environmental stewardship
- Licences and permitting
- Taxation and royalties

- Publication of a Portuguese version of the Company website
- Donations of medical equipment to support the regional health service

Shareholders

Our shareholders are Kenmare's owners and their continued support is critical to the business. They provide the capital to develop and expand our operations responsibly and sustainably and consequently, we need to ensure we continue to deliver a compelling investor proposition and meet our debt obligations as they fall due.

- Attend investor conferences
- Host webinars and group presentations
- Organise one-on-one meetings and roadshows
- Host site visits
- Participate in interviews with the investment press
- Direct dialogue at the Annual General Meeting
- Produce corporate materials including announcements, Company website, Annual Report and social media profiles

- Operating and financial performance
- Growth strategy
- Capital expenditure projects
- Product markets
- Environmental, social and governance (ESG) performance

- Dividends increased 66% in 2022
- Site visit held for investors and analysts in May 2022
- Second Sustainability Report published in 2022
- Third successive increase in Carbon Disclosure Project (CDP) score (currently B rated)

Suppliers, contractors and customers

We believe in building stable, long-term relationships based on mutually beneficial terms with our suppliers, contractors, customers and financial service providers. It is integral to business success that we work in collaboration with the whole value chain, as we strive for compliance with our ethical, environmental and safety standards.

- Direct communication
- Contractual relationships
- Host site visits, workshops, meetings and training
- Operate an independent whistleblowing service

- Working conditions
- Labour rights
- Human rights
- Health and safety
- Security

- 100% of the 62 on-site suppliers audited
- 79% compliance by audited suppliers with Kenmare's Supplier Code of Conduct
- $29.5 million in payments to Mozambican government (2021: $26.5 million)
- 12% increase in local procurement to $116m

OUR BUSINESS MODEL

Key inputs that drive our success

Market Fundamentals

Global demand

Read about the uses for our products on pages 06-07

Competition

Read about the expected supply on page 25

Commodity Prices

See the positive trend in prices on pages 28-29

Our Integrated Approach

Responsible approach

Read about our approach to sustainability on pages 52-68

Good corporate governance

Read about our corporate governance from pages 98-102

Stakeholder engagement

Read about our key stakeholders on pages 16-17

Assets

Our employees

Read about our safe and engaged workforce on page 52

Large Mineral Resource

Read about our 6.3 billion tonnes of Mineral Resources on page 42

In-house port facility

Read about our transport on page 41

High grade opportunities

Read about the Nataka pre-feasibility study on page 40

Significant financial resources

Read about our strong financial position on page 46

Renewable energy source

Over 90% of our electricity comes from hydroelectricity, see page 63

Value generated for stakeholders and our impacts

11.8

MILLION HOURS WITHOUT A LOST TIME INJURY

Employees and unions

Our employees are our most important asset and the objective of our safety culture is to ensure that we provide a safe working environment. We continue to work to increase opportunities for women and Mozambicans through targeted training programmes. In 2022 the Company rolled out a leadership programme to employees, providing specialist training to support a coaching style of leadership throughout the organisation.

$29.5

MILLION IN PAYMENTS TO MOZAMBIQUE GOVERNMENT

Government and regulators

Kenmare's production accounts for approximately 7% of Mozambique's exports. The Government has always upheld the terms of our licences and other agreements, and we value their partnership highly. In 2022, Kenmare was named the most transparent company in Mozambique for the third consecutive year by the Centre for Public Integrity's Extractive Industry Transparency Index.

1.07

MILLION TONNES OF PRODUCT SOLD IN 2022

Suppliers, contractors and customers

We are the world's largest supplier of ilmenite and we believe our products are among the lowest carbon-intensity in the industry, with hydroelectric power providing half of our overall energy requirements and 90% of our electrical power consumption. 100% of the 62 on-site suppliers have been audited and $37 million was spent with Nampula province suppliers in 2022.

191

HECTARES OF LAND REHABILITATED IN 2022

Environment

Kenmare is committed to responsible environmental stewardship and efficient use of natural resources. We are proud of our low environmental impact, including employing progressive rehabilitation practices. In 2022, we rehabilitated 191 ha of land, exceeding our target of 174 ha. A further 93 ha of previously rehabilitated land was improved, and we planted over 72,000 indigenous trees and over 82,000 casuarinas.

$51.7

MILLION IN DIVIDENDS FOR 2022

Shareholders

The Board recommended an increased dividend in 2022, rising by $19.6 million, up 61%. In March 2023, Kenmare proposed a 2022 final dividend of USc43.33 per share, payable in May. Additional capital returns will be considered against market conditions and upcoming capital requirements (particularly the move of WCP A to Nataka), maintaining a strong balance sheet.

$3.0

MILLION INVESTED IN KMAD COMMUNITY INITIATIVES IN 2022

Communities

Kenmare aims to be a catalyst for positive social and economic change in the Moma Mine's host communities. In 2022, $3.0 million was invested to support the improvement of livelihoods, healthcare services and education provision through KMAD, including new accommodation blocks at the Topuito Technical College.

See pages 34-41 to read more about **our operations**

See pages 36-37 to read more about **our operating process**

What we do

See pages 96-97 to read more about **our culture**

OUR STRATEGY

Our vision is to be a leading titanium minerals producer positioned in the first quartile of the industry.

We will deliver this vision through Kenmare's strategy, which is based around three strategic pillars, including our commitment to being a responsible corporate citizen. Our strategic pillars are to 1) operate responsibly, 2) deliver long-life, low-cost production and 3) to allocate capital efficiently.

KPI KEY

- LTIFR
- GHG emissions
- Gender diversity
- Processing
- Shipments
- Cash costs
- EBITDA
- Profit after tax
- Total capital expenditure
- Net cash/(debt)
- Shareholder returns
- Return on Capital Employed

RISK KEY

Strategic Risks · Operational Risks · Financial Risks

1 Grant and maintenance of licences
2 Country risk
3 Geotechnical risk
4 Severe weather events
5 Uncertainty over physical characteristics of the orebody
6 Power supply and transmission risk
7 Asset damage or loss
8 Health, Safety and Environment (HSE)
9 Mineral Resource statement risk
10 IT security risk
11 Development project risk
12 Industry cyclicality
13 Customer concentration
14 Foreign currency risk
15 Aggresive cost inflation

Operate responsibly

Kenmare believes in "doing the right thing" and this is central to all aspects of how we do business. We have a long-standing commitment to sustainability and are focused on continually improving our environment, social, and governance performance. Our sustainability strategy, comprised of four strategic goals, ensures we maximise value and create opportunities from the Moma Mine for the benefit of all stakeholders.

Strategic Priorities

We are focused on:

- Developing a safe and engaged workforce
- Supporting thriving communities
- Protecting a healthy natural environment
- Being a trusted business

Performance in 2022

Kenmare set a new Company safety record in 2022, completing an industry-leading safety performance milestone of 12 million LTI-free hours worked. Female representation in mine workforce reached 14.5%, hitting our stretch target. The Company also completed the relocation of 83 community houses for the resettlement of the Isoa village. The Rotary Uninterruptible Power Supply (RUPS) project was also commissioned, negating constant use of diesel generators and helping to support wider diesel-related efficiencies at the Mineral Separation Plant. The Company's Carbon Disclosure Project (CDP) score improved for the third successive year to a B score. Kenmare was also named the most transparent company in Mozambique for the third consecutive year.

Outlook

Sustaining a safe, healthy and engaged workforce, increasing the prosperity of Kenmare's host communities, creating and sustaining a positive environmental legacy and driving improved ethics and transparency in our business and supply chain are all core to the success of our business. We have researched and identified the material issues facing our business and set short, medium and longer-term targets based on these.

We continue to raise the standards we hold ourselves to and further details of Kenmare's sustainability targets for 2023 and beyond can be found on pages 52-68 and in our Sustainability Report.

CASE STUDY

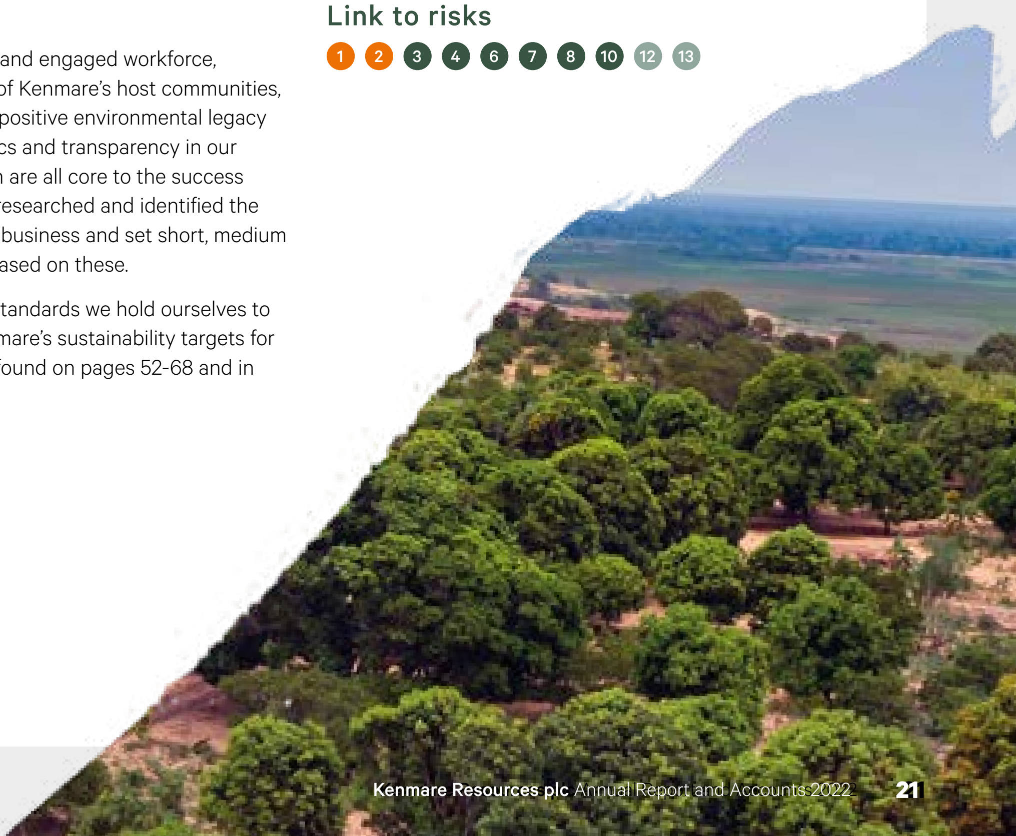
Leadership coaching programme

As part of its commitment to operate responsibly, Kenmare has been investing in the training and development of its employees. In 2022 the Company rolled out a leadership programme to 186 employees, providing specialist training to support a coaching style of leadership throughout the organisation. Through the programme, leaders received coaching on safety culture, active engagement and operational accountability, empowering them to do the right thing and better lead their teams.

Links to KPIs

Link to risks

1 2 3 4 6 7 8 10 12 13



Delivering long-life, low-cost production

Moma is one of the largest titanium minerals deposits in the world. With 6.3 billion tonnes of Mineral Resources, there is significant potential for further brownfield expansion opportunities when the market conditions are right.

We now have the mining and processing capacity to deliver 1.2 million tonnes per annum (Mtpa) of ilmenite production on a sustainable basis and are targeting a first quartile operating position on the industry revenue to cost curve.

Strategic Priorities

We are focused on:

- Realising the growth potential of our 100+ year Mineral Resources
- Achieving 1.2 Mtpa safe and sustainable ilmenite production, with 20+ years' mine life visibility
- Moving into first quartile of industry revenue to cost curve

2022 was a record year for revenues and profitability since the first production of heavy minerals from Moma in 2007.

Performance in 2022

HMC production in 2022 was 1,586,200 tonnes, a 2% increase compared to 2021 (1,555,900 tonnes). While an improvement on 2021, excavated ore and recoveries were impacted by power outages, mining conditions and slimes, as well as bad weather in Q1.

Total cash operating costs were 3% above the top end of our guidance range at $216.7 million, principally due to high global inflation rates. Cash operating costs per tonne increased by 16% compared to 2021 to $180 per tonne, principally due to higher costs. However, costs per tonne of ilmenite produced after co-product revenues fell 36% to $60 per tonne, setting a new record.

Links to KPIs

CO_2

Outlook

Kenmare aims to maintain its position as a first quartile producer on the industry revenue to cost curve. Moma has Mineral Resources of more than 100 years at a 1.2 Mtpa ilmenite production rate. In 2023, the Company will outline plans for the WCP A transition to the Nataka ore zone, which hosts 79% of the Mineral Resources and will support production for decades to come.

CASE STUDY

Transition to Nataka

The Nataka ore zone contains 79% of the Moma Mine's total 6.3 billion tonnes of Mineral Resources, which are sufficient for more than 100 years of production at current rates. Studies to date have confirmed the best mining methods for the Nataka ore zone, where WCP A is expected to transition to and commence mining in approximately 2025. Initial estimates suggest that the capital cost is unlikely to be less than $225 million. Longer term, Kenmare also plans to relocate the smaller WCP C to the Nataka ore zone in 2030.

Link to risks

2 3 4 5 7 8 9 11

Allocate capital efficiently

We constantly assess the best ways to deploy the capital generated from our activities to ensure it creates value for our stakeholders. A strong balance sheet provides the platform to fund our capital requirements, while we established our dividend policy in 2018 to provide returns to our shareholders. We also work hard to uncover, assess and develop value accretive projects to deliver growth.

Strategic Priorities

We are focused on:

- Maintaining a strong and flexible balance sheet
- Continuing to make compelling shareholder returns
- Developing value accretive growth opportunities

Performance in 2022

In 2022 Kenmare finished the year with a strong balance sheet and net cash of $27.5 million. The Company has proposed a final dividend of $41.1 million, up 70% on 2021, following the stated intention to increase shareholder returns, supported by robust operational performance and commodity market strength.

Kenmare commissioned the RUPS project in 2022. This project is Net Present Value positive with an estimated cost of $21 million, helping to improve operational stability at the Mineral Separation Plant while also reducing carbon emissions.

Outlook

We remain focused on delivering significant shareholder returns, supported by strong operational performance and robust commodity markets. Studies for the transition of WCP A to Nataka are ongoing with a Capital Markets Day on 26 April 2023. Wet Concentrator Plant A is expected to commence mining in Nataka in 2025 and the investment planned for the move will help to support operations for decades to come.

Kenmare's corporate development team continually assess the potential opportunities for organic and inorganic growth.

CASE STUDY

Bronagh J dry dock

In early May 2022, the Bronagh J sailed to South Africa for its five-yearly dry dock maintenance. This is necessary to maintain the performance and condition of our transshipment fleet over the long life of the mine. While this resulted in a significant temporary reduction in Kenmare's shipping capacity in Q2 and Q3 2022, shipping volumes increased again in September 2022 after the transshipment vessel returned to site on 25 August 2022 following a rigorous maintenance and upgrade programme. Shipments in Q4 2022 were near record levels with 365,700 tonnes of finished product shipped to customers.

Links to KPIs

CO_2

Link to risks

5 6 7 8 10 11 14 15

Market leaders in mineral sands

CILLIAN MURPHY
MARKETING MANAGER

Kenmare produces two main product groups – titanium feedstocks (ilmenite and rutile) and zircon.

Kenmare produces minerals key to future economic growth and the energy transition. As a result, the minerals Kenmare produces are all considered critical minerals.

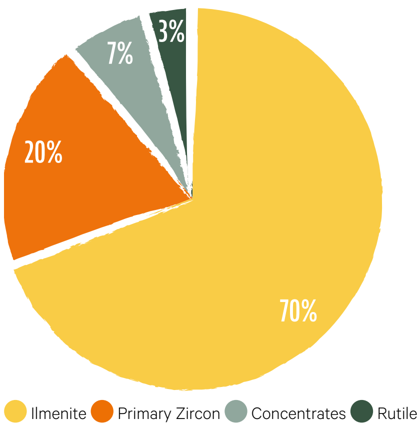
Titanium feedstocks

Kenmare supplies approximately 7% of global titanium feedstocks through its ilmenite, rutile and concentrate products. Titanium feedstocks are primarily consumed to produce titanium pigment but are also consumed in the welding market and the fast-growing titanium metal market.

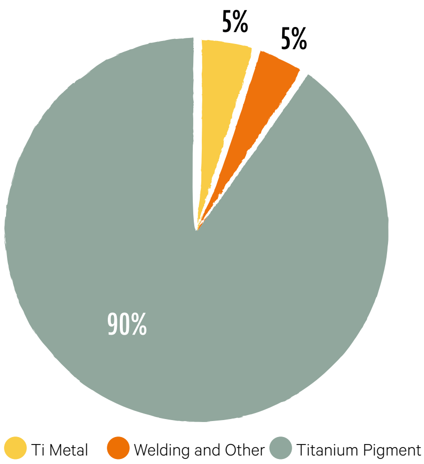
Titanium pigment is used in a wide range of everyday items such as paint and coatings, plastics, paper and textiles. Titanium pigment is used for its opacity and brightness and currently has no substitutes of comparable quality. Titanium metal is consumed due to its high strength-to-weight ratio and saw strong growth in 2022 as the aerospace and auto markets rebounded and global spending on defence increased. Titanium has been listed as a critical mineral by the EU and by the United States Government.

Kenmare is the largest supplier of merchant ilmenite in the market. Kenmare's ilmenite products can be consumed in both the chloride and sulphate pigment process and we supply ilmenite to all the major consuming regions globally.

2022 Revenue split



Titanium feedstock consumption



Zircon

Kenmare supplies four products containing zircon and is the fifth largest supplier of zircon globally. Zircon is a preferred raw material for ceramics, refractory, foundry and other end-uses due to its opacity, high melting point and high refractive index. Zirconium has also been listed as a critical mineral in the EU and the US.

The major markets for zircon historically have been Europe and China but we are seeing increasing growth from India and Latin America. Zircon production is largely concentrated in Australia and southern Africa.

Rare earth elements

Kenmare started supplying rare earths in 2019 through a concentrate product containing monazite. Rare earths, such as praseodymium and neodymium, are consumed in permanent magnets crucial to fast-growing markets such as electric vehicles and wind turbines.

Rare earths demand is expected to see strong growth in the coming years as the world transitions away from fossil fuels and towards Net Zero emissions targets. As a result, several key rare earth elements contained in Kenmare's concentrate, such as praseodymium, neodymium and dysprosium, are listed as critical minerals.

Macro-economic environment

Kenmare's titanium feedstock and zircon products are used in everyday, quality of life products and have shown a strong long-term correlation to economic growth over time. The global economy faced severe challenges in 2022, primarily from the war in Ukraine and disruption caused by COVID-19 driven policies. Global supply constraints caused inflation to surge in 2022 and major central banks have responded by increasing interest rates throughout the year. Economic growth is estimated to have slowed as a result. This has particularly been the case in the construction market in major regions such as Europe, China and North America.

Inflation has begun to decrease and there is an expectation that central banks will slow interest rate rises despite robust economies. Therefore, economists have grown more optimistic on the global economy in 2023 and expect to see growth gradually improve through 2023, with China leading the way as it rebounds from its constrained state under the COVID-19 policy.

Our markets in 2022

Titanium feedstocks

The titanium feedstock market had a strong year in 2022. As a result of the prevailing tight market conditions, Kenmare achieved record prices for its ilmenite products in 2022 and finished with record quarterly pricing in Q4 2022.

2021 was epitomised by strong demand for titanium feedstock and supply constraints at major feedstock producers. This resulted in a tight market for our ilmenite products in early 2022. Demand for titanium pigment was strong in Q1 2022 and inventories were low throughout the supply chain. Further, when Russia invaded Ukraine in February 2022, ilmenite supply from Ukraine was disrupted further exacerbating the shortage in the market.

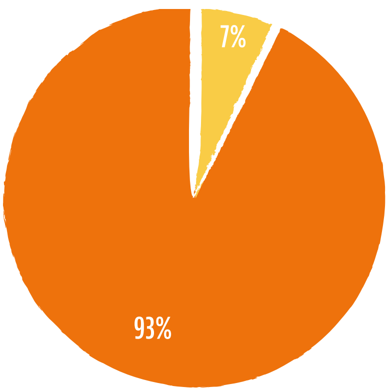
Tight market conditions continued into Q2 2022 as some supply remained constrained and global demand remained robust. However, some weakness in the demand for titanium pigment became evident towards the end of the quarter. This was particularly the case in China as the zero-COVID-19 policy led to lockdowns in several cities which had a dampening effect on consumer demand. In Europe, the war in Ukraine caused higher energy costs which began to weigh on consumer confidence and pigment margins. Despite this, Kenmare continued to see strong demand for its ilmenite as strong pigment production in most regions continued despite weaker downstream demand and customers valued supply security given constraints from other producers.

Further weakness in the pigment market became evident in Q3 2022. The soft market conditions in China worsened and pigment producers drew back production as their sales weakened. In Europe, economic activity slowed on the back of high inflation and the resulting interest rate increases. Pigment sales slowed and high energy prices forced pigment producers to reduce production in the region and even suspend some operations.

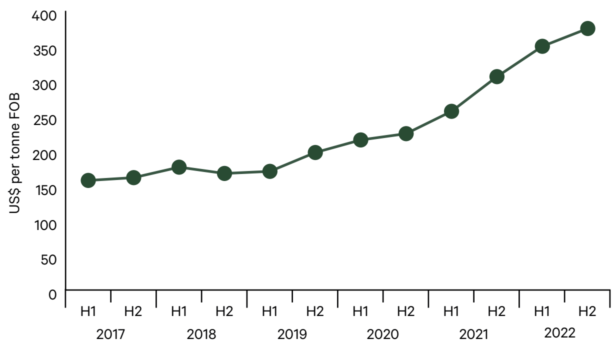
Demand in the North American market remained more robust. Demand for ilmenite slowed due to the weaker pigment market and prices of low-quality products decreased in the spot market. However, demand for Kenmare's high-quality ilmenite products remained robust.

Market conditions for titanium feedstocks deteriorated in the fourth quarter as the pigment market weakened again. Downstream demand continued to be subdued because of slower economic growth and pigment customers destocking their inventories through Q4 2022. This resulted in a large decrease in pigment sales and production globally. There were signs of optimism in China as the government loosened its COVID-19 policies and ramped up stimulus efforts to support the struggling real estate market. Pigment producers and titanium metal producers responded by increasing production in the country supporting ilmenite demand. Spot prices of ilmenite decreased towards the end of the quarter but despite this, Kenmare achieved price increases for its products in the quarter resulting in the ninth consecutive quarter of price increases.

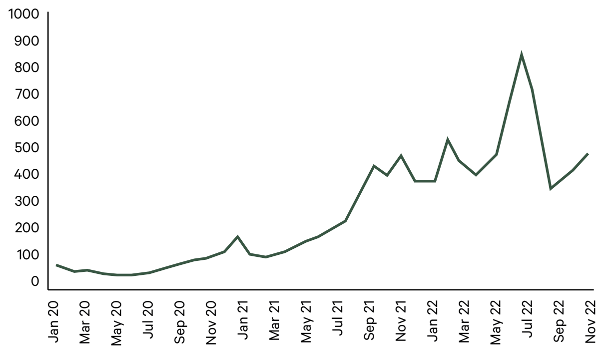
Titanium feedstock market



Average ilmenite price



Global gas price index



Zircon

The zircon market maintained its tight conditions in 2022 due to strong demand and limited supply. Inventories were consumed to meet the demand in H1 2022 but these were mostly depleted by mid-year at the same time as demand started to soften.

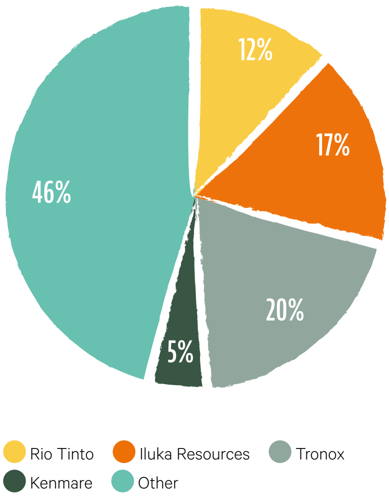
The tight market conditions from the end of 2021 continued in Q1 2022. Demand in all regions remained robust despite energy inflation causing challenges in the ceramics industry in Europe and China towards the end of the quarter. Major zircon producers released inventories from stockpiles helping to keep the market balanced. Prices increased in all regions as the strong market conditions prevailed.

It was a similar story in Q2 2022 with strong demand evident in almost all sectors and further inventory drawdowns required to keep the market balanced. Major producers reacted by announcing further price increases. However, there were initial signs of weakness in the Chinese market. A slowing housing market in China started to have a direct impact on the ceramics market and city-wide lockdowns due to COVID-19 outbreaks reduced consumer activity and consumer confidence.

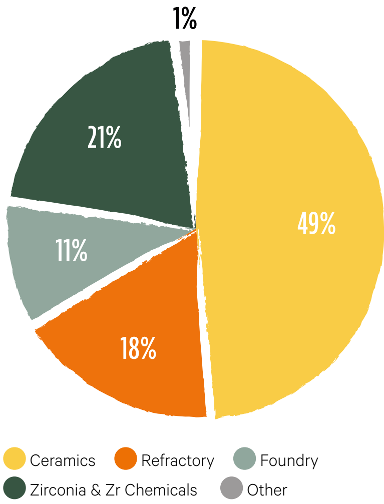
The same challenges continued through Q3 in the Chinese ceramics market and spot prices to the zircon market in China started to decrease. Outside of China, refractory and foundry markets remained robust but higher energy prices started to impact tile production, particularly in Europe. On the supply side, inventories had been depleted by the end of Q2 2022 and this meant that supply available to the market decreased resulting in prices remaining mostly flat outside China.

The European and Chinese markets remained subdued in Q4 2022. However, the end to the zero-COVID-19 policy and increased stimulus to the real estate market in China gave reasons for optimism and prices in China stabilised in late Q4 2022. In other markets, India remained robust, particularly the large ceramic slab market, which supported demand for zircon. As we ended the year, demand had softened but supply had also reduced leading to low inventories in the supply chain and prices remained stable.

2022 Zircon market share



Zircon demand by end-use



Rare-earth elements

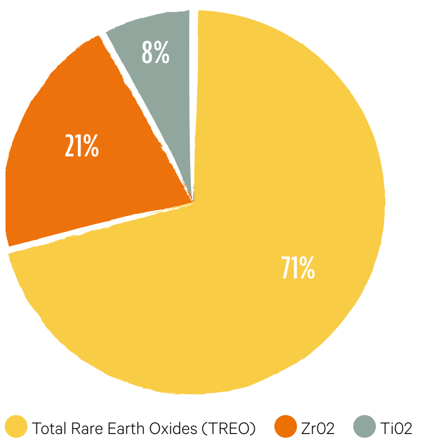
In 2019, Kenmare began supplying rare earths, through sales of its mineral sands concentrate and 2022 set a new record year for sales of the product. The rare earths market continued its momentum in 2022 as demand for critical minerals continued to increase and prices rebounded as a result.

The rare earths markets started the year strongly with demand for permanent magnets increasing due to strong demand in the electric vehicle market despite the global semiconductor shortage. This resulted in Kenmare achieving a record price for its concentrate product early in the year.

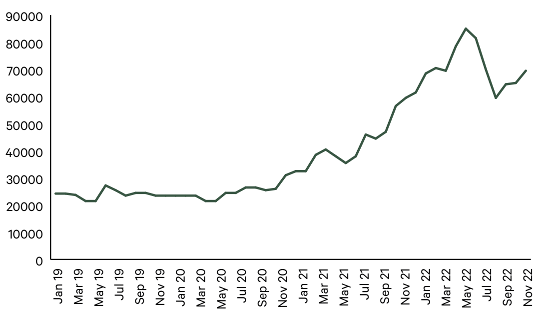
Market demand weakened in the middle of the year. This was primarily due to weakness in China as a result of the COVID-19 related lockdowns. Weakness in demand in China weighed heavily on the price of monazite and Kenmare was impacted in Q3 2022 with lower prices received. On top of this, freight was at an elevated level due to global supply chain issues further impacting received prices.

The change in COVID-19 policies in China positively impacted the demand for monazite in Q4 2022 and prices increased as a result. Momentum continued through to the end of the year and freight continued to reduce which bodes positively for the market in early 2023.

Mineral sands concentrate revenue split



Monazite price



Key trends in our markets

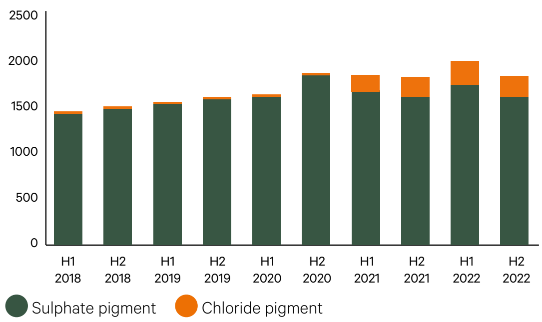
1. Pigment production growth in China

Approximately 90% of titanium feedstocks are consumed in the titanium pigment market. In recent years, the vast majority of new pigment capacity has been built in China primarily due to lower capital and operating costs.

Initially, all pigment in China was produced through the sulphate process which could benefit from ilmenite produced domestically. However, the Chinese Government has encouraged new pigment plants to follow the more environmentally friendly chloride process in recent years and mostly stopped issuing licences for new sulphate pigment plants. As a result, we continue to see more and more chloride pigment plants being developed in China and this trend has continued through 2022.

Chloride pigment production in China mostly consumes chloride slag and synthetic rutile in its process. However, Chinese domestic ilmenite is unsuitable for chloride slag and synthetic rutile production and therefore imported ilmenite must be consumed. Kenmare's ilmenite is preferred in this growing market.

Pigment production China ('000 tonnes)



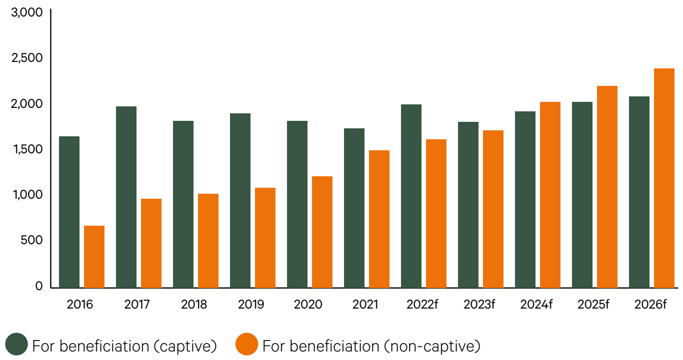
2. Non-captive ilmenite beneficiation

In recent years, demand for beneficiated ilmenite products, namely chloride slag and synthetic rutile have exhibited the strongest growth. The primary reasons for this are the increased chloride pigment capacity in China, growing titanium sponge production and decreasing availability of natural rutile and leucoxene. At the same time, ilmenite production from captive sources has failed to match the demand for beneficiated ilmenite products resulting in a growing requirement for external ilmenite to be purchased.

As discussed in the previous trend, the majority of growth in the pigment industry is coming from the new chloride pigment capacity in China. At the same time, production of titanium sponge in China has grown rapidly in recent years. The preferred feed for this process has been beneficiated ilmenite products and we expect this to continue.

Historically, rutile and leucoxene were largely consumed in the chloride pigment process due to their high TiO_2 content. However, rutile and leucoxene supply is failing to keep up with the growing demand and major mines are depleting which is adding to the demand for beneficiated ilmenite supply.

Ilmenite beneficiation ('000 tonnes)

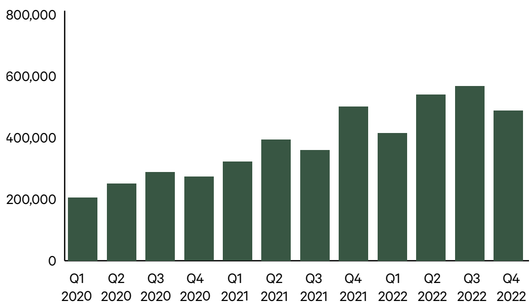


3. Growing ilmenite supply from heavy mineral concentrates

Historically, most mineral sands producers, such as Kenmare, have built separation capacity at the mine and produced finished ilmenite, zircon and rutile products. To reduce capital expenditure related to starting a new mine, more mineral sands producers are choosing not to build a mineral separation plant, saving on some capital costs, and ship a heavy mineral concentrate instead. Most of the concentrates are entering China where excess separation capacity exists.

The majority of this concentrate production is currently happening in Mozambique and has continued to grow year on year. The ilmenite produced from the concentrates competes in our markets in China, but the quality is generally lower than Kenmare ilmenite. We have also seen increased imports from countries such as the United States and Brazil competing in similar markets in China. This trend will continue to provide competition in our markets in China.

Ilmenite concentrates



4. Growing globally titanium metal production

Kenmare saw increased demand for its ilmenite products coming from the titanium metal market in 2022. This was largely a result of a recovery in the aerospace industry and increased military spending globally.

China saw the strongest growth in production, continuing a growing trend we have witnessed in recent years. Synthetic rutile and chloride slag, along with natural rutile, are preferred products in this market and Kenmare's ilmenite quality is appreciated to produce this chloride slag and synthetic rutile.

We continue to expect to see strong growth in titanium metal production in the coming years and Kenmare has positioned itself to grow strongly with this market.

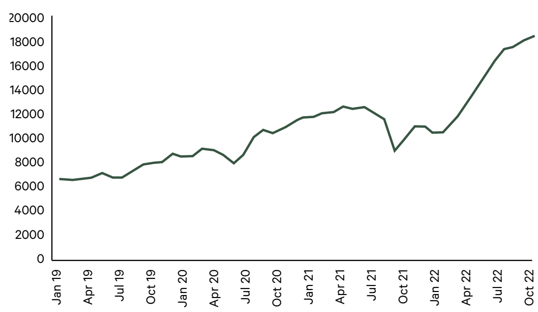
5. New technologies expanding markets for ceramics

The advancement of digital printing and the growth in large format tiles production is expanding the markets to which ceramic tiles are marketed.

Historically, ceramic tiles have been used primarily for flooring and bathroom tiles. However, large format tiles, combined with digital printing, have opened up markets where ceramic tiles can imitate natural products such as marble surface tops or wooden floors. Ceramics have technical advantages to other products such as durability, easy-cleaning and corrosion resistance. This has been a fast growing and resilient market, and this is expected to continue.

Zircon is also increasingly being added back into the body of large format tiles. In high-quality tiles, adding zircon improves the whiteness and also adds strength to the large tiles. This results in a higher content of zircon being used in the tile.

Titanium sponge production (tonnes)



KEY PERFORMANCE INDICATORS

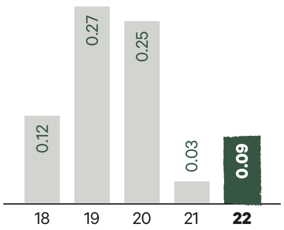
We use various financial and non-financial performance measures to help evaluate the ongoing performance of our business.

Linked to our strategic objectives, the following measures are considered by management to be some of the most important in evaluating our overall performance year on year.

Sustainability

Lost Time Injury Frequency Rate

0.09 (per 200k hours)



DESCRIPTION
Measures the number of injuries per 200,000 hours worked at the Mine which result in time lost from work.

PERFORMANCE
After the impressive milestone of 12 million work hours LTI-free was achieved in September 2022, unfortunately, three lost time injuries were incurred between September and December 2022. This has resulted in a rolling 12-month LTIFR of 0.09 per 200,000 hours worked (31 December 2021: 0.03). The Company is redoubling efforts to ensure consistent observance of good safety practices in our employees' minds.

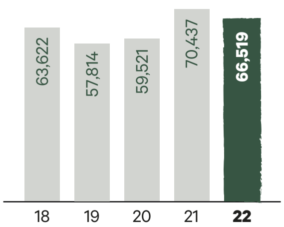
OUTLOOK
Kenmare is committed to continual improvement. In 2023 we will reinforce our safety culture through improving safety leadership, as well as strengthening our hazard identification and risk assessment practices.

LINK TO STRATEGY

LINK TO RISK
8

GHG emissions

66,519 tonnes CO_2e



DESCRIPTION
Measures total Scope 1 and 2 Greenhouse Gas (GHG) emissions. We acknowledge the human contribution to climate change and aim to reduce carbon emissions.

PERFORMANCE
Absolute GHG emissions reduced by 6% year on year, and emissions intensity decreased 3% to 0.055 tCO_2e / tonne of finished product produced. In 2022, the efficiencies in our Mineral Separation Plant led to a 7% improvement in litres of diesel combusted per tonne of product.

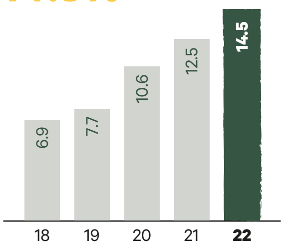
OUTLOOK
Kenmare has an ambition to achieve Net Zero on its Scope 1 and 2 emissions by 2040, through decarbonisation of our operations and offsetting hard-to-abate residual emissions. The Rotary Uninterruptible Power Supply project is expected to further reduce diesel consumption in 2023. In addition, several new energy efficiency initiatives have been selected for further study and potential implementation in the next 12–24 months.

LINK TO STRATEGY

LINK TO RISK
4 6

Gender diversity

14.5%



DESCRIPTION
Measures the percentage of women in the workforce at the Moma Mine. We recognise the benefits to our business of supporting diversity, equity, and inclusion for long-term sustainable success.

PERFORMANCE
Kenmare is working to increase the number of women in our workforce. At year end, 14.5% of our Mine employees were women, compared with 12.5% in 2021, meeting our stretch gender diversity target for the year. Female representation in Moma Mine senior management reached 25% compared to 24% in 2021.

OUTLOOK
In 2023 we aim to increase female representation within our Moma workforce to 15.5%. Kenmare will progress its structured programme to increase diversity, including targeting 70% female representation in our Graduate Development Programme candidates, and supporting the Kenmare Women in Mining Forum to identify initiatives to further grow the representation of women in the workforce.

LINK TO STRATEGY

LINK TO RISK
N/A

LINKS TO STRATEGY

Operate responsibly | Deliver long life, low cost production | Allocate capital efficiency

RISK KEY

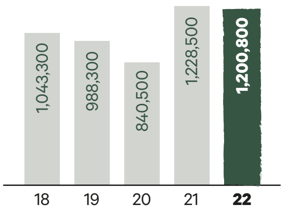
Strategic Risks | Operational Risks | Financial Risks

1 Grant and maintenance of licences | 2 Country risk | 3 Geotechnical risk | 4 Severe weather events | 5 Uncertainty over physical characteristics of the orebody | 6 Power supply and transmission risk | 7 Asset damage or loss | 8 Health, Safety and Environment (HSE) | 9 Mineral Resource statement risk | 10 IT security risk | 11 Development project risk | 12 Industry cyclicality | 13 Customer concentration | 14 Foreign currency risk | 15 Aggressive cost inflation

Operational

Finished products produced

1,200,800 tonne



DESCRIPTION

Provides a measure of production from the Mine and is defined as finished products produced by the mineral separation process (in tonnes).

PERFORMANCE

Kenmare delivered strong finished product volumes in 2022. Finished products production decreased by 2% in 2022 compared to 2021 as a result of unplanned power disruptions in Q4 and the impact of slimes on HMC quality.

HMC production in 2022 was 1,586,200 tonnes, a 2% increase compared to 2021 primarily as a result of increased excavated ore volumes.

OUTLOOK

Production of all products in 2023 is expected to be higher than in 2022, due primarily to higher tonnes mined.

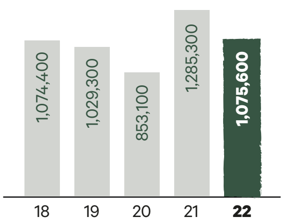
LINK TO STRATEGY

LINK TO RISK

1 2 3 4 5 6 7 8 9 11

Finished products shipped

1,075,600 tonnes



DESCRIPTION

Provides a measure of finished product volumes shipped to customers during the period (in tonnes).

PERFORMANCE

Shipment volumes in 2022 were 1,075,600 tonnes, a 16% decrease compared to 2021. This decrease was primarily due to a four-month period of planned maintenance, which occurs every five years, on the Company's largest transshipment vessel, the Bronagh J.

Q4 was the strongest quarter of the year for shipments benefitting from increased transshipment capacity resulting from the previously completed upgrades.

OUTLOOK

Shipment volumes are expected to be higher in 2023 as a result of the Bronagh J operating at more efficient levels following the 2022 dry dock which is expected to positively impact availability going forward.

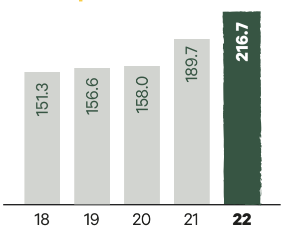
LINK TO STRATEGY

LINK TO RISK

4 5 6 7 12 13

Cash costs

$216.7 million /$180 per tonne



DESCRIPTION

Eliminates freight costs and non-cash costs to identify the actual cash outlay for production and, as production levels increase or decrease, highlights operational performance by providing a comparable cash cost per tonne of finished product produced over time.

PERFORMANCE

Total cash operating costs increased by 13% in 2022 compared to 2021 as a result of increased operating costs mainly in labour, power and fuel costs due to inflation and a reduction in finished production.

OUTLOOK

Total cash operating costs are anticipated to increase in 2023 due to increased production and inflation. However, cash operating costs per tonne are expected to remain largely stable due to higher anticipated production volumes.

LINK TO STRATEGY

LINK TO RISK

1 2 14 15

KEY PERFORMANCE INDICATORS CONTINUED

Read more about **Strategy** on pages 20-23

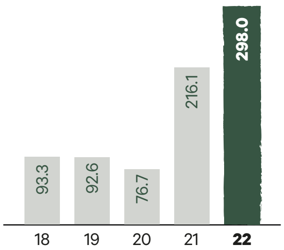
Read more about **Risks** on pages 70-79

Read more about **Remuneration** on pages 118-145

Financial

EBITDA

$298.0m



DESCRIPTION
Eliminates the effects of financing, tax, depreciation and amortisation to allow assessment of the earnings and performance of the Group.

PERFORMANCE
EBITDA increased by 39% in 2022, compared to 2021 as a result of average price per tonne increasing by 42% during the financial year. This was partially offset by a 13% increase in total cash operating costs as a result of inflation.

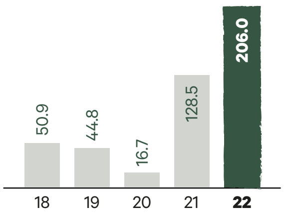
OUTLOOK
Kenmare expects to generate strong EBITDA in 2023 on planned production levels and positive market outlook.

LINK TO STRATEGY

LINK TO RISK
1 2 3 4 5 6 7 8 9 11 12 13 14 15

Profit after tax

$206.0m



DESCRIPTION
Measures how well we are managing costs, increasing productivity and generating the most profit from our assets. It is also the basis on which our dividend payout ratio policy is applied.

PERFORMANCE
We reported profit after tax of $206.0 million, up 60% on 2021, benefitting from the strong increase in underlying EBITDA.

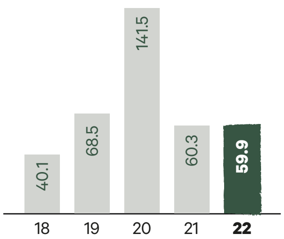
OUTLOOK
We expect earnings to remain strong in 2023, benefitting from sustained higher production volumes and a strong commodity market outlook.

LINK TO STRATEGY

LINK TO RISK
1 2 3 4 5 6 7 8 9 11 12 13 14 15

Total capital expenditure

$59.9m



DESCRIPTION
Provides the amount spent by the Group on additions to property, plant and equipment in the period.

PERFORMANCE
Investment in property, plant and equipment remained in line with 2021. Capital was incurred sustaining existing operations and preparing for the transition of WCP A to the Nataka ore zone in 2025.

OUTLOOK
Expenditure on development projects and studies is expected to be approximately $14.0 million in 2023. These costs primarily relate to ongoing feasibility works for the Nataka ore zone where WCP A is scheduled to commence mining around 2025, and for optimising mining capacity.

Improvement projects are expected to cost $8.5 million and relate to numerous smaller projects in water, energy and security management. There are also projects relating to improvements at WCP A, WCP B and the Mineral Separation Plant.

Sustaining capital costs in 2023 are expected to be approximately $33.5 million.

LINK TO STRATEGY

LINK TO RISK
4 5 7 11 14 15

LINKS TO STRATEGY

Operate responsibly · Deliver long life, low cost production · Allocate capital efficiency

RISK KEY

Strategic Risks · Operational Risks · Financial Risks

1 Grant and maintenance of licences · 2 Country risk · 3 Geotechnical risk · 4 Severe weather events · 5 Uncertainty over physical characteristics of the orebody · 6 Power supply and transmission risk · 7 Asset damage or loss · 8 Health, Safety and Environment (HSE) · 9 Mineral Resource statement risk · 10 IT security risk · 11 Development project risk · 12 Industry cyclicality · 13 Customer concentration · 14 Foreign currency risk · 15 Aggressive cost inflation

Financial

Net cash/(debt)

$27.5m

DESCRIPTION
Total cash and cash equivalents less bank loans. A measure of the Group's financial leverage. This measures how we are managing our balance sheet and capital structure. A strong balance sheet is essential for giving us flexibility to take advantage of opportunities as they arise, and for returning cash to shareholders.

PERFORMANCE
At the year end, gross debt amounted to $80.8 million (2021: $151.9 million). This consists of debt outstanding of $78.6 million and capitalised transaction costs of $2.2 million. Kenmare finished the year with $108.3 million (2021: $69.1 million) of cash and cash equivalents.

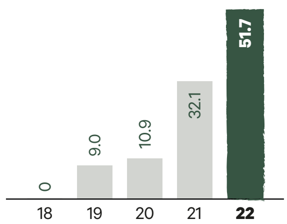
OUTLOOK
Strong product markets in early 2023 are supportive of continued strong free-cash flow generation. In 2023, the Group will repay a further $31.4 million in debt while strong cash generation is expected to solidify the Group's net cash position throughout 2023.

LINK TO STRATEGY

LINK TO RISK
4 7 11 12 13 14 15

Shareholder returns

$51.7m



DESCRIPTION
Shareholder returns comprise dividend payments. The proposed 2022 final dividend is subject to approval by shareholders at the AGM.

PERFORMANCE
Shareholder returns increased by $19.4 million in 2022. They were comprised of the 2022 final dividend of $41.1 million (2021: $24.1 million) to be approved by shareholders at the AGM, and the 2022 interim dividend of $10.6 million (2021: $8.0 million).

OUTLOOK
Kenmare will maintain a minimum dividend of 20% of profit after tax in 2023, in line with the dividend policy.

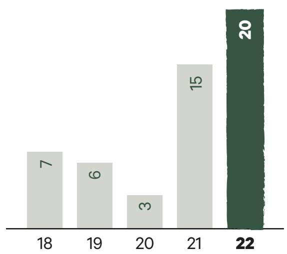
Additional capital returns will be considered against upcoming capital requirements (particularly the move of WCP A to Nataka), maintaining a strong balance sheet, and market conditions.

LINK TO STRATEGY

LINK TO RISK
1 2 3 4 5 6 7 9 11 12 13 14 15

Return on Capital Employed

20%



DESCRIPTION
Return on capital employed ('ROCE') is defined as operating profit expressed as a percentage of the average capital employed. ROCE is a measure of the profits generated in the year in comparison to the capital investment that has been made in the Company.

PERFORMANCE
The Group continued to generate very strong returns on capital employed and ROCE increased by 5% in 2022 driven by higher commodity prices, strong cost control and efficient capital allocation.

OUTLOOK
We will continue to focus on maximising returns from the Moma Mine over the short, medium and llong term. We will also maintain our disciplined and rigorous approach and invest capital only in projects that we believe will deliver returns that are well above our cost of capital.

LINK TO STRATEGY

LINK TO RISK
1 2 3 4 5 6 7 9 11 12 13 14 15

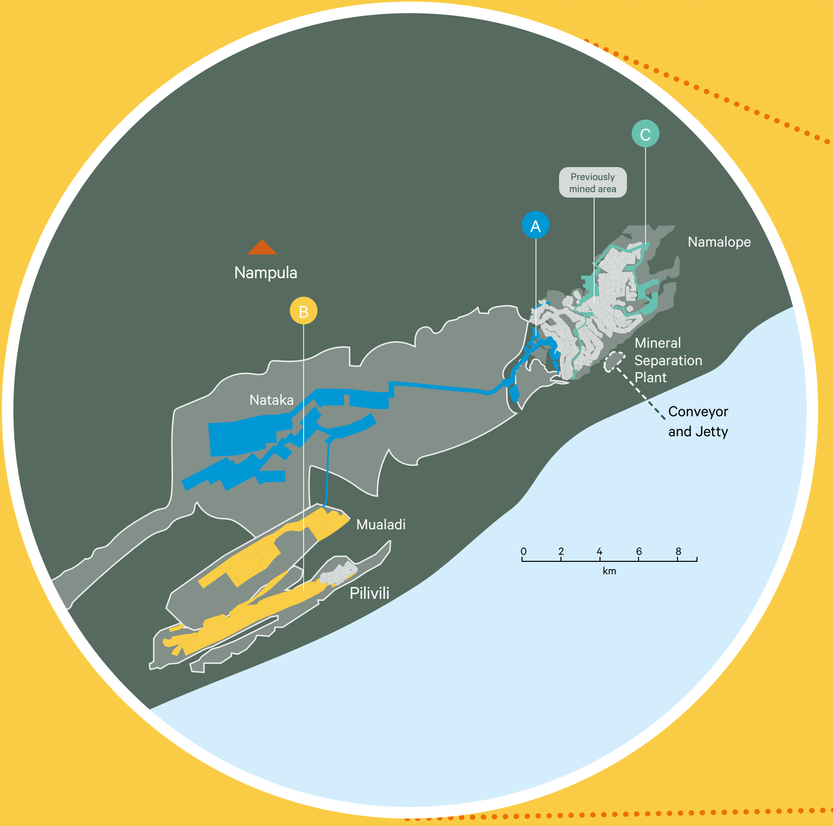
OUR OPERATIONS

Kenmare's Moma Titanium Minerals Mine is located on the north east coast of Mozambique. It is one of the largest titanium minerals deposits in the world and began production in 2007.

Moma has a low environmental impact, as Kenmare progressively rehabilitates the land as we mine. Kenmare also invested in low-carbon operations from the outset, building a 170 km power line to connect to the nearest sub-station to take advantage of Mozambique's hydroelectric power. This clean power source provides over 90% of the Company's electricity requirements and 50% of its overall power requirements.

Kenmare utilises three Wet Concentrator Plants (WCPs) to mine the Moma deposit, two of which are in the Namalope ore zone and one in the Pilivili ore zone.

Kenmare is targeting 1.2 Mtpa of ilmenite production (plus co-products) on a sustainable basis, which represents 8% of global titanium feedstock supply.



Mozambique

Kenmare began exploring for titanium minerals in Mozambique in 1987 and has had a presence in country for over 30 years. Mozambique lies on the south east coast of Africa, with an area of almost 800,000 km^2 and a coastline of 2,470 km.

Mozambique is a mining-friendly jurisdiction with a growing natural resources industry. In addition to titanium minerals, coal, gold and aluminium are all mined in Mozambique. The discovery of the Rovuma basin natural gas fields in the north of the country in 2011 is set to transform the economy in the coming decades, with an estimated $20+ billion investment planned from several multinational companies. The first offshore project in the Rovuma Basin commenced production in January 2022.

Working in partnership

During our 30-year history in country, Kenmare has fostered strong relationships with the Government of Mozambique, local authorities, and our host communities. The Government has always upheld the terms of our licences and other agreements, and we value their partnership highly. Kenmare's production accounts for approximately 7% of Mozambique's exports.

Good governance

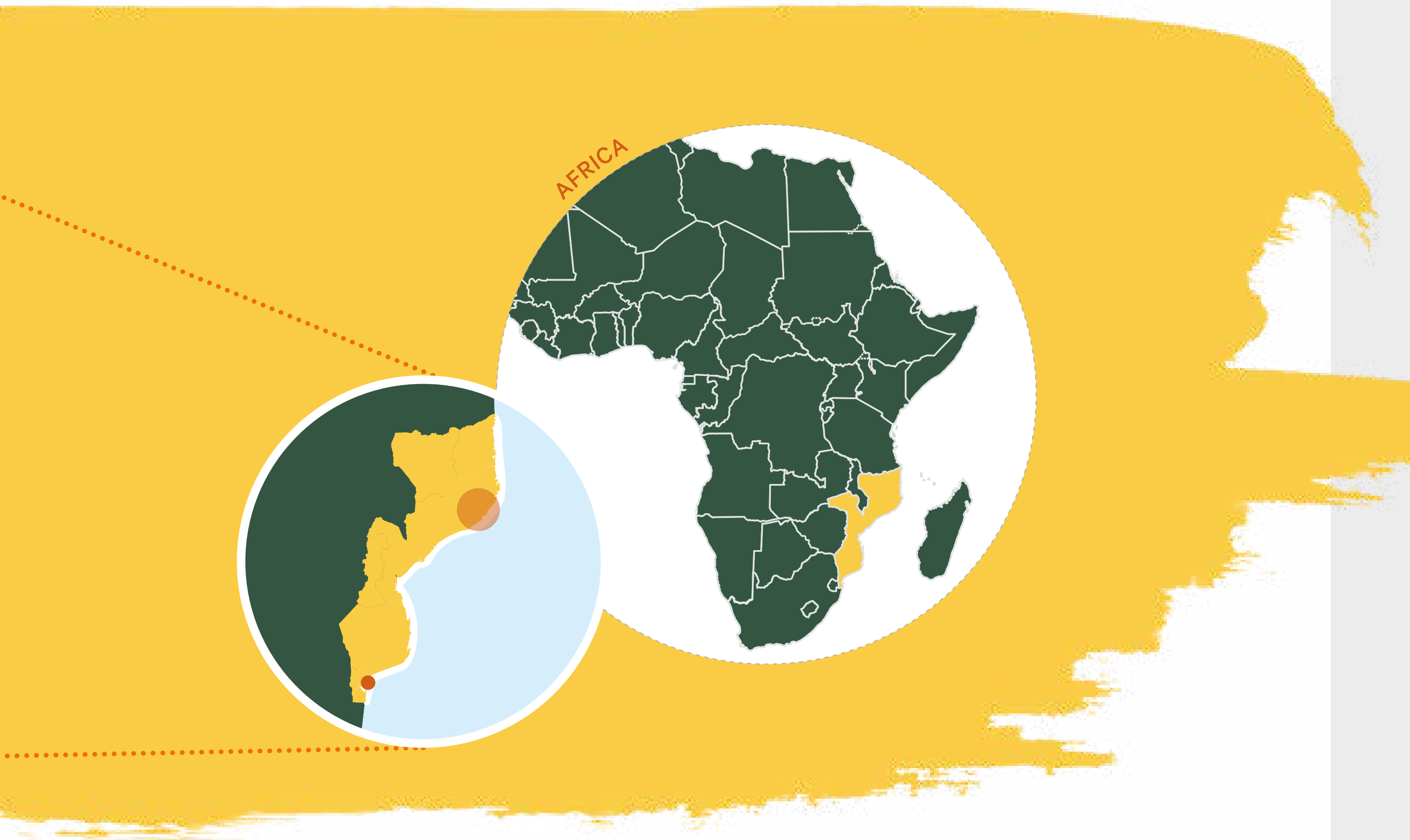
In 2022, Kenmare was named the most transparent company in Mozambique for the third consecutive year by the Centre for Public Integrity's Extractive Industry Transparency Index. Mozambique is one of 52 countries that implements the Extractive Industries Transparency Initiative (EITI) and Kenmare representatives have been on Mozambique's EITI coordinating committee since its inception in 2009.

Democracy in action

Democratic elections have been held every five years in Mozambique since 1994, with the most recent election held in October 2019.

Read more about **stakeholder engagement** on page 16

Read more about **sustainability governance** on page 52



WCP A

WCP A has been mining the Namalope ore zone since 2007 and is scheduled to continue mining there until 2025, when it will move to Nataka. Nataka is the largest ore zone within Moma's portfolio. Within Nataka, a high grade mine path has been identified that WCP A will mine for 20 years. WCP A has a throughput capacity of 3,250 tonnes per hour (tph). Two dredges, named Catarina and Mary Ann, and two dry mines provide feed to WCP A.

WCP B

WCP B mined the Namalope ore zone from 2013 to August 2020. In September 2020, WCP B was relocated to the high grade Pilivili ore zone and it recommenced production two months later. Pilivili was chosen due to a number of favourable characteristics. WCP B has a throughput capacity of 2,400 tph, following the upgrade work undertaken in 2018. One dredge, named Deirdre, and one dry mine provide feed to WCP B.

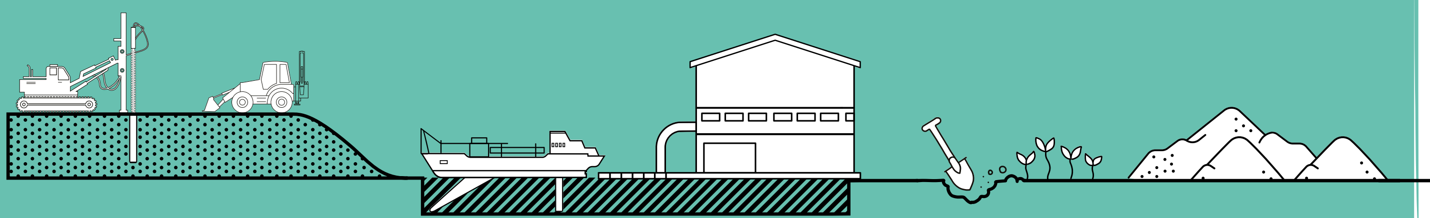
WCP C

WCP C is the newest and smallest of the three Wet Concentrator Plants. It commenced production in February 2020 and it has a throughput capacity of 500 tph, representing one-fifth of the size of WCP B and one-sixth of the size of WCP A. WCP C is mining a high grade area of the Namalope ore zone, which is inaccessible to the two larger Wet Concentrator Plants. It has one dredge, named Julia.

OPERATING PROCESS

Kenmare's operational process is well established and environmentally sound.

The Moma Mine is a low-cost, bulk mining operation that predominantly uses dredges to mine almost 40 million tonnes of titanium-rich sands per year.



1. Evaluation	2. Mining	3. Wet Concentrator Plant (WCP)	4. Dune Rehabilitation	5. Heavy Mineral Concentrate
The mine plan is designed and scheduled off Kenmare's 1,534 Mt of Proved and Probable Ore Reserves. Kenmare is currently mining the Namalope and Pilivili ore zones, with plans to commence mining the Nataka ore zone from 2025.	Dredging takes place in three artificial ponds, where four dredges feed three Wet Concentrator Plants (A, B and C). The dredges cut into the ore at the pond's base, causing the mineralised sand to slump into the pond where it is pumped to a WCP. Kenmare also has three dry mining operations to supplement ore feed to WCP A and WCP B.	The first processing stage at the WCPs consists of rejecting oversize material. Next, the ore feed is passed over progressive stages of gravity spirals, which separate the Heavy Mineral Concentrate (HMC) from tailings (silica sand and clay).	Tailings are deposited into a series of settling ponds, dried and re-contoured, with the previously removed topsoil redeposited. Rehabilitation is completed by planting a variety of vegetation as well as food crops. The area is then transferred back to the local communities.	HMC is pumped to the Mineral Separation Plant (MSP), where it is stockpiled prior to further processing. HMC consists of valuable heavy minerals (ilmenite, rutile, zircon and monazite, which is sold as part of our concentrates product stream), other heavy minerals and a small amount of other minerals (the bulk of which is silica sand).

Mining

Read more about our **Mineral Reserves and Resources** on page 42

Read more about our **engagement with stakeholders** on page 16

54%
OF PROCUREMENT WITH MOZAMBICAN COMPANIES

0
TOXIC CHEMICALS USED IN OPERATIONS

191ha
LAND REHABILITATED IN 2022

72,577
NATIVE TREES PLANTED IN 2022

Kenmare progressively rehabilitates and returns land to the community. Kenmare also invests between $2-3 million each year in its not-for-profit association KMAD which delivers socio-economic development projects within its concession.

6. Wet High Intensity Magnetic Separation

HMC is transferred from stockpiles by front-end loaders and fed to the Wet High Intensity Magnetic Separation (WHIMS) plant to separate magnetic from non-magnetic fractions.

7. Magnetic, gravity and electrostatic separation

The MSP uses magnetic, gravity and electrostatic circuits to separate the valuable minerals of ilmenite, rutile, zircon and monazite into individual products. The magnetic fraction of WHIMS output is dried and processed by electrostatic separation to produce ilmenite products. The non-magnetic fraction of the WHIMS output passes to the wet gravity separation circuit to remove silica and trash minerals. Electrostatic separators are then used to separate the conducting mineral rutile from the non-conducting minerals zircon and monazite.

8. Product storage warehouse

Ilmenite and rutile are stored in a 229,000 tonne capacity warehouse, which also contains an enclosed area to store the mineral sands concentrate product (containing monazite). Zircon is stored in a separate 35,000 tonne capacity warehouse to reduce the potential for cross-contamination. The warehouses load the products onto a 2.4 km-long overland conveyor.

9. Conveyor and jetty

The conveyor transports product to the end of a 400 metre-long jetty, where product is loaded onto transshipment vessels, at a rate of 850 tonnes per hour. Kenmare owns and operates two transshipment vessels, the Bronagh J and the Peg.

10. Ocean-going bulk carrier

The vessels transport the products to a deep water transshipment point 10 km offshore, where they self-discharge into ocean-going third-party vessels. These vessels then transport the final products to multiple destinations around the world.

Processing

Storage and export

Other infrastructure

Other infrastructure on site includes a 170km 110kV power transmission line, a sub-station, a leased 9.6 MW diesel generator plant, an accommodation village, offices, a laboratory, an airstrip, water supply and sewage treatment plants.

2023 will be a significant year in determining the long-term future of WCP A

BEN BAXTER
CHIEF OPERATIONS OFFICER

HIGINO JAMISSE
MOMA MINE GENERAL MANAGER

Introduction

The Operations team delivered a record and world class safety performance of 12 million hours without lost time injury during 2022. The impacts of better risk management and improved safety leadership drove the improvements. COVID-19 remained a concern to the business in 2022 with elevated cases in Q1 and at year end, however, all cases were mild showing the success of our broad vaccination programme. Our drive to increase transparency and show meaningful sustainability improvements was recognised when Kenmare was named as ESG Producer of the Year at the Mines and Money Outstanding Achievement Awards 2022.

Final products were constrained in 2022 by HMC production at the wet concentrator plants, impacted by increasing levels of slimes. Improvements were seen as the year progressed and learnings were incorporated into the scope of work for the development of Nataka, as will be discussed and published at a Capital Markets Day (CMD) on 26 April 2023.

Nevertheless, good ilmenite and record zircon outputs were produced. The shipping fleet performed excellently to part mitigate the scheduled five-yearly dry docking of the Bronagh J transshipment vessel.

People development remains a priority focus for the Operations team, with all leaders having undertaken a Leadership Coaching Programme, and a senior leader team-building event taking place to improve alignment of the organisation to a one team approach.

Progress continued throughout 2022 on the preparations for the move of WCP A to Nataka, in 2025. The pre-feasibility study progressed well, with a focus on selecting and optimising a mining method, and developing processing and tailings solutions to ensure slimes management is controlled. Further studies were also completed to help mitigate the previously highlighted ilmenite gap that occurs in 2025/26 when WCP A is expected to relocate from Namalope to Nataka. Our progress on this plan will be shared at the CMD.

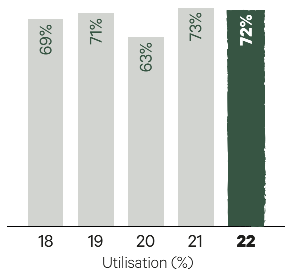
Mining

We mined a record 40 Mt of excavated ore in 2022, up 2% on 2021, with an average total heavy mineral (THM) grade of 4.6%, in line with 2021. HMC production was 2% up volumetrically on 2021, a record, however the ilmenite content decreased relative to 2021. This was due to both changes in the orebody which reduced ilmenite content (part mitigated by increased zircon) and reduced product grade control as a result of slimes in the process.

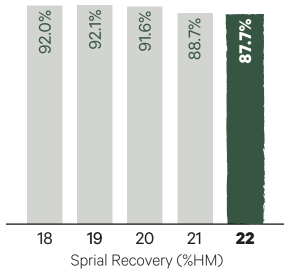
Slimes remained the largest impediment to operations in 2022, with increasing levels seen at WCP A and WCP C. This is a relatively temporary effect at WCP C as it finishes mining higher slimes areas from March 2023.

Meanwhile at WCP A we continue to push the envelope of our slimes management system in terms of delivering clean process water to facilitate good processing conditions. In H1 2022, Kenmare's three-paddock settling system underperformed as there was insufficient settling space, the knock-on effect of a tight

Mining overall utilisation (%)



Mine recovery (%)



turn in late 2021. Slimes levels in the process increased to levels that interrupted our mine plan, impacting head feed grades and utilisations. The high slimes also reduced process recoveries, overall reducing HMC production.

Record performance was achieved at WCP B, as it continues to efficiently mine the Pilivili orebody, contributing to record throughputs overall. The improved throughputs and utilisation combined with good recoveries delivered strong HMC production, and dry mining operations were temporarily suspended during the year as the dredge alone was able to supply the wet concentrator plant.

In the second half of 2022, performance of the wet concentrator plants improved, delivering HMC volumes approaching the target 1.2 Mtpa ilmenite run rate, while overall finished product delivery also improved. Slimes were mitigated with increased settling space and the introduction of flocculant to the three-paddock settling system. By year end, additional dilution water was also in place to mitigate challenging components of the three-paddock settling system. There is however a medium-term need to move to a more sustainable slimes management system as slimes at WCP A will continue to increase in the remaining years of mining at Namalope and then Nataka. This is being addressed in the Nataka PFS and mitigation plans will be shared in 2023 as they develop.

Grid power reliability from EdM was generally good in 2022 until Q4 when unexpected and frequent outages were incurred. Kenmare worked with EdM to resolve issues identified, related to feed source switching, and by late Q4, power reliability returned to the norms expected in the summer rainy season.

Looking ahead, the mining plant delivery of HMC remains Moma's main constraint to overall production, and despite improvements in throughputs in 2022, our operations are susceptible to the impacts of higher slimes. Determining viable mitigations to this are the main focus of the WCP A Nataka prefeasibility study.

Processing

Processing at the Mineral Separation Plant (MSP) was impacted by HMC supply shortfalls, notably as a result of the impact of slimes and poor weather in Q1, followed by unexpected power disruptions in Q4. Nevertheless, in the intervening period the MSP ran at the target 1.2 Mtpa run rate when HMC was available, and the reliability of the MSP was good. Ilmenite production was 1.088 Mt, a 3% reduction on 2021 levels.

Despite the HMC shortfall, primary zircon production improved markedly (up 4% to a record 58.4 kt) as:

- zircon content in HMC increased
- MSP operations improved significantly, with the recovery benefits delivered from the Rotary Uninterruptible Power Supply (RUPS) project delivering more stable power supply, and
- introduction of flocculants in the MSP delivered cleaner processing water.

Recoveries were of particularly important focus in this feed-constrained context, and despite poorer quality HMC feed (due to slimes impacts), improvements were made in MSP recoveries across all products; ilmenite increasing 1% to 91.2%; primary zircon increasing 4% to 64.4%; and rutile increasing 5% to 36.4%. Notably, 83% of zircon and 68% of rutile fed to the MSP was recovered to a final product.

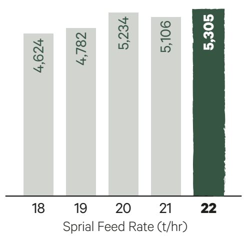
Focus was also placed on the split between standard zircon and special zircon, with the ratio to the higher value standard product increasing from 48% to 53% in 2022, resulting in record standard zircon production of 30.0 kt, up 14% on 2021.

Concentrates production was at record levels, at 45 kt, the result of strong production of Mineral Sands Concentrate (MSC), up 19% at 15.3 kt. This was on the back of a strong mix of monazite-rich feed sources. The secondary zircon concentrate reduced by 4% to 29.9 kt, as a result of the improved recoveries to primary zircon products.

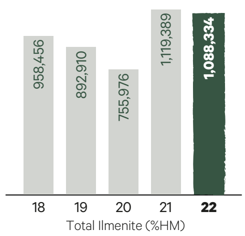
Rutile production was impacted by lower recoveries in the spiral separation circuits at the mine's wet concentrator plants, as higher slimes impacted the recovery of lower specific gravity heavy minerals such as rutile. The MSP therefore received less rutile in HMC, impacting final rutile production, but despite this the MSP achieved higher than expected recoveries.

Read more about our sustainability performance on page 52

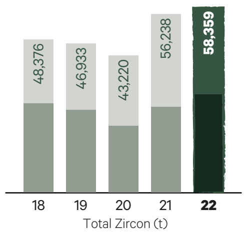
Weighted throughputs



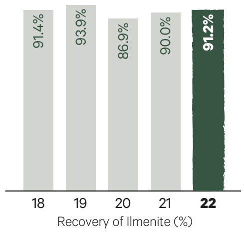
Ilmenite produced (t)



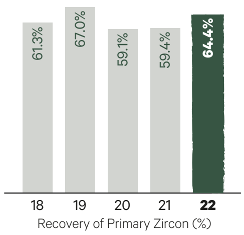
Primary zircon production



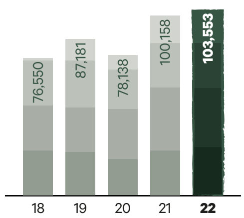
Ilmenite recovery (%)



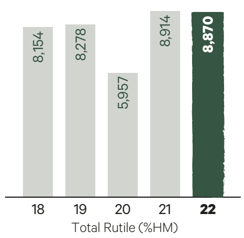
Primary zircon recovery (%)



Zircon products produced including concentrates (t)



Rutile produced (t)



2023 production guidance

Kenmare's 2023 guidance for production is as follows:

Production	Unit	FY 2023 Guidance	FY 2022 Actual
Ilmenite	tonnes	1,050,000 – 1,150,000	1,088,300
Primary zircon	tonnes	51,000 – 57,000	58,400
Rutile	tonnes	8,000 – 9,000	8,900
Concentrates[1]	tonnes	37,000 – 41,000	45,200

1 Concentrates include secondary zircon and mineral sands concentrate.

Production of all finished products in 2023 is expected to be similar to 2022, with increased mining rates offsetting falling grades, however, with the impact of higher slimes now built into our planning. Consequently ilmenite production in 2023 is expected to be between 1.05 million to 1.15 million tonnes.

Closing product inventories at the end of 2022 were above normal levels, which provides flexibility regarding shipment volumes in 2023. 2023 shipments will depend on market conditions and the cadence of production through the year.

Total cash operating costs are anticipated to increase in 2023 due to cost increases in labour, power and fuel as a result of forecast inflation, as well as one-off operational costs associated with traversing the Namalope West area at WCP A and increased insurance costs.

Expenditure on development projects and studies is expected to be approximately $14 million in 2023. These costs primarily relate to ongoing feasibility works for the Nataka ore zone where WCP A is scheduled to commence mining around 2025, and for optimising mining capacity.

Improvement projects are expected to cost $8.5 million and relate to numerous smaller projects in water, energy and security management. There are also projects relating to improvements at WCP A, WCP B and the Mineral Separation Plant.

Sustaining capital costs in 2023 are expected to be approximately $33.5 million.

Development Projects

The Rotary Uninterruptible Power Supply (RUPS) system was successfully commissioned in H1 2022. Historically the MSP has utilised diesel-powered electric generators during the southern hemisphere summer wet season (December to March) in order to mitigate increased external power outages and lost mineral recovery. The system has delivered on its expected outcome, delivering year-round reliability of the power supply to the MSP, benefitting mineral recovery, operating time, and operating costs, by providing instantaneous mitigation to external power outages impacting the Mineral Separation Plant. The project cost was $20.7 million.

Diesel consumption was 4% lower in 2022, helping us to further reduce Kenmare's already low Scope 1 and 2 GHG emissions by 2% in 2022 versus the 2021 baseline.

Benefits were particularly prevalent in the zircon circuits in 2022 where RUPS contributed to the 8% increase in primary zircon recovery seen in 2022.

The bulk of activities during the year were focused towards the development of the pre-feasibility study (PFS) for mining in Nataka. WCP A is expected to transition to the Nataka zone from the current Namalope zone in 2025.

Nataka represents the bulk of mining in Kenmare's resource portfolio, see our section on resources and reserves on page 42.
Due to the higher level of slimes in the ore, and the increasing distance from the MSP, modifications to the operating methods of WCP A will be required. Studies in 2022 have focused on characterising the orebody, including a test pit, and then carrying out a mining study to determine the optimal methods of feeding WCP A. This included a hydro mining study, including mining trials at the Nataka test pit, to determine the viability of this method. Options are being considered for the capital and operating cost structures of future mining

methods so as to deliver an optimum value solution. A 20-year higher grade mining path has been determined, with a transition channel to be mined in 2025/2026 to reach it.

Processing of Nataka ore will need to be modified at WCP A so as to manage and remove the higher level of slimes. Upfront desliming of the run of mine ore, in a similar manner to that used at WCP B, will provide recovery benefits, however studies have shown that managing these slimes will require the implementation of a Tailings Storage Facility. The benefit of earlier removal of slimes in the process is that tailings management behind WCP A will become simpler.

Infrastructure requirements increase as WCP A moves further from the MSP, and the study is assessing the preferred HMC transport, and other infrastructure requirements.

The PFS is approaching completion, and trade-offs are now underway to determine the preferred capital and opex for the project and future operations. We intend to present our future plans for the mining of Nataka at the CMD. Costs of the project were guided mid 2022 as being not less than $225 million.

Further studies have also been undertaken in 2022 to understand the options available to the business to mitigate a shortfall of available ilmenite in 2025 and 2026 as WCP A transitions to its 20-year mining path. The transition channel is of lower grade, resulting in available space in the MSP to produce additional ilmenite over that period. Options considered will be available for the CMD.

Shipping

Shipping operational productivity in 2022 was significantly improved. Overall shipped materials were, however, down 16% compared to 2021 as a result of the planned five-yearly refurbishment works on the Bronagh J, which was out of service for four months. 1,075,631 tonnes of finished products were therefore shipped during the year. On return of the Bronagh J vessel to site, both vessels performed at their best cycle times, providing a significantly improved mitigant to weather delays. Shipments comprised 953,395 tonnes of ilmenite, 60,520 tonnes of primary zircon, 12,933 tonnes of rutile and 48,782 tonnes of concentrates. A total of 29 ocean-going vessels visited Moma's dedicated port facilities during 2022.

Outlook

I have been delighted with the safety performance of the business in 2022, and enormous congratulations are due to our employees for achieving almost 12 million hours without lost time injury. Following a series of incidents thereafter, the challenge we now face is to build on the improved behaviours and systems that delivered that result and make sure our focus remains consistently on a safe workplace being our core priority. I am also strongly encouraged by the improvements we are making in our overall sustainability approach, and this will continue in 2023 with particular focus on environmental management and energy efficiency.

We overcame significant slimes challenges in H1 and delivered greater production performance near to 1.2 Mt ilmenite per annum run rate thereafter. Nevertheless, increasing slimes is narrowing our operating window to deliver to plan. While efforts to revise our processes were delivered in 2022 and set us up well for 2023, we do need to look to more sustainable methods of slimes management as levels continue to increase. This has been adopted as a core outcome of the Nataka PFS, and our plans will be shared in the year ahead. As a result of the increased slimes levels we are encountering, 2023 final products delivery will be guided by HMC production.

Cost inflation was significant in 2022 and optimising future mining costs is also under review to ensure that the Moma operations target a first quartile position on the revenue to cost curve. Cost control and value generation are key aspects of the 2023 plan. Our development studies are assisting us to create a more resilient, optimised-value, long-term future delivering 1.2 Mt ilmenite per annum.

2023 will be a significant year in determining the long-term future of WCP A, with the Nataka PFS findings moving forwards to deliver a resilient mining solution for our long-term orebody. We are also considering the potential opportunity to bring some of the PFS components forwards to gain benefit in the latter years of Namalope mining. Sections of this study have already moved into the definitive feasibility study (DFS) phase. In addition to this, we expect to advance our planning to provide additional HMC as WCP A transitions to the higher grade 20-year path. I look forward to sharing these plans at our CMD.

Finally, our focus on developing employees is moving forward including creating better leaders, improving skills and defined career pathways. My thanks to all of our employees for their contribution towards building a more mature, productive and sustainable operation.

BEN BAXTER
CHIEF OPERATIONS OFFICER

MINERAL RESERVES AND RESOURCES

1.5bn tonnes
TOTAL ORE RESERVES

7.3bn tonnes
TOTAL MINERAL RESOURCES

160m tonnes
ILMENITE MINERAL RESOURCES

Reserves and Resources

Introduction

The Group's world-class resource increased by 964 Mt in 2022 and is estimated to contain approximately 199 million tonnes of ilmenite (equivalent to around 165 years of production from the current plant) and associated co-products rutile and zircon.

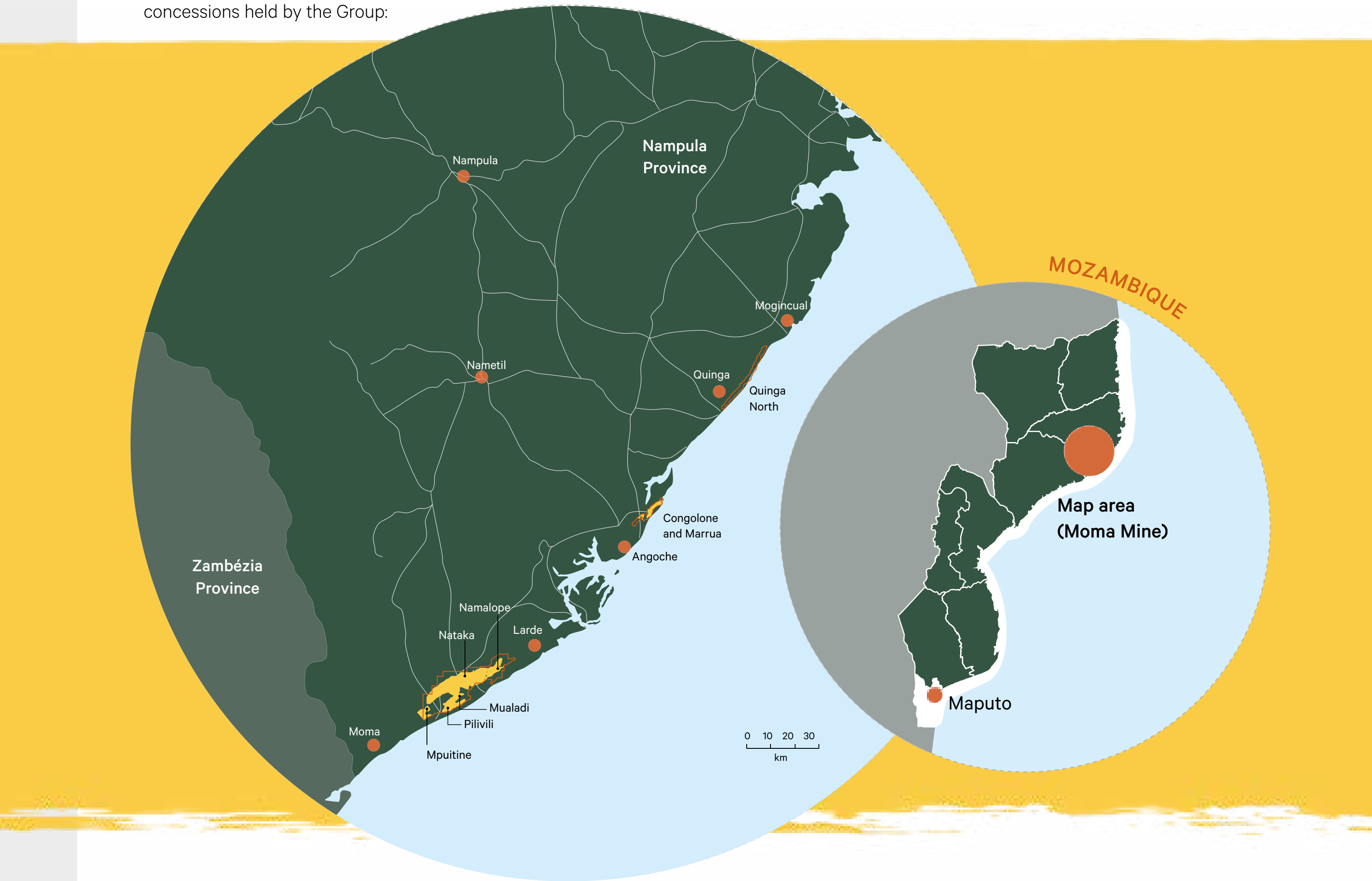
The nature of Kenmare's deposits, with abundant fresh water, no overburden, a good ore grade and attractive products that do not have to be upgraded before being used, gives Kenmare the ability to mine, concentrate and separate its products with relatively low capital and operating costs, in part due to more than 90% of electrical power consumed being derived from low-cost hydroelectric power. Kenmare operates a dedicated port facility adjacent to the MSP, which allows for the shipment of products to customers at minimum cost.

Summary of reserves and resources

The total proved and probable ore reserves under the Namalope, Pilivili, and Nataka mining concession are estimated as at 31 December 2022 at 1,507 million tonnes, grading 2.6% ilmenite, 0.15% zircon and 0.048% rutile, containing 40 million tonnes of ilmenite, 2.2 million tonnes of zircon and 0.72 million tonnes of rutile.

The total ore resource (excluding reserves) held by the Group under a combination of exploration licences and mining concessions is estimated as at 31 December 2022 at 7.3 billion tonnes, grading 2.2% ilmenite, 0.15% zircon and 0.049% rutile, containing 160 million tonnes of ilmenite, 11 million tonnes of zircon and 3.6 million tonnes of rutile. Details are set out in the Reserve-Resource table on page 45.

The map shows exploration licences and mining concessions held by the Group:



The Namalope deposit continues to support WCP A plant and WCP C plant. Pilivili deposit continues to support WCP B plant. Reductions in the reserve statement relate to depletion from mining in 2022 and dredge path revisions that were made during the year to optimise the mine plan. The Namalope reserves now comprise 96 Mt of ore at 2.7% ilmenite, representing 2.6 Mt contained ilmenite, 0.19% zircon (0.18 Mt) and 0.062% rutile (0.06 Mt). A further 15,873m of drilling was undertaken at Namalope in 2022 to improve orebody knowledge. This includes 2024 and 2025 mine path information for WCP A, mineral fractionation analysis for product quality and CPTu drill data to assist with prediction of mining rates.

The Nataka deposit represents a large, long-life mining opportunity for the Group. Reserve status was updated due to geological interpretation and mine path optimisation, probable reserves of 1,274 Mt of ore at 2.6% ilmenite, representing 33 Mt of contained ilmenite, 0.14% zircon (1.72 Mt) and 0.04% rutile (0.57 Mt). Studies continued in 2022 to develop the pre-feasibility studies along a 20-year high grade mining plan for WCP A post-Namalope, and have been incorporated into the pre-feasibility study.

The Pilivili reserves now comprise 137 Mt of ore at 3.2% ilmenite, representing 4.2 Mt of contained ilmenite, 0.22% zircon (0.30 Mt) and 0.071% rutile (0.10 Mt). The 2022 Pilivili drilling programme (19,163m) focused on improving orebody knowledge in the south western area.

Across all deposits, 675m of drilling for piezometer water monitoring was undertaken and 13,229 CPTu meters were drilled to collate geotechnical information.

Drilling activities were undertaken along the Mualadi deposit at a 400x400m grid which converted the previously inferred resource into indicated, inferred and unclassified. A combined additional 729 Mt of inferred and indicated resources have been added bringing the Mualadi resource, excluding the unclassified component, to 1,050 Mt of ore at 1.9% ilmenite, representing 19.8 Mt of contained ilmenite, 0.13% zircon (1.3 Mt) and 0.041% rutile (0.4 Mt).

Marrua inferred resources were upgraded due to geological interpretation of historic deeper holes. The Marrua resources, excluding unclassified, comprise 131 Mt at 3.6% THM grade. No mineral assemblage assays are yet available.

There were no drilling activities undertaken in Congolone, Mpitini and Quinga North deposits during 2022.

The following unaudited table sets out Kenmare's Ore Reserves and Mineral Resources as at 31 December 2022:

Zones	Category	Ore (Mt)	% THM*	% Ilmenite in THM	% Ilmenite in ore	% Rutile in ore	% Zircon in ore	THM (Mt)	Ilmenite (Mt)	Rutile (Mt)	Zircon (Mt)
Reserves											
Namalope	Proved	75	3.4	81	2.8	0.06	0.19	3	2.1	0.05	0.14
Namalope	Probable	21	3.0	80	2.4	0.06	0.17	0.6	0.5	0.01	0.04
Pilivili	Proved	34	4.1	82	3.4	0.07	0.22	1.4	1.2	0.02	0.08
Pilivili	Probable	103	3.6	82	3.0	0.07	0.21	3.7	3.1	0.07	0.22
Nataka	Probable	1,274	3.1	83	2.6	0.04	0.14	39	33	0.57	1.72
TOTAL RESERVES	Proved and Probable	1,507	3.2	83	2.6	0.048	0.15	48	40	0.72	2.2

Resources	Category	Sand (Mt)	% THM*	% Ilmenite in THM	% Ilmenite in sand	% Rutile in sand	% Zircon in sand	THM (Mt)	Ilmenite (Mt)	Rutile (Mt)	Zircon (Mt)
Congolone	Measured	205	3.3	80	2.7	0.07	0.22	6.8	5.5	0.1	0.4
Namalope	Measured	103	3.2	81	2.6	0.06	0.18	3.3	2.7	0.1	0.2
Pilivili	Measured	23	3.2	81	2.6	0.06	0.19	0.7	0.6	0.0	0.0
Namalope	Indicated	93	2.7	81	2.2	0.05	0.16	2.6	2.1	0.0	0.1
Congolone	Indicated	55	3.8	79	3.0	0.08	0.23	2.1	1.7	0.0	0.1
Nataka	Indicated	2,078	2.8	82	2.3	0.05	0.15	59.0	48.5	1.0	3.2
Pilivili	Indicated	87	3.1	76	2.4	0.05	0.16	2.7	2.1	0.0	0.1
Mualadi	Indicated	483	2.4	82	2.0	0.04	0.13	11.7	9.5	0.2	0.7
Congolone	Inferred	24	2.4	78	1.9	0.05	0.13	0.6	0.4	0.0	0.0
Pilivili	Inferred	34	2.3	76	1.8	0.04	0.13	0.8	0.6	0.0	0.0
Mualadi	Inferred	573	2.2	82	1.8	0.04	0.12	12.6	10.3	0.2	0.7
Nataka	Inferred	3,041	2.5	82	2.1	0.04	0.13	77	64	1.3	4.1
Mpitini	Inferred	287	3.6	80	2.9	0.07	0.24	10	8.3	0.2	0.7
Marrua	Inferred	131	3.6	80	1.4	0.08	0.08	4.7	1.8	0.1	0.1
Quinga North	Inferred	71	3.5	80	2.8	0.14	0.28	2.5	2.0	0.1	0.2
TOTAL RESOURCES		7,288	2.7	81	2.2	0.049	0.15	197	160	3.6	11

Resources are additional to reserves. Estimates for Namalope, Nataka and Pilivili reserves and Namalope, Nataka, Congolone, Pilivili and Mualadi resources comply with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code") 2012 edition. Table 1 documentation for these reserves and resources can be found at www.kenmareresources.com. Estimates for all other resources were prepared and first disclosed under the 2004 edition of the JORC Code. They have not been updated to comply with the JORC Code 2012 edition on the basis that the information has not materially changed since they were last reported.

The competent person for the Namalope, Nataka and Pilivili reserves and resources and the Congolone resources is Mouhamed Drame (MAusIMM). Mr M. Drame is an employee of Kenmare and takes part in the Kenmare Resources Share Plan. The competent person for the other resources is Sonsiama Kargbo (MAusIMM and MAIG). Mr S.Kargbo is an employee of Kenmare and takes part in the Kenmare Resources Share Plan. Mr M. Drame and Mr S. Kargbo have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the JORC Code 2012 edition. Mr M. Drame and Mr S. Kargbo consent to the inclusion in this report of the matters based on their information in the form and context in which it appears.

*THM is total heavy minerals of which ilmenite (typically 82%), rutile (typically 2.0%) and zircon (typically 5.5%) total approximately 90%. Tonnes and grades have been rounded and hence small differences may appear in totals. Mt represents million tonnes.

Read more about **our business model** on pages 18-19

FINANCIAL REVIEW

Strong cash generation and commercial discipline remain a key focus

TOM HICKEY
FINANCIAL REVIEW

Highlights

Kenmare delivered another year of growth in 2022, generating a 15% increase in revenues to $526.0 million (2021: $455.9 million) and a 39% increase in EBITDA to $298.0 million (2021: $214.2 million). Although shipments decreased by 16%, market prices continued to strengthen resulting in the Group achieving an average price per tonne of $463, an increase of 42% compared to 2021. Overall, the strong 2022 performance was driven by positive market dynamics, an improved product mix and excellent shipping performance in the second half.

We were delighted to return $34.7 million in dividend payments to shareholders during the year, comprising the 2021 final dividend totalling $24.1 million and the 2022 interim dividend totalling $10.6 million. The full year 2022 proposed dividend of USc54.31 per share represents a 66% increase on 2021 and is in line with the Company's commitment to pay out at least 20% of profit after tax to shareholders. Cumulative cash returns to shareholders will exceed $185 million since 2019.

Strong cash generation and commercial discipline remain a key focus of the Group. Total cash operating costs increased by 13% to $216.7 million (2021: $191.8 million) in 2022, principally as a result of increased labour, power and fuel costs. As a result, cash operating costs per tonne increased by 15% to $180 per tonne in 2022 (2021: $156 per tonne). Capital investment remained in line with 2021 at $59.9 million (2021: $60.3 million).

Kenmare finished the year with cash of $108.3 million (2021: $69.1 million) and net cash of $27.5 million (2021: net debt of $82.8 million).

2022 results

The key financial metrics were as follows:

	2022	2021*	FY change %
Revenue ($ million)	**526.0**	455.9	15%
Freight revenue ($ million)	**(27.6)**	(35.4)	(22%)
Mineral product revenue ($ million)	**498.4**	420.5	19%
Finished products shipped (tonnes)	**1,075,600**	1,285,300	(16%)
Average price per tonne ($/t)	**463**	327	42%
Average ilmenite price per tonne ($/t)	**364**	282	29%
Average zircon price per tonne ($/t)	**1,638**	1,185	38%
Total operating costs[1/2] ($ million)	**292.6**	304.8	(4%)
Total cash operating cost ($ million)	**216.7**	191.8	13%
Cash operating cost per tonne of finished product ($/t)	**180**	156	15%
EBITDA ($ million)	**298.0**	214.2	39%
Profit after tax ($ million)	**206.0**	128.5	60%
Net cash/(debt) ($ million)	**27.5**	(82.8)	133%
Full year dividend per share (USc)	**54.3**	32.7	66%

Notes to table:

* The results for 2021 have been restated in order to change to classification of freight costs, distribution costs and foreign exchange. This presentational change had no impact on underlying earnings. Further details are set out in Note 4.

1 Additional information in relation to these Alternative Performance Measures (APMs) is disclosed in the glossary.

2 Depreciation and amortisation are included in total operating costs.

15%
INCREASE IN REVENUE

Revenue

Revenue increased by 15% in 2022 to $526.0 million (2021: $455.9 million) due to a 42% increase in average price per product and a higher proportion of co-product sales, partially offset by a 16% decrease in shipments. This decrease in shipments was primarily due to a four-month period of planned maintenance, which occurs every five years, on the Company's largest transshipment vessel, the Bronagh J; following its return from dry dock in August, Q4 was the strongest quarter of the year for shipments.

Shipments during the year comprised 953,400 tonnes (2021: 1,187,000 tonnes) of ilmenite, 60,500 tonnes (2021: 52,900 tonnes) of primary zircon, 48,800 tonnes (2021: 41,800 tonnes) of concentrates and 12,900 tonnes (2021: 3,600 tonnes) of rutile.

Ilmenite revenue amounted to $347.4 million increasing slightly on the prior year (2021: $334.7 million) as a result of a 29% increase in average prices offset by a 20% reduction in shipment volumes. Decreased ilmenite volumes resulted in a change in the Group's product mix with primary zircon revenue increasing by 58% to $99.2 million (2021: $62.7 million) due to a 38% price increase and a 14% increase in shipment volumes. Freight revenue in 2022 decreased to $27.6 million (2021: $35.4 million), reflecting lower volumes shipped and reduced average freight rates during the year in line with global shipping trends.

Read more about **our operations** on page 34

Operating costs

	2022	2021*	FY change %
Cost of sales	**282.7**	295.0	(4%)
Freight charges	**(27.6)**	(35.4)	(22%)
Foreign exchange included in cost of sales	**(1.1)**	(1.9)	(42%)
Cost of sales excluding freight and foreign exchange	**254.0**	257.7	(1%)
Administrative expenses	**9.9**	9.8	1%
Total operating costs less freight charges and foreign exchange	**263.9**	267.5	(1%)
Non-cash costs			
Depreciation	**(64.6)**	(63.1)	2%
Expected credit losses	**(1.1)**	(0.2)	450%
Share-based payments	**(2.2)**	(1.1)	100%
Indirect tax provision	**(0.9)**	(2.0)	(55%)
Mineral products inventory movements	**21.6**	(9.3)	(332%)
Total cash operating costs	**216.7**	191.8	13%
Finished product production (tonnes)	**1,200,800**	1,228,500	(2%)
Cash operating cost per tonne of finished product ($/t)	**180**	156	15%

*The results for 2021 have been restated in order to change to classification of freight costs, distribution costs and foreign exchange. This presentational change had no impact on underlying earnings. Further details are set out in Note 4 to the Financial Statements.

The Group remained focused on cost control throughout the year in order to limit the impact of rising inflation and energy prices. Total cash operating costs increased by 13% to $216.7 million (2021: $191.8 million), with almost half of this increase accounted for by higher power and fuel costs. Higher diesel prices, in particular, negatively impacted the cost of running the Group's heavy mobile equipment ("HME") and mineral separation plant in addition to increased repairs and maintenance costs and HME rental costs. Depreciation increased to $64.6 million in 2022 (2021: $63.1 million), primarily due to higher mining asset costs relating to the significant investment in new property, plant, and equipment in recent years. As a result of the above factors, cash operating costs per tonne of finished product increased by 15% to $180 per tonne in 2022 (2021: $156 per tonne).

Finance income and costs

The Group recognised finance income of $1.1 million in 2022 (2021: $0.3 million), consisting of interest on bank deposits of $0.7 million (2021: $0.3 million) and foreign exchange gains of $0.5 million (2021: $Nil). Finance costs were $12.5 million (2021: $14.1 million), including loan interest of $8.8 million (2021: $9.5 million), letter of credit arrangement and factoring fees of $2.2 million (2021: $1.4 million), lease interest of $0.1 million (2021: $0.2 million), commitment fees of $0.5 million (2021: $0.2 million), unwinding of the discount on the mine closure provision of $0.7 million (2021: $0.7 million) and foreign exchange losses of $Nil (2021: $2.0 million).

Exchange movements

The US Dollar significantly strengthened against the Euro, Rand and Sterling throughout the first nine months of the

Read more about **economic value distributed in Mozambique** on page 66

year. This was offset by the weakening of the US Dollar in the final three months of the year. Overall currency movements resulted in an exchange loss of $0.6 million (2021: $3.9 million) during the year.

Tax

The tax charge for the year amounted to $16.1 million (2021: $8.8 million). The majority of this tax charge is payable by the Company's mining subsidiary, Kenmare Moma Mining (Mauritius) Limited ("KMML") in Mozambique. KMML Mozambique Branch had taxable profits of $39.9 million (2021: $16.2 million), resulting in an income tax expense of $14.5 million (2021: $5.7 million) being recognised. The income tax rate applicable to taxable profits of KMML Mozambique Branch is 35% (2021: 35%).

The Company had taxable profits of $13.3 million (2021: $32.5 million), resulting in an income tax expense of $1.6 million (2021: $3.1 million). The higher taxable profits in the Company in the prior year were largely due to a $20.0 million dividend received from KMML, which was subject to Irish corporation tax at an effective tax rate of 9.5%. No intercompany dividend was received by the Company in 2022.

$206.0m
PROFIT AFTER TAX

USc54.31
2022 DIVIDEND PER SHARE

Earnings per share

Basic earnings per share (EPS) amounted to $2.17 per share (2021: $1.18 per share). On a diluted basis, EPS in 2022 amounted to $2.12 per share (2021: $1.16 per share). The EPS figures are calculated on the basis of the weighted average number of shares in issue during the year, which was 94,919,944 (2021: 108,843,459).

Dividends

Profit after tax increased by 60% to $206.0 million in 2022 (2021: $128.5 million) primarily as a result of significantly higher revenues. In 2021 Kenmare increased its dividend pay-out target to 25% of profit after tax, above the 20% minimum policy, and delivered a dividend in line with this target. The Board is recommending a final dividend of USc43.33 per share, which is subject to shareholder approval at the AGM. This would give a full year dividend of USc54.31 per share for 2022, which represents an increase of 66% per share on 2021. The financial statements do not reflect the final dividend that is being recommended for shareholders to approve at the 2023 AGM.

Cash flows

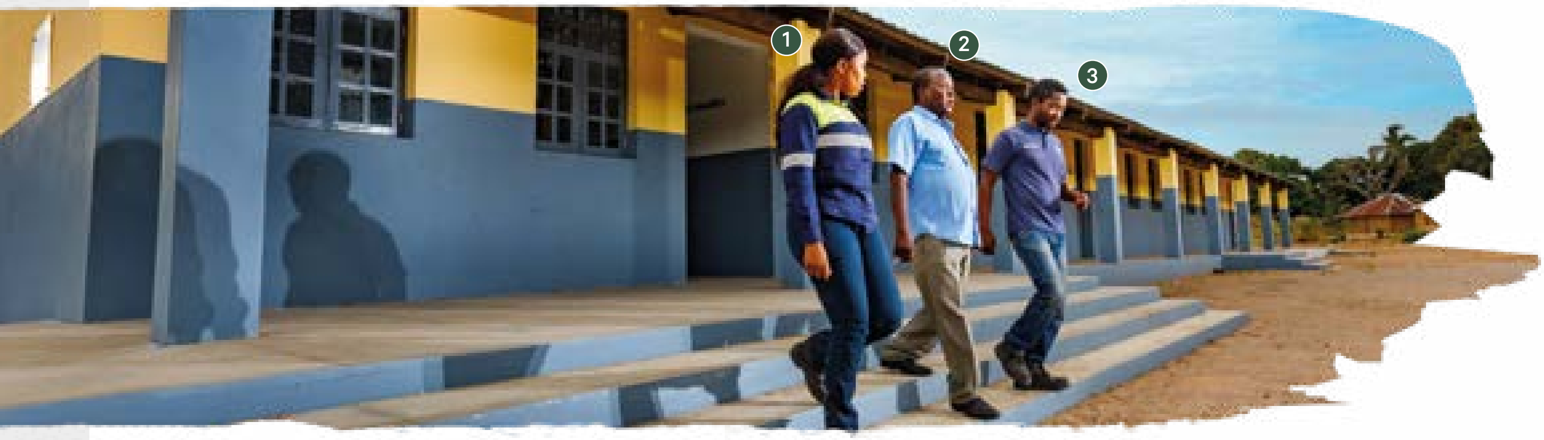
The Group remains focused on effective cash and working capital management and net cash generated from operations increased by 40% to $209.4 million in 2022 (2021: $147.8 million).

Working capital movements absorbed $73.3 million (2021: $57.3 million) of which $47.6 million relates to increased year end receivables arising from strong Q4 shipments, with the balance principally reflecting increased year end inventories of intermediate and finished mineral products. The Group made interest payments of $6.9 million (2021: $7.1 million), tax payments of $10.5 million (2021: $6.3 million) and letter of credit arrangement and factoring fee payments of $2.2 million (2021: $1.4 million) during the year.

39%
INCREASE IN EBITDA

Investing activities of $59.9 million during the year remained in line with the prior year (2021: $60.3 million) and represented additions to property, plant, and equipment as discussed further below.

1 **Rahema Mugode**
Comms Specialist
2 **Antonio Taveira**
Pilivili's community leader
3 **Celestino Matsinhe**
Building Inspector
Community relations



Shareholder returns in 2022 totalled $34.7 million (2021: $98.0 million). They were comprised of the final 2021 dividend of USc25.42 per share (2021: USc7.69) totalling $24.1 million and the H1 2022 interim dividend of USc10.98 per share (2021: USc7.29) totalling $10.6 million. In addition, the Company completed an odd-lot offer in 2022 providing smaller shareholders with a cost efficient way to dispose of their shareholdings. The total cost of the odd-lot offer including transaction costs was $0.6 million (2021: $nil).

Lease payments of $1.1 million (2021: $1.4 million) were made during the year relating to the rental of the Company's Dublin and Maputo offices and generators at the Mine.

Consequently, Kenmare finished the year with $108.3 million (2021: $69.1 million) of cash and cash equivalents, representing an increase of $39.8 million (2021: decrease $13.5 million) before foreign exchange movements of $0.6 million (2021: $4.7 million).

Balance sheet

In 2022 there were additions to property, plant, and equipment of $59.9 million (2021: $60.3 million). Additions consisted of $8.5 million (2021: $nil) on the Bronagh J dry dock, $6.8 million (2021: $5.0 million) on pre-feasibility studies for the transition of WCP A to the Nataka ore zone, $6.7 million (2021: $0.5 million) on the Namalope West orebody resettlement costs, $2.3 million (2021: $1.4 million) on the finished product warehouse expansion with the balance of $35.6 million (2021: $53.4 million) made up of various other capital additions. All 2022 capital expenditure was funded from operating cash flows.

The mine closure provision decreased by $20.1 million in 2022 (2021: $2.2 million decrease) and now stands at $16.6 million (2021: $36.0 million). This movement was solely due to an increase in the discount rate used to estimate the closure cost provision as required by accounting standards; there has been no change to overall closure cost estimates. Capital disposals amounted to $17.4 million (2021: $18.0 million), principally relating to heavy mobile fleet and mine infrastructure.

The Group conducted an impairment review of property, plant, and equipment at year end and the key assumptions of this review are set out in Note 11 of the financial statements. No impairment provision is required as a result of this review.

60%
EBITDA MARGIN

Working capital was $175.9 million at year end (2021: $102.2 million), representing 33% of sales. Working capital investments were required over the previous 18 months following the completion of the Group's major

Task Force on Climate-related Financial Disclosures (TCFD)

Accounting for climate change

Kenmare's management has considered the impact of climate change on amounts reported within the financial statements, including the potential financial impact of the physical and transitional risks identified in the Strategic Climate Report in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures. Considerations in respect of climate-related matters have been made on several key estimates and judgements including: estimated future cash flows used in determining the recoverable amount of the Mine; the closure provision and mine rehabilitation provision; and the useful lives of property, plant and equipment.

Kenmare has set an ambition to be Net Zero by 2040 (Scopes 1 and 2) and our Transition Plan to work towards this is currently under development. The financial impact of how the Company will work towards meeting this target is therefore still being assessed. Currently, estimated future cash flows do not consider the expenditure, or related savings associated with this ambition, or financial impact of our climate risks disclosed on page 60, as a reliable estimate of these cannot currently be made.

No adjustments to useful lives were made during the period. Finding an alternative to fossil fuel for Kenmare's plants and equipment is the focus of our Transition Plan, as this is the main source of operational emissions. Current potential opportunities focus on electrification of equipment or substitution of diesel with biofuels, which may require adjustments to the depreciation profile of the Group's property, plant and equipment assets in the future.

Kenmare's estimated provision for mine closure and rehabilitation is based on current restoration standards, techniques and climate conditions. These plans and estimates are supported by external studies. Detailed closure cost studies are refreshed at least every five years and these studies are evolving to incorporate greater consideration of forecast climate conditions at closure.

Management continues to monitor future uncertainty around climate change risks and is continually developing its assessment of the impact that climate change has in the financial statements. See the TCFD index on page 64 to navigate to Kenmare's full set of disclosures.

Read more about the market for our products on pages 24-29

Read more about our strategic pillars on page 20

Read more about how we manage climate change on page 60

Read more about the Nataka PFS on page 41

development projects in 2020. In addition, the Group held higher working capital balances than usual at year end as a result of higher inventories and the significant level of shipments in Q4 which impacted receivables.

Inventory at year end amounted to $84.2 million (2021: $60.2 million), consisting of intermediate and finished mineral products of $43.7 million (2021: $22.0 million) and consumables and spares of $40.5 million (2021: $38.2 million). Closing stock of HMC at the end of 2022 was 18,800 tonnes compared with 11,500 tonnes at the start of the year. Closing stock of finished products at the end of 2022 was 213,500 tonnes (2021: 88,700 tonnes). The increased investment in consumables and spares reflects increased stock holdings to maintain production in 2023 and additional holdings to maintain new plant and machinery while the increase in finished products inventory at year end was largely due to the decreased shipments in 2022, as a result of the Bronagh J dry dock.

Trade and other receivables amounted to $124.0 million (2021: $74.7 million), of which $105.0 million (2021: $66.2 million) was trade receivables from the sale of mineral products and $19.0 million (2021: $8.5 million) comprised prepayments and other miscellaneous debtors. The increase in trade receivables at year end was mainly attributable to increased sales in Q4 2022 and a reduced proportion of sales made under letters of credit. All trade receivables are current and an expected credit loss of $1.5 million (2021: $0.4 million) was recognised during the year. The increase in expected credit losses can be attributed to a combination of a higher trade receivable balance at year end and an increase in the weighted average loss in line with global default trends. No customer balances are considered credit impaired at 31 December 2022 and the Group has never suffered a bad debt.

Cash and cash equivalents increased by $39.2 million (2021: decrease of $18.2 million) during the year and at 31 December 2022 amounted to $108.3 million (2021: $69.1 million) as a result of strong product markets continuing to support free cash flow generation.

Trade and other payables amounted to $35.3 million (2021: $32.8 million). Tax liabilities amounted to $8.9 million (2021: $4.8 million) reflecting the increased tax expense incurred during the year.

At year end, debt amounted to $78.6 million (2021: $148.1 million). During the year, the Company made principal repayments of $31.4 million on the $110 million Term Loan which has a final maturity date of 11 March 2025. The $40 million Revolving Credit Facility which was drawn down at 31 December 2021 was fully repaid during the period.

On 21 July 2022 the Group's $40 million Revolving Credit Facility was extended by 12 months and now has a maturity date of 11 December 2023, which is extendable by a further 12 months with the consent of lenders.

Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union; therefore, the Group financial statements comply with Article 4 of the IAS Regulation. The Parent Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The Group and Parent financial statements have also been prepared in compliance with the Irish Companies Act 2014.

The Group's significant accounting policies and details of the significant accounting judgements and critical accounting estimates are disclosed in Note 1 to the financial statements.

Financial outlook

Capital expenditure in 2023 is expected to continue at reduced levels relative to recent years during which we completed three major capital programmes that successfully delivered increased production. However the Group is actively preparing for a period of significantly increased capital investment between 2024 and 2027.

Expenditure on development projects and studies is expected to be approximately $14 million in 2023, including costs primarily related to ongoing feasibility works for the Nataka ore zone where WCP A is scheduled to commence mining around 2025, and for optimising mining capacity. Improvement projects are expected to cost $8.5 million and relate to numerous smaller projects in water, energy and security management. There are also projects relating to improvements at WCP A, WCP B and the Mineral Separation Plant. Sustaining capital costs in 2023 are expected to be approximately $33.5 million.

We will continue to focus on actively managing our operating cost base in a safe and sustainable manner, cognisant of the inflationary pressures and other risks that face our business. With supportive product markets, stable production levels and initiatives to minimise unit costs, Kenmare strives to maintain its position as a first quartile producer on the industry revenue to cost curve. This will provide increased cash flow stability and the ability to remain cash flow positive throughout the market cycle.

Kenmare's strategic priorities are to operate responsibly, deliver long-life, low-cost production, and to allocate capital efficiently, including developing accretive growth opportunities. We are focused on maintaining a robust and flexible balance sheet to enable us to deliver all of these goals, particularly to fund our capital investment requirements and to continue to make consistent shareholder returns.

TOM HICKEY
FINANCIAL DIRECTOR

1 **Tembe**
Contractor from Sinergia (Silvia please confirm his full name and role)

2 **Rubens Junior**
WCP A Shift Supervisor

2022 ESG SCORECARD PERFORMANCE

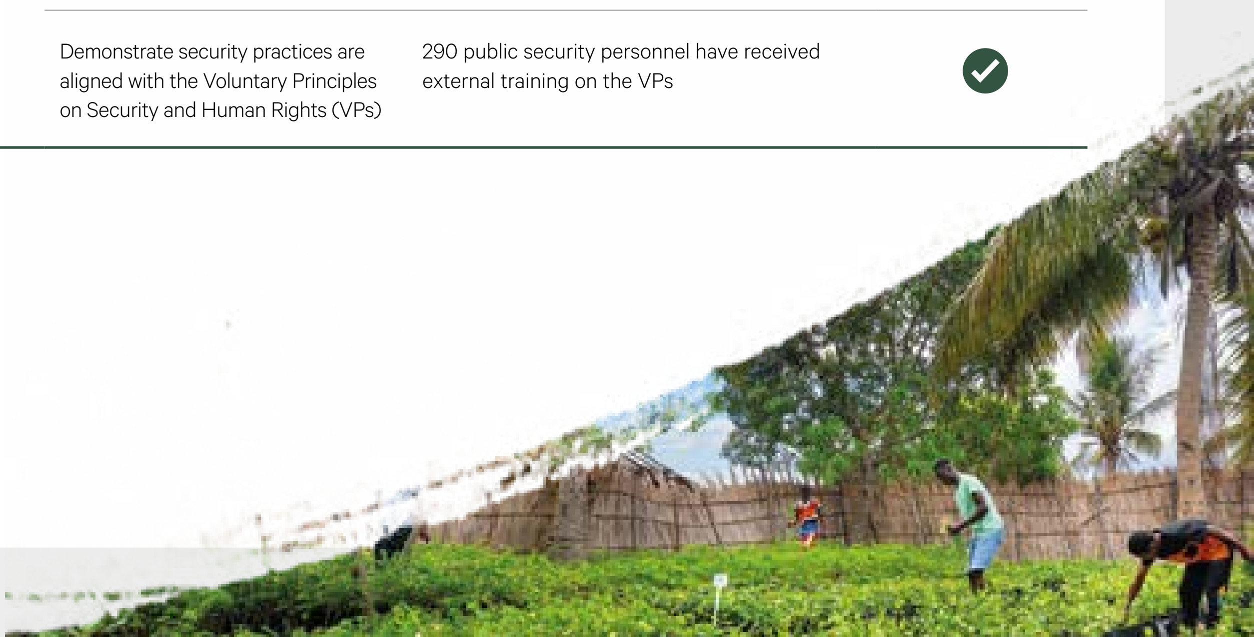
Kenmare's approach to sustainability aims to balance the needs of our host communities, environmental conservation, and economic returns. You can read more about our sustainability strategy on pages 54 and 55. Kenmare measures progress against this strategy via its ESG Scorecard, which represents 25% of the Company's overall corporate scorecard and is part of both Executive and staff incentive schemes. Kenmare's performance against the KPIs in its ESG scorecard for 2022 is summarised below. On ESG, the Company scored 21% out of the maximum of 25%. Kenmare's 2023 and 2025 targets are set out together with our sustainability strategy on pages 54 and 55.

	2022 Target	2022 Performance	Delivered
Safe and engaged workforce	20% LTIFR improvement against a three-year average (2020-2022)	50% LTIFR improvement of 0.09 Versus three-year average of 0.18 (2020-2022)	✓
	Ongoing implementation of THRIVE programme	Awareness workshops on chronic diseases held throughout the year	✓
	Implementation of Malaria Vector Control programme	Challenges in finding the right implementation partner; target carried over to 2023	✗
	13.5% female representation at the Moma Mine	14.5% female representation at the Moma Mine	✓
	Implement 2020 engagement survey actions and undertake second engagement survey	2022 engagement survey undertaken; majority of 2020 engagement survey actions implemented	✓
Thriving communities	6% increase in local procurement	12% increase in local procurement	✓
	Additional five contracts with local suppliers	11 new contracts with local suppliers	✓
	Delivery of first year of KMAD three-year plan (2022-2024)	95% of first year of KMAD three-year plan delivered	→
	Positive improvement on the following metrics: • Repayment of loans by micro-businesses • Number of pupils passing Grade 3 • Water quality in community boreholes	• 42% of loans on track for repayment within 36 months • Literacy and numeracy rates improved by 7% to 34% and by 30% to 47% respectively • Distribution of Certeza, water treatment pilot to be started in Mulimuni village	→

KEY

✔ Achieved / Good Progress ✖ Limited Progress ➔ In Progress

	2022 Target	2022 Performance	Delivered
A healthy natural environment	Implementation of RUPS delivering short-term emissions reduction of 12% by 2024, with 2% delivery in 2022 Progress energy efficiency projects	RUPS commissioned in June Absolute emissions reduced by 6% year on year and emissions intensity decreased by 3% Efficiencies in our Mineral Separation Plant led to a 7% improvement in litres of diesel combusted per tonne of product	✔
	174 ha of post-mined land rehabilitated	191 ha of post-mined land rehabilitated	✔
	Successful execution of expanded agro-forestry and soil fertility trial	Soil fertility trials completed but agro-forestry trials not yet expanded	✖
	Update of Environmental Management Plan (EMP) for renewal of our operational environmental licence and to create balance of biodiversity, food security and carbon sequestration	Updated EMP presented to and approved by district authorities and communities	✔
	Ongoing maturation of Water Accounting Framework in line with ICMM principles. Establish current water reuse rate and set 2023 target to increase water reuse rate.	2022 water reuse rate of 90% 2023 target is to maintain the already high level of water reuse rate, especially in light of more challenging operational conditions	✔
Trusted business	100% of on-site suppliers audited against sustainability questionnaire	100% of the 62 on-site suppliers have been audited. Capacity building to improve alignment with standards underway	✔
	Implement security strategy	49% reduction in criminal incidents	✔
	Demonstrate security practices are aligned with the Voluntary Principles on Security and Human Rights (VPs)	290 public security personnel have received external training on the VPs	✔



SUSTAINABILITY STRATEGY

Kenmare's sustainability mission is to achieve a balance between the needs of our host communities, environmental conservation, and economic returns. In doing so, we aim to deliver increased value to Kenmare's shareholders and our host country Mozambique and work towards the individual missions outlined in each of our four strategic pillars opposite.

Kenmare's sustainability strategy, developed in 2021, builds on our 17-year track record of sustainable development, and sets out a longer-term vision with measurable medium-term targets.

In developing this strategy, Kenmare considered the major macro and national sustainability themes that are likely to both influence Kenmare's operations and provide either risks or opportunities that Kenmare needs to consider.

These themes included:

- The global focus and urgent need to tackle climate change and reverse the loss of biodiversity
- A growing Mozambican population, adding pressure to existing socio-economic issues
- Understanding the root causes of insurgency in Cabo Delgado and their applicability to Kenmare
- The COVID-19 pandemic and its health and economic impacts

Safe and engaged workforce

MISSION

To sustain a safe, healthy and engaged workforce.

OVERVIEW

Protecting the safety of our employees, suppliers and contractors is of the utmost importance to Kenmare. We take a proactive approach to managing safety, identifying major risks and sharing lessons to continuously improve performance. Our ability to attract, retain and motivate a diverse, high calibre and localised workforce is at the heart of our success and sustainability as a business.

MATERIAL ISSUES

- Health and safety
- Security
- Diversity and inclusion
- Labour practices

2023 TARGETS

- 20% reduction in Lost Time Injury Frequency Rate relative to three-year rolling average

2025 TARGETS

- Measurably reduce malaria
- 20% females in Moma workforce
- Engaged workforce, as measured by survey and <3% voluntary turnover
- 95% of employees having a development plan and knowing what they need to do to ready themselves for their next position

Read more about our safe and engaged workforce on page 56

Thriving communities

MISSION
To increase the prosperity of Kenmare's host communities.

OVERVIEW
Kenmare is privileged to be able to use its presence in Moma to support the economic and social prosperity of our communities, which we take very seriously. We seek to operate in a safe, inclusive, and transparent way and engage openly with communities associated with our operations and activities. Kenmare is committed to listening to communities' concerns and priorities, and constructively resolving any differences in a transparent manner.

MATERIAL ISSUES
- Socio-economic development
- Land use
- Community relationships

2023 TARGETS
- 4% increase in operating expenditure with Mozambican suppliers

2025 TARGETS
- Increased procurement with Mozambican suppliers
- Quantifiable improvement in:
  - Micro-loan repayments
  - Pupil literacy and numeracy
  - Water quality at community boreholes
- Progress against relevant Sustainable Development Goals

Read more about our thriving communities on page 58

A healthy natural environment

MISSION
To create and sustain a positive environmental legacy.

OVERVIEW
We focus on reducing greenhouse gas emissions from our own operations, ensuring our business is resilient to climate-related risks, and can capitalise on opportunities related to the transition to a low-carbon economy. Minimising or mitigating the impacts of our operations on the environment and biodiversity includes our progressive rehabilitation programme, water use, and management of waste, air emissions, noise, and dust.

MATERIAL ISSUES
- Climate
- Energy use
- Water stewardship
- Rehabilitation
- Biodiversity
- Tailings storage
- Waste

2023 TARGETS
- On track to deliver 12% emissions reduction in 2024 (relative to 2021 baseline)

2025 TARGETS
- Progress against climate targets
- Support designation and protection of Icuria forest as a sustainable community forest
- Balanced post-mining land use programme providing food security and biodiversity
- Complete implementation of water reuse infrastructure. Water accounting in alignment with International Council on Mining and Metals guidelines
- No reportable tailings releases, no significant findings from six-monthly audit

Read more about our healthy natural environment on page 60

Trusted business

MISSION
To drive improved ethics and transparency in our business and supply chain.

OVERVIEW
We aim to be a trusted business and support transparent disclosure, so we can be accountable for our actions and commitments. All our staff recognise their personal and collective responsibility in upholding Kenmare's business integrity. Our high standards are enshrined in our policies and the laws and regulations of Ireland, the UK and Mozambique. We also work with our suppliers to ensure our high sustainability standards are upheld.

MATERIAL ISSUES
- Business transparency
- Anti-bribery and corruption (ABC)
- Supply chain
- Legal and regulatory compliance

2023 TARGETS
- On-site suppliers achieving an average of 80% compliance with Kenmare's Supplier Code of Conduct

2025 TARGETS
- External risk assessment of ABC risks in business and supply chain
- On-site suppliers achieving an average of 85% compliance with Kenmare's Supplier Code of Conduct
- External assurance of public security forces upholding the Voluntary Principles on Security and Human Rights

Read more about our trusted business on page 66

Safe and Engaged Workforce

The safety of its workforce is the primary concern that drives Kenmare's day-to-day decision-making and work.

Achievements

- An industry-leading safety performance of 11.8 million LTI-free hours
- Mozambican operations certified to NOSA standard, aligned to ISO 45001 International Standard
- Five-star National Occupational Safety Association (NOSA) rating for seventh consecutive year
- No major safety concerns on audit findings
- While employee engagement dropped to 83% (2020: 97%), engagement levels are still significantly above global averages
- 100% of senior management completed leadership coaching, focused on empowering their teams
- 96.7% localisation rate exceeded regulatory requirements
- Female representation in mine workforce reached 14.5% (2021: 12.5%)
- Security strategy delivered a 49% reduction in criminal incidents relative to 2021

Material topics

- Health and safety
- Security
- Diversity and inclusion
- Labour practices

Stakeholders

- Employees
- Suppliers
- Communities
- Investors

Sustainable Development Goals

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

Health and safety

Kenmare's safety performance is externally assured annually by NOSA and for a seventh consecutive year, the Company achieved a five-star certification.

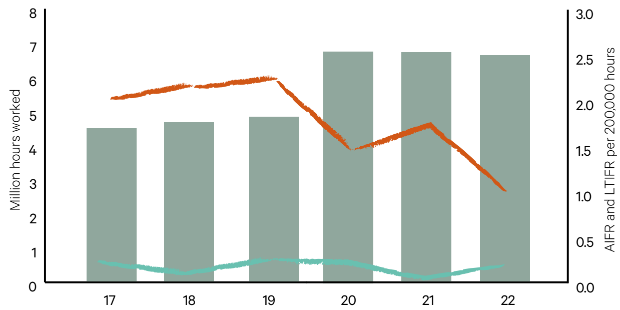
Kenmare was extremely proud of its record of 11.8 million hours worked with no Lost Time Injury (LTIs) up to September 2022. There were then three LTIs, two were relatively minor accidents but one resulted from a failure of processes and poor practice and supervision. This has been thoroughly investigated and the causes addressed.

Kenmare's LTIFR increased to 0.09 incidents per 200,000 hours (2021: 0.03), but improved by 50% relative to the three-year rolling average of 0.18.

0.09

LTIFR PER 200,000 HOURS WORKED VERSUS THREE-YEAR ROLLING AVERAGE OF 0.18 LTIFR

Safety performance



Million hours worked
All Injury Frequency Rate (per 200,000 hours worked)
Lost Time Injury Frequency Rate (per 200,000 hours worked)

Malaria

The Moma Mine is situated in a malaria endemic region. The overall incidence of malaria amongst Kenmare's workforce increased in 2022, with 1,540 cases, 19% higher than the five-year average of 1,290. The number of workdays lost to malaria cases was 4,620, compared to the yearly average of 3,880 between 2017-2021.

Kenmare implemented indoor residual spraying and larvae control programmes, complemented by awareness and education campaigns. A community-agreed programme to spray the inside of every house led to a minor reduction in malaria cases within the wider community. Kenmare's independent malaria study with an expert research partner faced delays and was postponed to 2023.

Security

In 2022, the number of security incidents decreased by over 49% year on year. The severity of threat, relating to escalating violence, reduced to zero. The security team prevented 28% of potential thefts and recovered 25% of stolen items. Additionally, there was an 84% reduction in security-related operational shutdowns. However, there is more progress to be made to convert arrests into criminal prosecutions and jail sentences, and this will be a focus for 2023.

84%
REDUCTION IN SECURITY-RELATED OPERATIONAL SHUTDOWNS

Diversity and inclusion

Kenmare continued to work to increase opportunities for women and Mozambican nationals through targeted training programmes, internships and our Graduate Development Programme. During 2022, 33% of Kenmare's Board and 20% of the Executive Committee was female. At the Moma Mine, women make up 14.5% of the workforce (2021: 12.5%), and 25% of the senior management team (2021: 24%).

Kenmare works to address the challenges relating to the unequal gender representation at all levels within the business. To build the pipeline of future female employees, the Company offers a number of training schemes and internships which target female applicants. Kenmare also has extended maternity leave and provides more flexible return to work rotational patterns to support women coming back to work after maternity leave.

Labour practices

Employees are paid a living wage and in 2022, the minimum standard wage for an entry-level position at Kenmare was more than double that set by the Government of Mozambique. The Company includes maximum working hours in its conditions of employment and relevant procedures and adheres to relevant employment laws.

Kenmare respects the right of all employees to freedom of association and the right to collective bargaining without interference, and freedom from discrimination. 47% of the Company's Mozambican workforce are members of the trade union, SINTICIM and during 2022, Kenmare enjoyed positive labour relations with no industrial actions or disputes..

91%
OF EMPLOYEES WOULD RECOMMEND KENMARE AS A GREAT COMPANY TO WORK FOR (2020: 93%)

Training and development

Investing in training and development is key to equipping Kenmare's people with the skills and knowledge they need. In 2022, the Company invested $1.2 million to provide 71,000 hours of training for its employees, providing approximately 46 hours of training per person.

Developing female talent in the community

Kenmare's not-for-proft association, KMAD, built a Technical Training College (TTC) in Topuito in 2019. Students can study for three years and obtain a Vocational Certificate – Level 5 qualification. The TTC now has a total of 244 students enrolled, 34% of whom are young women. In 2022, the first intake of 55 students graduated from their three-year courses. Of these 55 students, Kenmare sponsored 28 female bursaries. Ancha Felisberto Agy, pictured, is one of these bursary students. Like her peers, Ancha is starting an internship with Kenmare or one of its suppliers.

Thriving communities

Kenmare is committed to working to increase the prosperity and well-being of the communities that live in and around the Moma Mine.

Achievements

- Repair of damage to community social infrastructure caused by Storm Ana, outside of our normal financial and operational community plans
- Completion of 83 community houses for the resettlement of project-affected families in the Isoa village
- Completion of the Pilivili, Muolone, Mpuitini and Epuri schools, and construction of Cotocuane school underway
- Began a two-year programme, building schoolteacher capacity to improve students' literacy and numeracy
- Began planning for the Larde hospital, which, when completed, will provide medical treatment for the whole district
- Re-instituted soccer tournaments for boys and girls following a hiatus during COVID-19

Material topics

- Community relationships
- Socio-economic development
- Land use

Stakeholders

- Communities
- Government
- Suppliers
- Employees
- Investors

Sustainable Development Goals

Community relationships

Kenmare's community team engages proactively with communities and local authorities on the Environmental, Social and Health Impact Assessments associated with the future mine path, and any resulting resettlement action plans.

Six local working groups, spread across 15 project-affected communities met bi-monthly to monitor and discuss issues relating to resettlement, compensation and grievance management.

20%
OF KENMARE'S DEDICATED COMMUNITY RELATIONS TEAM ARE FROM THE LOCALITY

Socio-economic development

Kenmare founded, funds and oversees the work of the Kenmare Moma Development Association (KMAD), a not-for-profit association which supports livelihoods and economic development and projects to improve healthcare, education and water and sanitation. KMAD provided $3 million in funding to socio-economic development projects in 2022 (2021: $2.3 million).

In early 2022, Larde and Moma Districts were hit by tropical storm Ana, which caused extensive damage to infrastructure including houses, four schools and the Mititicoma Health Centre. KMAD immediately provided funds to respond to the emergency and repair damage.

KMAD also made progress on the aims set out in its strategic plan. In 2022 it provided $76,000 in interest-free loans to 23 new micro-businesses across the Namalope, Pilivili and Mpaco areas. The total number of income generating projects now supported by KMAD is 89, generating revenues of over $660,000 during the year, and providing employment to over 300 community members.

$660,000
GENERATED BY KMAD-SPONSORED MICRO-BUSINESSES

2022 was the first full year of operation of the KMAD funded health centre in Pilivili and over 35,000 people attended the clinic's outpatient department. Kenmare also continued to fund a mobile health clinic which provides quarterly mobile check-ups.

Education

New schools were completed in Pilivili and Mpuitini and construction of a new school in Cotocuane began. An additional new school block in Mititicoma was completed and KMAD sponsored Topuito Technical College to build new accommodation blocks for male students and teachers. In addition, KMAD supported a total of 250 scholarships for pupils taking secondary and university courses.

17%
IMPROVEMENT IN NUMERACY RATES AT KMAD-SPONSORED SCHOOLS

Water and sanitation

Over the last 18 years KMAD has drilled 30 boreholes, supplying clean water to approximately 24,000 people and in 2022 provided two new boreholes and a range of improvements to water systems and sanitation. It also continued to work to grow the capacity of the local community Water Committees.

Land use

Kenmare conducts comprehensive consultations on plans for its operations, to identify and address any potential impacts. In 2022, the key focus was the Namalope West area, an extension of the existing Namalope mine that Kenmare will begin mining in 2025. This required an addition to the original ESHIA and during the year Kenmare completed 83 community houses to resettle affected families.

Local procurement

In addition to supporting micro-businesses, Kenmare works to increase the proportion of goods and services it procures from Mozambican and provincial businesses.

Kenmare has over 900 registered suppliers, 48% of which are Mozambique-based and 52% are international. Operating expenditure with Mozambican suppliers grew by 12% in 2022 to $116 million (2021: $103 million). As an overall proportion of spend within our supply chain, operating and capital expenditure with Mozambican suppliers increased from 49% in 2021 to 54% in 2022. Kenmare is committed to building local supplier capacity and creating fairer competition through training courses and sponsorship.

To enable more Mozambican businesses to provide goods and services to the mine, Kenmare is co-operating with Moz Parks, a Public Private Partnership. Moz Parks has built Phase 1 of the Topuito Industrial Park. The park will also provide warehousing and workshop and accommodation facilities to support Kenmare's suppliers and other agro-businesses.

12%
INCREASE IN PROCURING FROM MOZAMBICAN COMPANIES

KMAD livelihood project: solar-powered refrigerated storage

The people of Mualazi, a coastal village within our mining concession, make their living from fishing. The community has always faced difficulties in preserving their catches due to a lack of fridges and freezers, and energy to power them. In 2021, KMAD invested $30,000 to construct a building to house refrigeration equipment so fish could be stored and processed, and solar panels to power the fridges and freezers. Produce is sold locally and in Nampula and those using the facility have been able to increase their incomes.

1 **Albertina João**
KMADs beneficiary – fish processing project association

A healthy natural environment

Kenmare is committed to being responsible custodians of the land we mine and managing our impacts on climate change, water, waste and biodiversity.

Achievements

- Reducing diesel-related emissions from the Mineral Separation Plant through efficiency measures
- Commissioning of the Rotary Uninterruptible Power Supply, negating constant use of diesel generators
- Water efficiency efforts delivering 90% water reuse
- Implementation of rehabilitation trials
- Improvement in waste recycling capability
- Mozambican operations are certified to the National Occupational Safety Association (NOSA) standard aligned to ISO 14001 International Standard

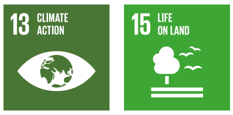
Material topics

- Climate
- Energy use
- Waste
- Biodiversity
- Radiation
- Tailings storage
- Rehabilitation
- Water stewardship

Stakeholders

- Employees
- Communities
- Government and regulators
- Shareholders
- Suppliers, contractors and customers

Sustainable Development Goals



Climate

In 2021, Kenmare's Board established an ambition to become Net Zero by 2040 across the Company's Scope 1 and 2 emissions. Work continued in 2022 to develop a Transition Pathway to demonstrate how the Company will likely achieve that, and what meaningful progress it can make towards that goal in the medium term. Kenmare has a short-term target of 12% CO_2 reduction of Scope 1 and 2 emissions by 2024. In 2022, the Company successfully commissioned the Rotary Uninterruptible Power Supply (RUPS), a project which will be one of the key contributors towards that short-term target. RUPS eliminates the need to continuously use diesel generators during the stormy summer months, providing a stable supply of electricity.

A short-term challenge the Company faces is that the emissions savings projected from RUPS will be partially offset by an increase in diesel-intensive dry mining. This is necessary to counter lower production from more complex high-slimes mineral sands in some areas of the orebody. This is expected to continue in 2023 and 2024. Kenmare will work to minimise this and identify additional decarbonisation opportunities to offset the impact.

Climate change risks and opportunities

	Timeframe			Scenario sensitivity	
Climate change-related risks	**Short (1-2 yrs)**	**Medium (2-5 yrs)**	**Long (5-10 yrs)**	**Low carbon**	**Business as usual**
Physical risks					
Cyclones				•••	••••
Storm surges				•••	••••
Flooding				••	••
Extreme Heat				••	•••
Transition risks					
Investor expectations on decarbonisation				••••	•••
Net impact of climate regulations (carbon pricing etc)				••••	•••
Climate change-related opportunities					
Energy transition positively impacting titanium demand				••	•
Demand for lower carbon products				••	•

KEY

High likelihood

Low likelihood

Anticipated onset of risk or opportunity.

Estimated full impact of risk or opportunity

Climate risk

In 2022, management considered the climate risks facing operations and the Company's business model as part of the annual risk register review. This built on a more comprehensive review of climate risks and opportunities facing the organisation conducted in 2021, which you can read about in detail in our 2021 Climate Strategy Report found at www.kenmareresources.com/sustainability.

In line with TCFD recommendations, management, led by the Head of Sustainability and supported by external consultants, assessed the impact of physical and transition risks using different scenarios[1]. The resilience of the business model was tested in the context of a rapid decarbonisation scenario, and the physical risks to operations in a "business-as-usual" scenario, leading to more extreme weather. Two time horizons were considered: 2030 and 2050. However, the evaluation reflects a short (<3 years), medium (3-7 years) and long-term (>7 years) timeframe, which relate to the Company's operational and financial planning timeframes.

The detailed 2021 climate change-related risk review was refreshed in 2022 and confirmed that cyclones remain the Company's most significant physical risk. Extreme weather events have been a principal risk of the Company since 2009. Kenmare has robust mitigation controls including emergency preparedness plans to increase the resilience of our people, operations, and communities in the event of extreme weather, which you can read more about on page 75 in the Principal Risk section. Secondary physical risks include storm surges, flooding, and extreme heat.

The most significant transition risk remains investor pressure on Net Zero commitments. Meeting such commitments is reliant upon the availability of commercially and economically viable solutions which align with Kenmare's ambitions for Net Zero. The majority of solutions and available technologies have a Net Present Value (NPV) that is currently negative and would involve a significant capital outlay for the business. Nevertheless, Kenmare continues to assess and review such solutions as they develop. In addition, Kenmare is investing in studies to partially electrify our mineral separation plant to displace diesel and identify potential sources of biofuels, among other decarbonisation investigations.

The transition to the low-carbon economy also presents opportunities to market Kenmare's relatively low-carbon products to climate-conscious customers; reduce operational costs through increasing energy efficiency; and a low but growing demand for titanium minerals products in low carbon technologies.

Climate and energy strategy

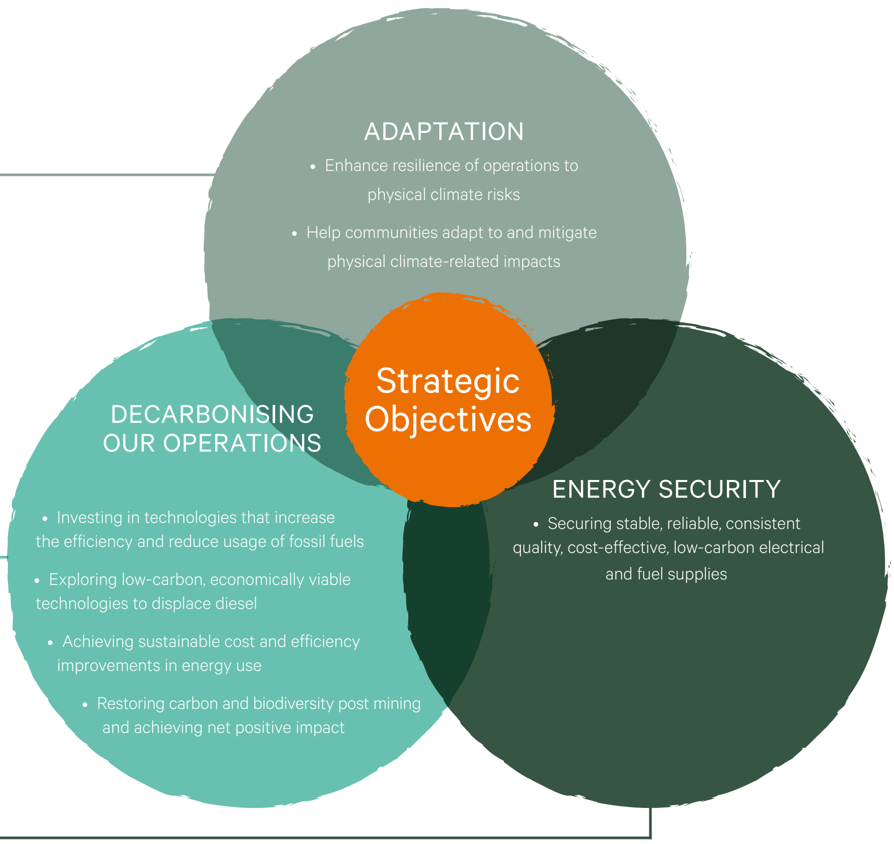
In 2022, the Board approved an update to the Company's climate and energy strategy, below. A key update to this strategy was to highlight the strategic imperative of clean, low-cost energy to both operations and delivery of the Company's Net Zero ambition.

Climate and energy strategy

KPIs
- Upgrading infrastructure to become more cyclone resilient
- Cargo nets thrown over critical buildings and community infrastructure to keep the roofs on
- Improved use of transshipment fleet
- Number of key community infrastructures with safe roofs

KPIs
- Deliver 12% carbon reduction target by 2024
- Maintain high level of water re-use (90%)
- Biofuels pilot
- Concept study for electrification of dryers
- Investing in infrastructure upgrades to help end dry mining

KPIs
- Investigations for alternative power sources, including upgrades/additional lines connecting to the Mozambican power grid
- Energy efficiency targets



1 For Physical risks, Intergovernmental Panel on Climate Change (IPCC)'s RCP 8.5 'business-as-usual' (3.2-5.4°C by 2100) and RCP 4.5: a low carbon scenario (1.7-3.2°C by 2100) were used.

For Transition risks, the International Energy Agency's World Energy Outlook: Sustainable Development Scenario (SDS) and Stated Policies Scenario (STEPS) were used.

GHG emissions performance

We report our GHG emissions in accordance with the GHG Protocol, and the requirements of ISO 14064-1:2018. Emissions are categorised under Scopes 1, 2 and 3 (GHG Protocol) and Categories 1-4 of direct and indirect emissions (ISO 14064:1-2018). VerifyCO_2 has been engaged to provide limited assurance on our GHG data in accordance with the abovementioned standards, and energy-related data in accordance with ISO 14064-3:2019.

Kenmare's direct GHG emissions are from diesel consumption combusted in our Mineral Separation Plant, and in Heavy Mobile Equipment, Transshipment Vessels, Light Vehicles and other equipment users. Through a wheeling supply agreement with Electricidade de Moçambique (EdM), we source hydroelectric power from Hidroelectrica de Cahora Bassa (HCB).

Kenmare's direct emissions for 2022 were 66,519 tCO_2e, a 6% decrease (2021: 70,445 tCO_2e) largely due to increased efficiencies at the Mineral Separation Plant following considerable maintenance and servicing in 2022. This was against an operating context of a 2% reduction in finished products, but a 2% increase in excavated ore.

Kenmare's imported electricity, according to market-based calculations were zero tCO_2e. According to a location-based calculation, imported electricity was 16,337 tCO_2e.

Diesel consumption was 4% lower in 2022 at 23 million litres (2021: 24 million litres of diesel). Carbon intensity, at 0.055 tCO_2e per tonne of mined product reduced by 3%, reflecting process efficiencies mentioned above.

The most significant category of indirect emissions is from the processing of our products downstream. The emissions from this category are estimated to be 2.6 million tCO_2e. However, because Kenmare has no control or visibility over these emissions, this category of emissions is currently excluded. In 2022, our (reported) indirect emissions, excluding the processing of products downstream were 115,218 tCO_2e, which compared to 124,126 tCO_2e in 2021. There was a reduction in all categories of indirect emissions except for business travel which increased significantly post COVID-19. It should be noted that the 2022 GHG inventory was extended to include some of our purchased goods.

Improving the resilience of our communities to climate change

Kenmare helps communities increase their resilience to extreme weather events in two ways. First, if community infrastructure is damaged, Kenmare helps repair this in line with government guidelines requiring structures to be resilient to a Category 4 cyclone. As a result, most villages have a place to take shelter and stay safe during a cyclone event. Second, KMAD sponsors a Conservation Agriculture (CA) programme, which 500 community farmers participate in. CA teaches farmers techniques on how to improve the yields from their crops and better protect them from drought, flooding and disease.

GHG emissions

Emissions source	2020	2021*	2022**
Direct / Scope 1 emissions (tonnes of CO_2e)	59,521	70,445	**66,519**
Indirect / Scope 2 emissions - Location based (tonnes of CO_2e)	12,852	14,504	**16,337**
Indirect / Scope 2 emissions - Market based (tonnes of CO_2e)	0	0	**0**
Indirect (Category 3 and 4) / Scope 3 emissions (tonnes of CO_2e)			
• Upstream transportation and distribution	19,450	35,868	**34,041**
• Downstream transportation and distribution	41,722	79,953	**66,644**
• Employee commuting	1,076	2,110	**2,035**
• Business travel	319	117	**1,008**
• Purchased goods - third party fuel	14,326	6,066	**6,828**
• Purchased goods - cement	N/R	N/R	**2,780**
• Purchased goods - mobile equipment	N/R	N/R	**1,865**
• Waste disposal	10.5	12	**18**
Total indirect (Category 3 and 4) Scope 3 emissions	76,893	124,226	**115,218**

* Baseline year.

** Category 2 / Scope 2 (Location based) added, and indirect business travel and waste restated.

Energy use

Kenmare invested significant capital expenditure in 2004-2007 to run overhead power cables 170 km from Moma to Nampula, where the nearest substation is located, enabling us to access hydroelectric power from Cahora Bassa Dam (CBD) supplied by Electricidade de Moçambique (EdM) in Mozambique. This clean energy source represented over 90% of Kenmare's overall electrical energy consumption in 2022 and 50% of our total energy consumption. Kenmare's operations will require more power in the medium term and the Company will need to identify an additional source of power before the line capacity limit is reached. Power from diesel generators may still be required as a temporary solution.

Energy consumption by source (MWh)	2021	2022
Total diesel consumption (direct)	242,775	**231,467**
Petrol	489	**374**
LPG	489	**530**
Total non-renewable energy	**243,753**	**232,372**
EdM (grid) energy	207,719	**233,923**
Dublin (grid) energy	17	**27**
Total renewable energy	**207,736**	**233,950**
Total energy	**451,489**	**466,322**
% of renewable energy	**46%**	**50%**

Addressing the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

Climate-related disclosures on governance, strategy and risk management, as well as metrics and targets, are integrated into this report, as set out below. However, given constraints in our Annual Report, the 2021 Climate Change Report and 2022 Sustainability Report supplement these disclosures and are available at www.kenmareresources.com. Together, these reports are consistent with the four thematic areas, 11 recommended disclosures and "Guidance for All Sectors" set out in the October 2021 "Implementing the Recommendations of the Task Force on Climate-Related Financial Disclosures". Kenmare will continually enhance its reporting and further integrate climate disclosures as recommended by the TCFD in future Annual Reports. To aid readers, the key climate-related disclosures can be found in the index here:

Governance	Location	
Describe the Board's oversight of climate-related risks and opportunities.	*2022 Annual Report* Board skills matrix – page 84 Board of Directors – page 86 Governance framework – page 90 Board activities in 2022 – pages 93-94 Areas of focus in 2022 – pages 114-115	*2022 Sustainability Report* Sustainability governance – page 58
Describe management's role in assessing and managing climate-related risks and opportunities.	*2022 Annual Report* Finance review – page 49 Climate risk – page 60 Accounting for climate change – page 166	*2022 Sustainability Report* Kenmare management – page 59
Strategy	**Location**	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	*2022 Annual Report* Sustainability strategy – pages 54 -55 Climate change risks and opportunities – page 60 Climate and energy strategy – page 61	
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	*2022 Annual Report* Climate risk – page 60	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	*2022 Annual Report* Climate and energy – page 60 Climate risk – pages 60-61	*2021 Climate Strategy Report* Physical risk scenario analysis - pages 13-15 Transition risk scenario analysis - pages 16-18
Risk Management	**Location**	
Describe the organisation's processes for identifying and assessing climate-related risks.	*2022 Annual Report* Climate risk – pages 60-61 Principal risks – pages 71-75	
Describe the organisation's processes for managing climate-related risks.	*2022 Annual Report* Principal risks – pages 71-75	
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	*2022 Annual Report* Principal risks – pages 71-75	
Metrics and targets	**Location**	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	*2022 Annual Report* Key performance indicators – pages 52-53	*2021 Climate Strategy Report* Physical and transition metrics – page 19
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	*2022 Annual Report* GHG emissions – page 62 Energy consumption by source – page 63	
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	*2022 Annual Report* Climate and energy – page 60 Climate and energy strategy – page 61	

Rehabilitation

Kenmare works to minimise its impact, protect biodiversity, and rehabilitate disturbed areas effectively and efficiently. In 2022, the Company rehabilitated 191 ha of land, exceeding the target of 174 ha. A further 93 ha of previously rehabilitated land was improved, and 72,577 indigenous trees and over 82,955 casuarinas were planted.

Biodiversity

Icuria dunensis is a tree species endemic to Mozambique and is listed as Endangered on the International Union for the Conservation of Nature's Red List. Within Kenmare's concession is a 220 ha of Icuria dunensis forest, which has been excluded from the mining area, but which is under threat from deforestation by the community. Kenmare, together with the Primeiras and Segundas Archipelagos Protected Area Management Committee (APAIPS), is working to protect 220 ha of Icuria forest within our concession as a Sanctuary.

Tailings storage

Tailings are residues created during mining processes and are kept in Tailings Storage Facilities (TSFs). Kenmare's operations currently contain most of the tailings in the mining void and this storage is inspected regularly. In 2022, Kenmare began to align its existing ponds and paddocks tailing storage system with the Global Industry Standard on Tailings Management[1] (GISTM).

Separately, during the year we conducted a pre-feasibility study to establish a semi-permanent TSF with the ability to store over 30 million tonnes of fine tailings.

[1] GISTM is funded by the International Council on Mining and Metals (ICMM), the United Nations Environment Programme (UNEP), and the Principles for Responsible Investment (PRI).

Waste

All non-hazardous waste is dealt with either by being sent to our landfill or by being packaged for recycling. All hazardous waste is disposed of responsibly by third parties. In 2022, Kenmare appointed 3R, a waste management specialist, to help sort, report and manage waste more effectively. The repair of the landfill site was completed in the first quarter of 2023. Kenmare generated 351.4 tonnes of non-recyclable and organic waste during 2022 (2021: 307.5 tonnes).

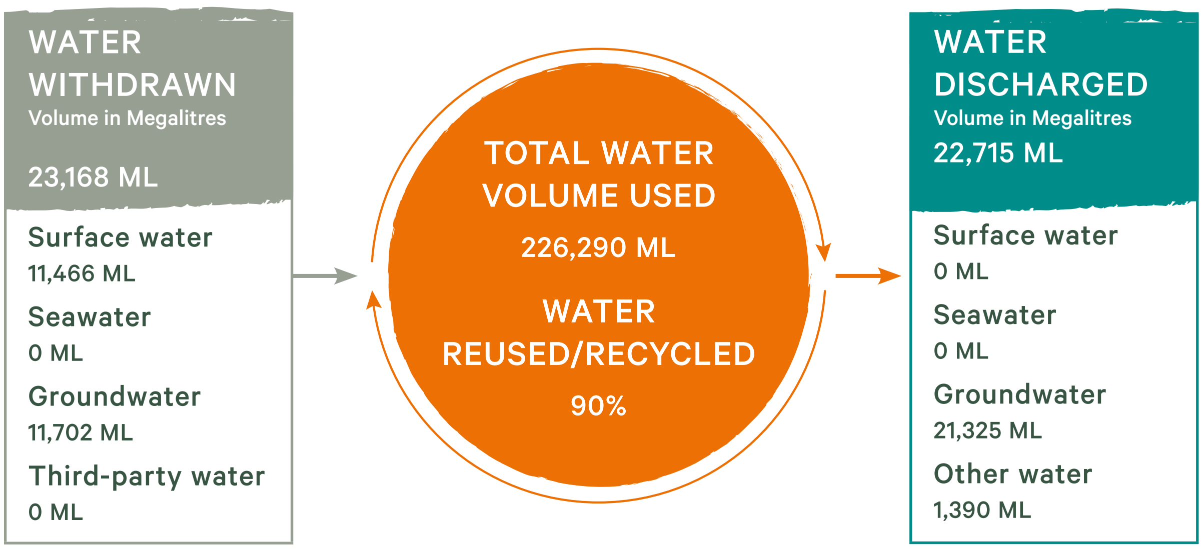
Water stewardship

In 2022, the operations efficiency rate was 0.58 m3 water withdrawn per tonne of excavated ore, a 41% reduced efficiency compared to 2021 (0.41 m3/tonne of ore). This reduced efficiency is attributed to additional slimes management at WCP A and WCP C, an extended pond size at WCP B, offpath slimes deposition and increased use of tail stackers. Water abstraction for our Namalope and Pilivili operations was in line with regulatory water withdrawal limits. In 2022, 90% of the total mine water used (226,290 ML) was recycled or reused.

Neither the mining nor processing operations at Moma use toxic chemicals. Therefore, operational water losses through seepage, which return to the underlying aquifers and adjacent surface water systems as baseflow, do not affect the ambient groundwater and surface water quality.

Using the WRI Aqueduct™ tool, all the water extracted for the Moma Mine is in an area identified as low baseline water stress. Projections as far out as 2040 indicate a similar low water stress. Nevertheless, Kenmare is committed to responsible use and efficient management of water.

Water Performance



Trusted Business

Kenmare's principles, values and standards guide how its employees perform its work and help the Company uphold the highest possible ethical standards.

Sustainability and safety are integrated into all levels of the business, with key objectives outlined in our policies, standards, strategies, business, and incentive plans. The Board's Sustainability Committee plays a key role in monitoring this work. It meets five times a year and conducts in-depth discussions on the strategies for mitigating Kenmare's top safety and sustainability risks, progress on internal metrics and public targets, and plans to continuously improve the Company's performance.

Achievements

- $29.5 million in payments to the Mozambican government (2021: $26.5 million)
- 290 public security forces trained in the Voluntary Principles on Security and Human Rights
- 100% of on-site suppliers audited against Kenmare Supplier Code of Conduct
- The Company achieved a 21/25% performance on ESG Scorecard linked to Executive Remuneration

Material topics

- Business transparency
- Supply chain
- Anti-bribery and corruption
- Compliance and audit

Stakeholders

- Employees and unions
- Government and regulators
- Shareholders
- Suppliers, contractors and customers

Business transparency

Kenmare's primary goal is to ensure the Company's policies and standards are upheld and that all work meets legal and regulatory requirements. The Company's commitment to ethical behaviour is outlined in our business ethics policy and Moma employees undergo induction or annual refresher training on its requirements.

Kenmare subscribes to the Extractive Industries Transparency Initiative (EITI) and we report on the Company's annual tax and royalty payments. All payments disclosed have been made to national governments, either directly or through a ministry or department of the national government on a cash basis.

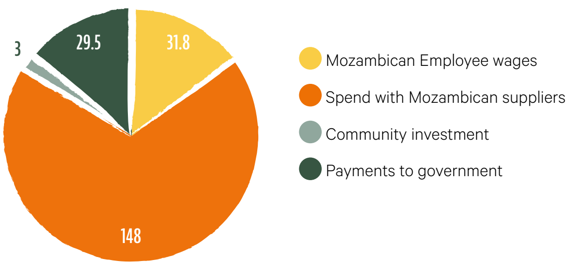
Kenmare is also actively involved in the efforts of the Mozambique branch of the EITI to promote revenue transparency and accountability, and we report on annual tax and royalty payments. For full details of Kenmare's EITI disclosures see the 2022 Sustainability Fact Book.

Kenmare maintains positive working relationships with government stakeholders at national, regional, district and local levels. Kenmare does not make any form of political donation.

$29.5m

PAYMENTS TO MOZAMBIQUE GOVERNMENT (2021: $26.5M)

Economic value distributed Mozambique ($M)



Voluntary Principles on Security and Human Rights

In 2022 Kenmare signed addendums to the two Memoranda of Understanding with the Provincial Police Command in Nampula and the Ministry of National Defence, for the provision of police and naval security forces in and around the mining concession. Under these, Kenmare contributes to the financing of equipment and salaries of the security forces. The Provincial Police Command and Ministry of National Defence uphold the Voluntary Principles and the United Nations Basic Principles Relating to the Use of Force and Firearms by the Law Enforcement Officials. An internationally recognised, certified, and independent third party provides training and certification on these principles twice a year. 290 public security personnel were trained in 2022 on the Voluntary Principles.

Anti-bribery and corruption

Kenmare has zero tolerance of bribery and corruption. The Company's business activities both in Ireland and in Mozambique are bound by Irish law and with Mozambican law on countering bribery and corruption. Employees receive training on our anti-bribery policy during inductions and annually.

In 2022, two cases were reported by our confidential whistleblowing line, Safecall and three additional cases came to the Company's attention. All five cases were investigated, with three related to concerns about corrupt activities, but none were substantiated.

2022 Ethics investigations	Total
New issues captured in third-party whistleblowing line	2
Total number of issues investigated (substantiated and unsubstantiated)	5
Total substantiated cases	0
2022 Nature of ethics matters opened	
Concerns about corruption	3
Total	3

Protection of human rights

The nature and context of Kenmare's business – based in a remote area in a developing country – exposes the organisation and supply chain to the potential risk of adverse human rights impacts. Kenmare works in collaboration with our suppliers to eradicate modern slavery from our supply chain. The Company has not been informed of, or is aware of, any modern slavery or human trafficking issues.

Our rigorous recruitment and pre-employment vetting process, combined with our whistleblowing facility, gives us confidence that there is a very low risk of slavery or human trafficking in our own operations.

Sustainable supply chain

Kenmare remains focused on supporting our suppliers to uphold our strong Environment, Social and Governance (ESG) standards. In 2022, 58 on-site suppliers were audited against Kenmare's Supplier Code of Conduct, which sets out our minimum policy requirements across all aspects of ESG management.

The supplier sustainability audit revealed evidence of strong conformance (79% overall) to Kenmare's policies as well as some areas for improvement. In the second half of 2022, Kenmare embarked on a capacity building programme to help suppliers improve their internal processes and ability to meet our sustainability standards. This programme will continue into 2023.

Supply chain

In 2022 the Moma Mine had over 900 registered active suppliers, 48% of which are businesses located in Mozambique and 11% are from the province in which Kenmare operates, with the remainder being international businesses. A new Supplier Code of Conduct was implemented in May 2022, along with an extended and enhanced sustainability evaluation and audit process.

Suppliers deemed higher risk are visited to confirm their capability and compliance with Kenmare's policies. Training programmes and improved communication processes have been put in place to address gaps identified in audits and to underline suppliers' accountability for managing compliance in their own supply chains.

During the year, Kenmare launched a supplier pre-registration portal, where local suppliers can register online and read and confirm support and adherence to the Company's policies. Kenmare also started screening suppliers using an international third-party database.

Compliance and audit

Kenmare's internal audit function assures the Company's systems and controls are reliable and secure, meet its own and legal and regulatory requirements, and that significant risks are effectively managed. It reports to the Board's Audit and Risk Committee.

The National Occupational Safety Association (NOSA) audits the Company's safety, health and environmental management systems annually. In 2022, Kenmare's greenhouse gas emissions data was independently assured by a third party. The Company met the Government of Mozambique requirement for an annual independent environmental audit of the mine operation and audits of completed Resettlement Action Plans (RAP) . During 2022, Kenmare submitted regular Pilivili RAP monitoring reports to the Government of Mozambique which were found to meet requirements.

Kenmare received no fines or sanctions during the reporting period, relating to environmental, social or health and safety matters.

EU taxonomy

On review of the EU Taxonomy Regulation (EU) 2020/852, Kenmare concludes that its economic activities which are taxonomy-eligible are detailed in the table below.

Kenmare commissioned the Rotary Uninterruptible Power Supply (RUPS) in June 2022. RUPS delivers power in the event of grid electricity power dips and reduces carbon emissions from diesel generators, which would otherwise run constantly during the stormy summer months to provide a reliable source of power. Kenmare invested a total of $21 million of capital in RUPS, $6.1 million of which was spent in 2022. On review of the associated technical screening criteria, this eligible economic activity does not meet the requirements and therefore none of our economic activities are taxonomy aligned.

Kenmare awaits the sector guidance for mining to determine whether the Company's products may be eligible and aligned under the Taxonomy Regulation. Kenmare's products include Titanium Dioxide (TiO_2) and a monazite-rich mineral sand concentrate which includes rare earth elements (REEs), both of which Kenmare believes have a role to play in the transition to a low carbon economy. TiO_2 enhances the durability and sustainability of construction products and buildings through its resistance to heat, ultraviolet degradation, and weathering. Consumption of raw materials as well as waste production is reduced with lower maintenance requirements. In plastics, TiO_2 pigment helps to protect and extend product lifetime, reducing plastic waste. TiO_2 in paint also has a high refractive capability, reflecting heat generated by the infra-red rays of the sun. TiO_2 paints applied to the surfaces of buildings and cool roofs can therefore help to reduce heat build-up and avoid air conditioning requirements.

Titanium metal represents a small proportion (4-5%) of the total market for Kenmare's titanium feedstocks, however, demand for titanium metal in low-carbon technologies such as geothermal, nuclear, and solar is growing. In addition, rare earth elements (REEs) are essential for permanent magnets in wind turbines and electric vehicle motors. In a scenario where temperature increases are limited to 1.5°C due to rapid decarbonisation of the economy, the projected growth up to 2050 for these metals is 60% for titanium metal and 80% for REE relative to a business-as-usual case, where temperature increases continue their current trajectory.

EU Taxonomy – 2022 Eligible Activities

	Breakdown of taxonomy-eligible economic activities data for 2022				
Eligible Activities 2022	Total	Taxonomy Eligible		Taxonomy Non-Eligible	
	$m	%	$m	%	$m
Turnover	526.0	0	–	100	526.0
Capital expenditure	59.9	10.2	6.1	89.8	53.8
Operating expenditure	292.6	0	–	100	292.6


PRINCIPAL RISKS
AND UNCERTAINTIES

Managing risk is an integral part of our business. We apply a comprehensive process for assessing and managing risks associated with our operations and business and strategic corporate decisions. Through this process, significant risks faced by the Group are identified, evaluated and appropriately managed.

Risk management framework

An overview of the risk management and internal control framework, responsibilities within it and the relationship between functions is set out below. While the Board is ultimately responsible for risk management within the Group, it has delegated responsibility for the monitoring of the effectiveness of the Group's risk management and internal control systems to the Audit and Risk Committee. The Board and Audit and Risk Committee receive reports from the Executive Committee on the key risks to the business and the steps being taken to mitigate such risks. The Audit and Risk Committee reviews the principal risks and uncertainties.

Board of Directors

The Board of Directors has ultimate responsibility for risk management. The Board receives reports and updates from the Board Committees and the Executive Directors on the key risks facing the business and the steps taken to manage these risks. The Board delegates responsibility to the Audit and Risk Committee.

Audit and Risk Committee

Responsible for monitoring and assessing the Group's risk management and internal control systems. Receives regular updates on risk management strategies, mitigation and action plans.

Sustainability Committee

Responsible for monitoring developments related to sustainability risks including safety, health, environment, climate and social performance, and providing strategic direction, oversight and risk assurance.

Executive Committee

The Executive Committee monitors and facilitates the implementation of effective risk management practices by departmental management and ensures appropriate risk reporting up and down the organisation.

1st line of defence

Operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

2nd line of defence

Kenmare has various oversight functions which are responsible for providing subject matter expertise, defining standards and ensuring adherence and compliance.

3rd line of defence

Internal audit provides assurance to the Board on how effectively the organisation assesses and manages its risks. It includes assurance on the effectiveness of the first and second lines of defence.

Risk assessment process

The Group's risk assessment process is based on a coordinated, Group-wide approach to the identification and evaluation of risks and the manner in which they are monitored and managed. This process begins with a bottom-up approach involving operational managers who, through a programme of workshops, regularly perform a detailed risk review to update the departmental risk registers. In assessing the potential impact and likelihood of each risk identified, management considers the existing key controls and evaluates the risks in terms of potential residual impact. A standard risk-scoring matrix is used to ensure consistency in reporting across all areas.

Departmental risk registers are consolidated into a Group Risk Register. The Executive Committee provides input to ensure that there is a top-down view of the key risks facing the Group. This includes consideration and assessment of any newly identified emerging risks. Following a review of the Group Risk Register by the Executive Committee, the principal risks identified for the Group and their mitigations are submitted to the Audit and Risk Committee and Board for review and approval.

As part of this review and approval process the Audit and Risk Committee provides a robust assessment of the emerging and principal risks faced by the Group. This is achieved by offering alternative viewpoints and challenging risk scoring assumptions as appropriate.

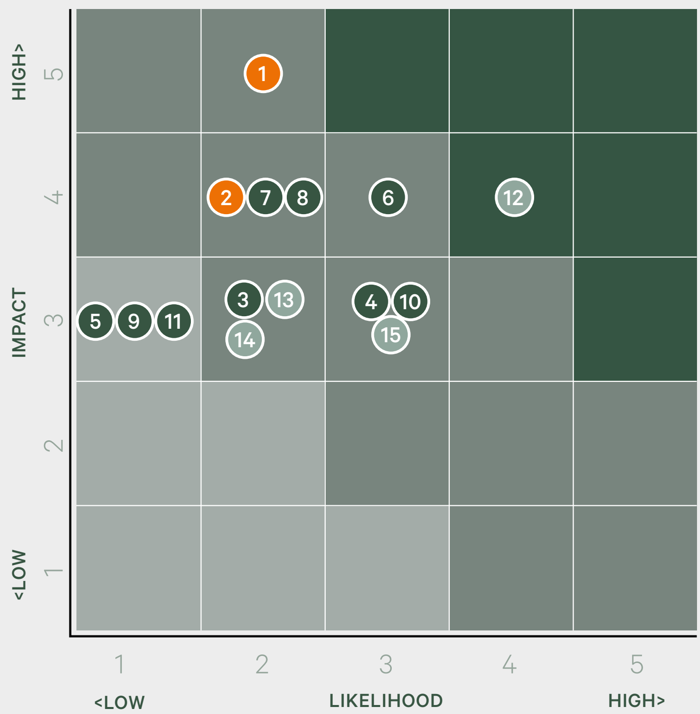
Risk appetite

Exploration for and the development of mineral resources, together with the construction and development of mining operations in Mozambique, are activities that involve high risk. Kenmare makes informed decisions prior to engaging in any associated activities that pose a significant risk to the Group. Where activities are undertaken, appropriate mitigations are put in place commensurate with the degree of risk that is faced. For some risks, such as country risk and industry cyclicality, these risks are inherent to the Company's business and there is a limit on the level of mitigation that can be put in place given the single jurisdiction and the single industry in which the Group operates. We have very low appetite and tolerance for risk in areas which potentially impact the health and safety of our staff, community and/or environment.

Emerging risks

Kenmare considers emerging risks as part of the risk assessment process within our risk management framework. An emerging risk is one that could potentially impact the Group; however, the risk is not yet fully understood, limiting our ability to fully assess the likelihood and impact of such risk. Such risks are closely monitored, enabling us to implement mitigations when necessary or appropriate. Emerging risks for the Group previously identified include geo-political developments that could impact our supply chain; our ability to make and complete sales of our products (including as a result

Risk heat map



1 Grant and maintenance of licences
2 Country risk
3 Geotechnical risk
4 Severe weather events
5 Uncertainty over physical characteristics of the orebody
6 Power supply and transmission risk
7 Asset damage or loss
8 Health, Safety and Environment
9 Mineral Resource statement risk
10 IT security risk
11 Development project risk
12 Industry cyclicality
13 Customer concentration
14 Foreign currency risk
15 Aggresive cost inflation

of sanctions and disruptions to international shipping); and/or our customer markets. In particular, the conflict in Ukraine became a key emerging risk for the Group in 2022 with the potential to have a broad effect on our business. While the conflict did not have a material effect on our business in 2022, we continue to monitor it and other geo-political developments, including the lifting of COVID-19-related restrictions in China, for potential impacts on our business.

Task Force on Climate-related Financial Disclosures

In line with regulatory reporting requirements, Kenmare used two alternate warming scenarios to evaluate climate-related risks applicable to our operations and business model. These included both physical risks and those related to the transition to a low-carbon economy, such as policy, regulatory, technology, market and reputational risks.

We have summarised our climate risk analysis on page 62. Further detail on our climate risks are set out in the 2021 Climate Strategy Report. This analysis confirms extreme weather events and, in particular, cyclones and storms present the most material climate-related risk to our business. The controls in place to mitigate this risk are set out on page 77. No other climate-risks have been identified as a principal risk and uncertainty.

Principal risks and uncertainties

Under Section 327(1)(b) of the Companies Act 2014 and Regulation 5(4)(c)(ii) of the Transparency (Directive 2004/109/EC) Regulations 2007 and UK Disclosure and Transparency Rule 4, the Group is required to give a description of the principal risks and uncertainties that it faces. These risks are similar to those faced by many companies in the mining industry. A description of the principal risks and uncertainties, together with any mitigating factors and controls, are set out in the table on pages 74-79. This table is not prioritised nor is it an exhaustive list of all risks that may impact the Group, but rather the Board's view of principal risks at this point in time. There are additional risks which are not yet considered material or which are not yet known to the Board or fully understood but which may assume greater importance in the future. The COVID-19 related risk identified in prior years has reduced as a result of the significantly lower impact on our operations; it has been removed as it is no longer regarded as a principal risk and uncertainty. If, however, this risk were to become elevated in the future, the Company will adopt an updated management plan to mitigate the risk.

1 **Rubens Junior**
WCP A Shift Supervisor

2 **Admiro Dias**
Plant Operator

3 **Lourenço Faria**
Plant Operator

Strategic

Grant, maintenance, renewal and extension of agreements and licences

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The Group's mining and processing activities require its foundation agreements (Mineral Licensing Contract and Implementation Agreement), licences, concessions and approvals to be in place in the relevant mining areas in northern Mozambique. The Group may not be granted, may not maintain, or may not obtain a renewal or extension of its foundation agreements, necessary licences, concessions and approvals for it to operate in accordance with its plans. In addition, the terms of any such agreement, licence, concession or approval, renewal or extension may be less advantageous than expected and the costs associated with obtaining, maintaining, renewing or extending such agreement, licence, concession or approval may be higher than expected.	A failure to obtain, maintain, renew or extend a foundation agreement, necessary licence, concession or approval would significantly affect the Group's ability to operate, its ability to generate cash and the valuation of the Group's assets. In addition, if the terms of any such agreement, licence, concession or agreement are less advantageous than expected, or the cost associated with obtaining, maintaining, renewing or extending such agreement, licence, concession or approval is higher than expected, then the financial performance of the Group may be adversely affected.	• Robust foundation agreement (Mineral Licensing Contract and Implementation Agreement) provide for rights of extension of the relevant agreement and for rights to be issued on a number of licences and approvals. • Continued compliance with terms of foundation agreements and maintenance of existing licences in good standing. • The Group continually demonstrates its commitment to the future long-term development of the Mine. • The Group maintains a positive working relationship with the Government of Mozambique through regular contact, promoting open and honest two-way communication. • Engagement with affected local communities to work towards obtaining the required environmental approvals.	The term of the Implementation Agreement (which governs the terms of KMPL's operation of the IFZ (Industrial Free Zone) ends in December 2024. The Group has applied for an extension of the agreement for a further 20 years, to which it is entitled under the agreement. While the Group believes an extension will be obtained, the ongoing extension process means that the perception of risk has increased compared to the prior year.

Country risk

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The Group's operations are located entirely in Mozambique. There may be potential adverse operational or financial impacts from changes in the political security or economic circumstances in Mozambique. In addition, changes in, or disputes over, the regulatory or tax regimes in Mozambique (including changes in the interpretation or application of those regimes to the Group) could also have an adverse impact.	Kenmare has operated in Mozambique since 1987; however, it remains subject to risks similar to those prevailing in many developing nations, including economic and social instability, the risk of insurgency, changing regulatory or tax regime (or the application thereof) or disputes with the authorities in relation to same. These risks may cause significant disruption to the operation or cause an increase in costs in order to ameliorate their impact. In addition, increases in taxes could have an adverse effect on the Group's financial results.	• Binding foundation agreements are in place with legal and fiscal stability clauses and international arbitration provisions. • The Group maintains a positive working relationship with the Government of Mozambique, including the Ministry of Resources and Energy (MIREME) and the tax authorities. • Kenmare monitors closely any developments in the national environment. • Frequent engagement with the Mozambique Defence Department, navy marines, and police. • In-house monitoring of activities and on-going improvement of security strategy. • Sufficient on-site diesel storage and power generation systems are in place to maintain processing and export activities to mitigate electrical supply infrastructure impacts. • Internal and external compliance reviews of Kenmare's tax administration.	The risk of insurgence in the Cabo Delgado province remains an area of focus. Taking all the country risk factors into account, there is no significant change to the overall assessment of country risk compared to the prior year.

Links to strategy

Operate responsibly · Deliver long life, low cost production · Allocate capital efficiently

Trend Key

Risk is increased · Risk is unchanged · Risk is decreased · N New risk

Operational

Geotechnical risk

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
An external berm failure at the Moma Mine could result in a major slimes/water spill into adjoining valleys, potentially impacting on local communities and/or the operating assets.	The nature of dredge mining gives rise to the creation of artificial ponds and a potential for failure of berm systems that surround the ponds. A failure of a berm could cause loss of life, damage to the operating assets and cessation of the operation of the Wet Concentrator Plants (WCPs) for a prolonged period.	• Permanently employed staff with geotechnical engineering skills. • Prudent geotechnical design and controls. • Daily inspections. • Interlocking external audits from two separate and independent geotechnical consultants. • Safety/diversion berm erected to protect downstream from pond berm failure. • Ongoing installation and monitoring of pipes on ponds to control excess water.	External berm failure remains a key focus in risk management. There are no circumstances envisioned which would be expected to increase the risk profile of geotechnical risk throughout 2023. Based on this, there is no significant change in the assessment of this risk compared to the prior year.

Severe weather events

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The location of the Group's operations on the Mozambican coast give rise to the risk of cyclone activity and severe wind/flooding which risk is increased by climate change. Such events pose risk to the safety of mine staff, contractors, and visitors, as well as to physical damage to the operational assets. For further information on the climate-related risks Kenmare faces, see our 2021 Climate Strategy Report.	In extreme weather circumstances, there is a risk of loss of life. There is a risk of physical damage to the operating assets of the Mine, which may result in an inability to operate the Mine. Heavy rain and flooding can also impact supply logistics to and from the Mine. Weather forecasting allows for disaster planning.	• Mine and associated infrastructure designed to appropriate cyclone rating. • Designated cyclone-proofed buildings at the Mine. • Ongoing weather/cyclone monitoring. • Cyclone readiness plan covering land-based and marine assets. • Disaster management programme. • Insurance cover. • Adequate stocks of materials and supplies on site.	There have been no significant changes to the assessment of the risk compared to the prior year.

Uncertainty over and/or changes in physical characteristics of the orebody

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
Orebody characteristics, including slime levels, may not conform to existing geological or other expectations or may have an unanticipated effect on production. Orebody characteristics, including slime levels, in some of our orebodies may differ from those previously mined and may require changes in mining methods and/or additional plant and equipment.	Physical characteristics of an orebody including divergence from expectations, may cause reduced production levels or a necessity to incur increased operating or capital costs to maintain production at the intended level.	• Extensive sample testing. • Extensive orebody drill programme including introduction of cone penetration testing to measure orebody properties relating to hardness. • Test pits/trenching implemented. • Growing expertise in managing slimes and in managing unexpected mining conditions. • Dry mining operations. • Improved throughput modelling. • Pre-feasibility Study for Nataka considering the impact of slimes on mining, processing, and tailings emplacement.	A significant amount of trial work has been done in 2022 on mining in Nataka. The results have been positive, and a mine path has been developed. Pre-feasibility studies on mining in Nataka continued to end of 2022 with the approval of additional work streams in 2023. As a result, there have been no significant changes to the assessment of the risk compared to the prior year.

Operational (CONTINUED)

Power supply and transmission risk

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The Mine is reliant on the delivery of stable and continuous electric power by Electricidade de Moçambique (EdM) from the Cahora Bassa Dam via a power transmission line to the Mine. Furthermore, additional power in excess of that currently agreed to be supplied by EdM is required for the future operations of the Mine, including in connection with the move to Nataka. The viability of obtaining additional power will need to be analysed and may require additional infrastructure.	Significant disruption to, or instability in, the power supply at the Mine could have a material and adverse effect on the ability to operate the Mine or to operate it in the lowest cost manner, thereby adversely affecting production volumes and/or operating costs. A failure to obtain any additional power required by future operations, or to obtain such power at acceptable cost could have a material and adverse effect on the ability to operate the Mine or to operate it in the lowest cost manner, thereby adversely affecting production volumes and/or operating costs.	• Robust and open relationship with EdM, based on long-term power supply agreement. • On-site diesel-powered generators to maintain part of the operations in the event of a loss of grid power. • Company's Synchronous Condenser (Dip Doctor) reducing the effect of grid power instability. • Construction of the Rotary Uninterruptible Power Supply (RUPS) project, providing increased power reliability while maintaining the advantages of low-cost hydroelectrical power. • Consideration of options for additional power supply for future operations, and dialogue with EdM and other stakeholders in connection therewith.	There have been no significant changes to the overall assessment of the risk compared to the prior year.

Asset damage or loss

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The operation of a large mining and processing facility carries an inherent risk of technical failure of equipment, fires and other accidents. In addition, the assets are exposed to the risk of theft.	An occurrence of these risks could result in damage to, or destruction of, key mining, processing or shipping facilities at the Mine, such as the transshipment vessels, the jetty or product conveyor belt. Loss of such key assets could result in disruption to production and/or shipping, significant replacement cost and consequential monetary losses.	• Programme of inspections and planned maintenance with a team of specialist engineers. • Standard operating procedures. • Fire detection and suppression systems. • Annual external risk assessment and compliance audit. • Insurance cover. • Carrying sufficient spares	There have been no significant changes to the assessment of the risk compared to the prior year.

Health, Safety and Environment (HSE)

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The operation of a large mining and processing facility carries a potential risk to the health and safety of the workforce, visitors and the local community. Incidents carry potential for environmental damage to surrounding areas.	The improper use of machinery, technical failure of certain equipment or failure to meet and maintain appropriate safety standards could result in significant injury, loss of life or significant negative impact on the surrounding environment and/or communities. In addition, it is possible that a failure to comply fully with applicable regulations exposes the Mine to the risk of fines or other sanctions by a relevant regulator.	• Prioritisation of HSE by management. • Appropriately trained staff. • Standard operating procedures. • Ongoing hazard identification programme. • Health and Safety awareness programme implemented for the Company and community. • Mine clinic and evacuation procedures for staff. • Community investment and programmes including health clinic and education programmes. • Compliance with applicable HSE standards and legislation.	Although the LTI-free period enjoyed by the Company came to an end in September 2022, there have been no significant changes to the assessment of this risk.

Links to strategy

Operate responsibly · Deliver long life, low cost production · Allocate capital efficiently

Trend Key

Risk is increased · Risk is unchanged · Risk is decreased · N New risk

Operational (CONTINUED)

Mineral Resource statement risk

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
A material misstatement in the Ore Reserves and Mineral Resources statement.	A material misstatement could adversely impact the Company's valuation.	• JORC-compliant statement prepared by competent persons. • Ongoing drilling and sampling programme. • Ongoing reconciliation of mining results to Mineral Resource models.	There have been no significant changes to the overall assessment of this risk.

IT security risk

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The Group is dependent on the employment of advanced information systems and is exposed to risks of failure in the operation of these systems. Further, the Group is exposed to security threats through cybercrime.	A failure in these systems could lead to: • Disruption to critical business systems. • Loss or theft of confidential information, competitive advantage, or intellectual property. • Financial and/or reputational harm.	• Analysis by external certified IT specialists of Group information systems to ensure reliability and protection to top information security standards. • Third-party specialists provide network assurance. • Ongoing strategic and tactical efforts to address the evolving nature of cyber threats. • Increased user training and IT security awareness. • Increased management attention, including recruitment of a Group Head of IT and additional internal and external resources.	The additional efforts, attention and focus are regarded as addressing heightened perception of risk. Therefore there have been no significant changes to the overall assessment of this risk compared to the prior year.

Development project risk

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
It is currently planned that WCP A will be moved in 2025 to the Nataka ore zone. All development projects include the risk of taking longer and costing more than anticipated.	Failure to successfully engineer, design, plan, execute and complete the Nataka move and other development projects, or to do so on time and on budget, or to operate completed projects in the manner anticipated could have adverse operational and financial impacts.	• Rigorous project appraisal and design process, including pre-feasibility and feasibility studies. • Significant trial work in connection with the Nataka project. • Owner's team and use of industry experts with track records of delivery of a number of development projects for Kenmare.	The Nataka project represents the largest development project of the Group in a decade. As the Nataka project and other development projects progress, the overall assessment of this risk has increased compared to the prior year.

Financial

Industry cyclicality

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The Group's revenue generation may be significantly and adversely affected by declines in the demand for and prices of the ilmenite, zircon and rutile products that it produces. During rising commodity markets, there may be upward pressure on operating and capital costs.	Unfavourable product market events beyond the Group's control and/ or pressure on operating or capital costs may adversely affect financial performance.	• Global portfolio of customers. • Long-term contracts with certain key customers. • Ongoing cost control and disciplined financial management. • Industry analysis to develop suitable assumptions in our commodity price forecasting used for planning purposes.	There have been no significant changes to the overall assessment of this risk.

Customer concentration

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The customer base for the Group's ilmenite, zircon, rutile and concentrate products is concentrated.	The Group's revenue generation may be significantly affected if there ceases to be demand for its products from major existing customers and it is unable to further expand its customer base in respect of the relevant product.	• Active management of existing customer relationships and development of new customers. • Market intelligence to track developments in customer demand. • Development of mineral sands concentrate as an additional co-product stream with a different customer base.	There have been no significant changes to the overall assessment of this risk compared to the prior year.

Links to strategy

Operate responsibly · Deliver long life, low cost production · Allocate capital efficiently

Trend Key

Risk is increased · Risk is unchanged · Risk is decreased · N New risk

Financial (CONTINUED)

Foreign currency risk

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
The Group's revenues are entirely denominated in US Dollars, whereas costs are denominated in a number of currencies including South African Rand, Mozambican Meticais, Euros and US Dollars.	The nature and location of the Mine and the intrinsic volatility of exchange rates give rise to an ongoing significant probability of occurrence of an adverse exchange rate fluctuation. The impact of such a fluctuation can be large across calendar years.	• Group debt is denominated in US Dollars. • A natural hedge exists between revenue receipts and US Dollar-denominated costs. • A further natural hedge exists between the value of US Dollars and commodity prices over the long term. When commodity prices increase, the Group's non-US Dollar-denominated costs tend to increase in US Dollar terms. When commodity prices decrease, the Group's non-US Dollar-denominated cost tend to decrease in US Dollar terms.	There have been no significant changes to the overall assessment of this risk compared to the prior year.

Cost inflation

Strategy

DESCRIPTION	POTENTIAL IMPACT	HOW WE MANAGE THE RISK	RISK TREND
Inflationary related increase in operating or capital costs above expected inflation rates.	Aggressive inflation could have a negative impact on the Group's cash cost per tonne and profitability.	• Fixed price supply agreements where possible. • Multi-year labour agreements. • Understanding cost drivers and promoting pro-active cost management throughout the Group. • Active management of existing supplier relationships and development of new supplier relationships to ensure the Group receives competitive contractual arrangements.	There have been no significant changes to the overall assessment of this risk compared to the prior year.

VIABILITY STATEMENT

The Board, taking into consideration the Group's principal risks and uncertainties, including emerging risks, assessed the long-term viability of the Group in accordance with Provision 31 of the UK Corporate Governance Code. Its conclusions are outlined below.

Viability assessment: period

The Board has reviewed the length of time to be covered by the Viability Statement, particularly given its primary purpose of providing investors with a view of financial viability that goes beyond the period of the Going Concern Statement.

The Directors concluded that three years is an appropriate period for the assessment as they have reasonable clarity over the Group Forecast assumptions over this period. In a commodity-based business, uncertainty increases inherently with expanding time horizons potentially impacting the large number of external variables, in particular sales pricing.

Overall, a three-year timeframe is deemed to achieve a suitable balance between long and near-term influences.

Viability assessment: approach

The viability of the Group is assessed against strategic plans and projections, and considers cash flows, committed funding and liquidity positions, forecast future funding requirements and other key financial ratios.

The Directors' assessment has been made based on the Group Forecast with reference to the cash generation capabilities of the Group, its committed debt facilities, including its $40 million committed revolving credit facility which was extended in 2022 to 11 December 2023 and can be extended for a further 12 months at the lenders' discretion, the Board's risk appetite and the principal risks and uncertainties and how they are managed, as detailed on pages 71-79.

The Directors also assessed the potential financial and operational impacts, in severe but plausible scenarios, of the principal risks and uncertainties and the likely degree of effectiveness of current and available mitigating actions as shown below. Sensitivity analysis has been applied to certain key assumptions in the Group Forecast including revenue, operating costs and covenant compliance.

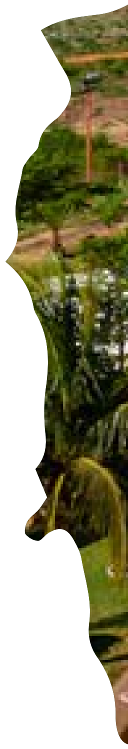
Assessment of prospects

The Directors carried out a robust assessment of our current position and the principal risks facing the Group, including emerging risk and those which would threaten its strategy, business model, future performance, solvency or liquidity.

The Board's consideration of the long-term prospects of the Group is an extension of the strategic planning process. This includes the annual budget review, regular financial forecasting, a comprehensive risk management assessment and scenario planning which considers the Group's principal risks and uncertainties.

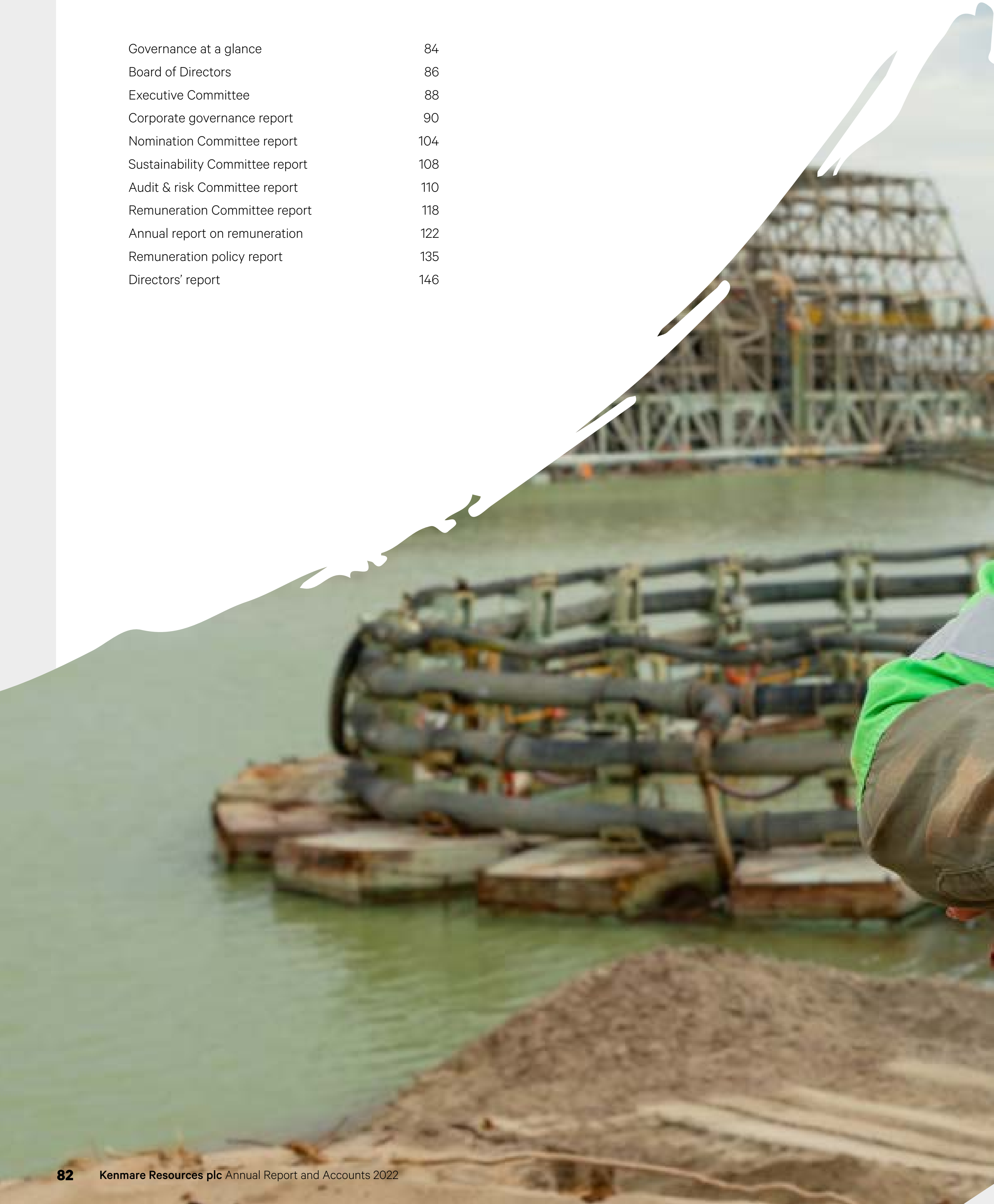
Conclusion

Based on their assessment of prospects and viability, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, for the next three years to 31 December 2025.



Scenario	Relevant principal risk
Scenario 1: **Recessionary environment** Scenario assumptions include reduced customer demand as a result of supply-side pressure and increased operating costs due to inflationary pressure.	Aggressive cost inflation, Industry cyclicality, Customer concentration
Scenario 2: **One-off fine, penalty or event** Scenario assumptions include the occurrence of a singular catastrophic event resulting from an operational failure, safety incident or extreme weather event or the occurrence of a singular fine or penalty as a result of a regulatory breach.	Country risk, Health, Safety and Environment, IT security risk
Scenario 3: **Combination of scenarios** The most severe scenario, although unlikely, considers the financial impact of both scenario 1 and scenario 2 materialising simultaneously.	Combination of relevant risks from previous scenarios.

GOVERNANCE



As a leader, I strive to support my team and help them reach our collective goals of safely delivering on our production targets.

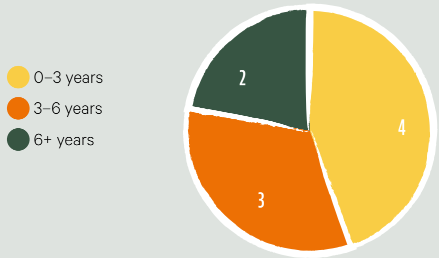
CANDY GODIE
OPERATIONS MANAGER

GOVERNANCE AT A GLANCE

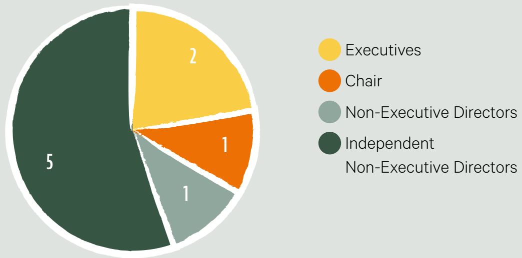
Our Board

How the composition of our Board allows us to deliver long-term sustainable value for us and our stakeholders.

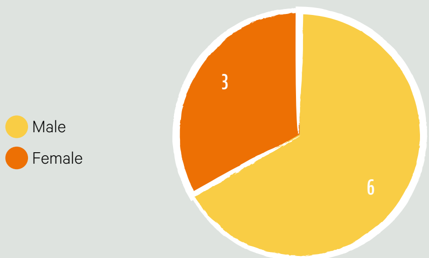
Length of tenure



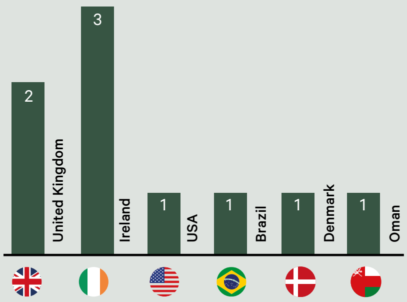
Composition



Board gender diversity



Nationality



Skills matrix

Kenmare requires each Director to be recognised as a person of the highest integrity and standing, both personally and professionally. Each Director must be ready to devote the time necessary to fulfil their responsibilities to the Company in accordance with the terms and conditions of their letter of appointment. Each Director should have demonstrable experience, skills and knowledge that enhance Board effectiveness and will complement those of the other Board members. This is to ensure an overall balance of experience, skills and knowledge and to create long-term sustainable value for the Company and its stakeholders.

Area	IAB	MC	MD	EDK	CF	TH	GM	DS	AW
Executive management Experience as a Director, CEO, CFO or other office holder or similar in medium to large entities.	✓	✓	✓	✓	✓	✓	✓	✓	
Specific industry knowledge Senior Executive, advisory or Board experience in a mining or resources organisation.		✓	✓	✓	✓	✓	✓		✓
Accounting & Finance Senior Executive experience in financial accounting and reporting, or business development or Board Remuneration and Nomination Committee experience.	✓	✓			✓	✓	✓	✓	✓
Sustainability Experience and knowledge of working on sustainability activities directly or as part of operational responsibility.		✓	✓	✓	✓				
Climate Leadership on climate and decarbonisation.			✓	✓					
Legal & Governance Experience in organisations with a strong focus on and adherence to governance standards.	✓					✓	✓	✓	
International Experience An understanding of the complexities of operating in foreign jurisdictions.	✓	✓	✓	✓	✓	✓	✓	✓	✓

Responsibly meeting global demand

How the Board has supported the Group to responsibly meet global demand for quality-of-life mineral sands.

Developing our culture

Our values of integrity, commitment, accountability, respect and excellence underpin everything we do and create the Kenmare culture. This means that we care for and nurture the well-being not only of our employees but also of the environment and our host communities. The Board receives regular briefings on relations with the workforce and the community to ensure that policy, practices and behaviour throughout the business are aligned with the Group's purpose, values and strategy.

Please see page 96 for more information on how the **Board monitors culture**

Engaging with our stakeholders

The Sustainability Committee actively engages with management and provides advice and oversight on matters such as health and safety, environment, community, security and human rights, all of which impact on the Group's relationships with stakeholders. Its meetings include in-depth discussion on strategies to ensure that both we and our stakeholders understand not only the context and impact of our operations but also the benefits. The Committee also reviews progress on internal sustainability metrics and public targets which provide an incentive to continuously improve engagement.

Please see pages 16-17 for more information about our **stakeholder engagement**

Please see pages 108-109 for more information on **Sustainability Committee's activities** during 2022

Supporting our operations team to achieve our goals

The Board provides feedback and constructive challenge to management in relation to operational performance and, through the Company's remuneration structure, sets targets to incentivise the Executives to reach and maintain production targets and achieve market guidance. The Remuneration Committee reviews remuneration and related policies applicable to the wider workforce, ensuring that this is taken into account when setting the policy for Executive remuneration. The aim across the Group is to provide a reward package that is aligned to shareholders' interests, supports the achievement of the Company's annual and strategic objectives, is competitive against the appropriate market and is consistent with our focus on performance and our core values.

Please see pages 118-121 for more information on the **Remuneration Committee's activities**

Please see pages 135-145 for information on our **proposed remuneration policy**

BOARD OF DIRECTORS

ANDREW WEBB (AW)

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Age: 54 **Appointed:** 2021

Skills and experience: Andrew Webb was previously a Managing Director at Rothschild & Co. in the Global Advisory team, where he worked for 25 years until September 2018. During this time, Andrew advised governments, private and listed companies and joint ventures on strategy, fundraisings, debt financings, mergers, on and off-market acquisitions, disposals and restructurings. He currently acts as a Non-Executive Director of several private companies and voluntary organisations and as a consultant to Berkeley Research Group. Andrew has a BA & MA in Natural Sciences from the University of Cambridge.

External appointments: Andrew is a Director of BG Sports Enterprises Limited, a sports memorabilia company, AdeptoMines Limited, a mining software company, Launcherley Tourism, a holiday apartment letting company as well as a number of community interest/not-for-profit companies in England. All are private unlisted companies. Andrew also acts as a consultant to Berkeley Research Group and Ecometric Limited, a climate-tech group.

MICHAEL CARVILL (MC)

MANAGING DIRECTOR

Age: 63 **Appointed:** 1986

Skills and experience: Michael Carvill is a Fellow of the Institute of Engineers of Ireland (FIEI). He holds a BSc in Mechanical Engineering from Queen's University Belfast and an MBA from the Wharton School of the University of Pennsylvania. He worked as a contracts engineer in Algeria and as a project engineer at Tara Mines, Ireland.

External appointments: Michael is a Director of a number of privately owned property and construction companies in Ireland and the UK.

TOM HICKEY (TH)

FINANCIAL DIRECTOR

Age: 54 **Appointed:** 2022

Skills and experience: Before his appointment to Kenmare in September 2022, Tom Hickey served for 15 years as Executive Director of various public companies. This includes eight years as Chief Financial Officer of the African and South American-focused oil and gas producer Tullow Oil Plc. Tom also held senior financial roles with the oil and gas exploration company Petroceltic International Plc between 2010 and 2016, including as Chief Financial Officer and was an Independent Non-Executive Director with United Oil & Gas Plc and Petroneft Resources Plc. Tom has a Bachelor of Commerce degree and a Diploma in Professional Accounting, both from University College Dublin, and he is a Fellow of the Irish Institute of Chartered Accountants.

External appointments: Tom is a Director of Boru Energy Limited, a personal consultancy company and a Non-Executive Director of Teamwork Holdings Limited, Kuldea Limited and Vortech Water Solutions Limited, all of which are private unlisted companies, as well as Donore Harriers Company Limited by Guarantee, an athletics club.

ISSA AL BALUSHI (IAB)

NON-EXECUTIVE DIRECTOR

Age: 34 **Appointed:** 2023

Skills and experience: Issa Al Balushi is a Manager in Economic Diversification Investments at Oman Investment Authority (OIA). He has more than 10 years of experience in the financial industry and has worked as a portfolio manager for several OIA assets nationally and internationally. Previously he worked at the Central Bank of Oman as a bank examiner and at EY in Oman as a Financial Analyst. He holds a Master's degree in Financial Analysis from UNSW, Sydney and a Bachelor of Science, Finance from SQU, Muscat.

External appointments: Issa is a Director of several private companies owned by OIA and Omani state-owned enterprises.

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METTE DOBEL (MD)

NON-EXECUTIVE DIRECTOR

Age: 55 **Appointed:** 2022

Skills and experience: Mette Dobel has over 25 years' experience in the mining, cement and engineering industries. She was, until 2022, Regional President, Europe, North Africa, Russia/CIS for FLSmidth, an engineering, equipment and service solutions provider to the global mining and cement industries. She was previously, for 12 years, Director of FLSmidth A/S, and FLSmidth & Co. A/S which is listed on Nasdaq OMX Exchange in Copenhagen. She holds a Master's in Engineering and a Bachelor of Science (Commercial) from Københavns Teknikum.

External appointments: None.

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ELAINE DORWARD-KING (EDK)

NON-EXECUTIVE DIRECTOR

Age: 65 **Appointed:** 2019

Skills and experience: Elaine Dorward-King has over 30 years' experience in the mining, chemicals and engineering industries, including the mineral sands sector. She served as Executive Vice President of Sustainability and External Relations for Newmont Goldcorp, the world's leading gold mining company, from March 2013 to December 2019 where she was responsible for the Company's overall sustainability strategy, including climate and decarbonisation. Prior to that, she worked from 1992 to 2013 for Rio Tinto, holding positions including Global Head of Health, Safety and Environment, and Managing Director of Richards Bay Minerals in South Africa. She holds a Bachelor of Science, magna cum laude, from Maryville College, Tennessee and a PhD in Analytical Chemistry from Colorado State University.

External appointments: Elaine is a Non-Executive Director of NASDAQ-listed Great Lakes Dredge & Dock Corporation, JSE and NYSE-listed Sibanye Stillwater Ltd, and NYSE and TSX-listed Novagold Resources Inc..

A S R

CLEVER FONSECA (CF)

NON-EXECUTIVE DIRECTOR

Age: 69 Appointed: 2018

Skills and experience: Clever Fonseca has worked in the titanium industry for over 35 years. He has extensive knowledge and Board-level management experience of mineral sands mining and he has worked in the titanium pigment and feedstock industries. He was responsible for developing Brazil's only dredge-mined mineral sands operation, was Vice President of Global Supply and Mining for Millennium Inorganic Chemicals (now part of Tronox) in the US, and also served as Executive Director of Mineral Deposits Ltd in Melbourne. Most recently, he was Chief Executive of TiZir Ltd until 2012. He has a BSc in Mining Engineering from Universidade Federal De Pernambuco, and an MBA from Fundacao Getulio Vargas, both in Brazil.

External appointments: None

R N

GRAHAM MARTIN (GM)

NON-EXECUTIVE DIRECTOR AND SENIOR INDEPENDENT DIRECTOR

Age: 69 Appointed: 2016

Skills and experience: Graham Martin has over 35 years' experience in the global natural resources sector with a particular focus on Africa. From 1997 to 2016 he served as an Executive Director of Tullow Oil Plc, an oil and gas exploration, development and production company listed on the London, Irish and Ghanaian stock exchanges. Prior to Tullow, he was a partner at the US energy law firm Vinson & Elkins LLP, and at the UK corporate law firm Dickson Minto WS. He holds a degree in Law and Economics from the University of Edinburgh.

External appointments: Graham is Non-Executive Chairman of United Oil & Gas Plc, an AIM-listed oil and gas company.

A N R

DEIRDRE SOMERS (DS)

NON-EXECUTIVE DIRECTOR

Age: 56 Appointed: 2020

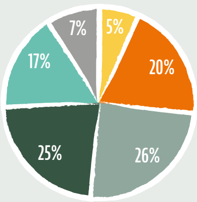
Skills and experience: Deirdre Somers has over 20 years' experience in senior management positions, having served as Chief Executive of the Irish Stock Exchange (ISE) from 2007 to 2018 and, prior to that, as its Director of Listing. She led the ISE's transformation to a highly profitable entity with global specialisms culminating in its sale in March 2018 to Euronext NV. She also held the position of President and Board Chair of the Federation of European Securities Exchanges from 2015 to 2018. Deirdre, a qualified Chartered Accountant, also worked with KPMG for eight years and holds a Bachelor of Commerce degree from University College Cork.

External appointments: Deirdre is a Non-Executive Director of Aquis Exchange Plc which is listed on the Alternative Investment Market of the London Stock Exchange, Enfusion, Inc. listed on the New York Stock Exchange, Episode Inc.. and the BlackRock investment entities of iShares I-VII. She is also a Non-Executive Director of Cancer Trials Ireland Limited.

Committee key

- A Audit & Risk Committee
- N Nomination Committee
- R Remuneration Committee
- S Sustainability Committee
- Committee Chair

How the Board spent its time in 2022



- Culture
- Strategy
- Operations
- Finance and risk management
- Sustainability
- Corporate governance

EXECUTIVE COMMITTEE

MICHAEL CARVILL

MANAGING DIRECTOR

Michael Carvill has been the Managing Director of Kenmare since 1986. He worked as a contracts engineer in Algeria and as a project engineer at Tara Mines, Ireland. He is a Fellow of the Institute of Engineers of Ireland (FIEI). He holds a BSc in Mechanical Engineering (Queen's University, Belfast) and an MBA (Wharton School, University of Pennsylvania).

TOM HICKEY

FINANCIAL DIRECTOR

Tom Hickey joined Kenmare as Financial Director in September 2022. Before this, he served for 15 years as Executive and/or Non-Executive Director of various public companies including Tullow Oil Plc, Petroceltic International Plc and United Oil and Gas Plc. Tom has a Bachelor of Commerce degree and a Diploma in Professional Accounting, both from University College Dublin, and he is a Fellow of the Irish Institute of Chartered Accountants.

BEN BAXTER

CHIEF OPERATIONS OFFICER

Ben Baxter joined Kenmare in 2015 and has over 25 years' experience in the mineral sands industry. He was previously employed by Rio Tinto at Richards Bay Minerals (RBM) in South Africa and QMM in Madagascar, where he held a broad range of geological, mine planning and leadership roles before being appointed General Manager Mining at RBM. Ben holds a BSc (Hons) in Applied Geology from the University of Leicester and an MSc in Mining Geology from the Camborne School of Mines.

ANNA BROG

HEAD OF SUSTAINABILITY

Anna Brog joined Kenmare in 2021. She was previously at Tullow Oil Plc, whose assets are predominantly in Africa, where she led the development of the company's ESG programme as its Sustainability Manager. Prior to this she was head of Corporate Social Responsibility at Logica Plc, a multinational IT and management consultancy company. Anna holds a post graduate Certificate in Sustainability from the University of Cambridge and a BA from the University of Sussex.

GARETH CLIFTON

MOZAMBIQUE MANAGER

Gareth Clifton holds a BA Economics degree from the University of Exeter and an MSc in African Studies from the University of Edinburgh. He joined Kenmare in 2001 having worked as a General Manager for Union Transport LDA. He previously held the position of manager for a Mozambican shipping agent and also worked for the UNDP.

JEREMY DIBB

HEAD OF CORPORATE DEVELOPMENT AND INVESTOR RELATIONS

Jeremy Dibb joined Kenmare in 2014, having previously covered the mining sector as an equity research analyst at Macquarie and Canaccord Genuity. Prior to this he worked in asset management at Cazenove Capital and Fidelity. Jeremy is a chartered accountant, holds an MBA from Saïd Business School at the University of Oxford and is a CFA® charterholder. Jeremy is also a Non-Executive Director of AIM-listed DP Poland Plc.

TERENCE FITZPATRICK

GROUP GENERAL MANAGER-TECHNICAL

Terence Fitzpatrick is a graduate of University of Ulster (Mech. Eng.). He worked as Project Manager and then Technical Director of Kenmare from 1990 to 1999. He was responsible for the development of the Ancuabe Graphite Mine in Mozambique, which achieved completion in 1994. He was appointed to the Board of Kenmare in 1994. He served as a Non-Executive Director from 2000 to 2008. He was appointed as Technical Director in February 2009.

CARLOS FREESZ

GLOBAL HEAD OF ICT

Carlos Freesz joined Kenmare in 2022 and has over 25 years of experience in technology in various industries. He has held global technology leadership and management positions at MARS, IBM, SAP, and Accenture, bringing together technology strategy and execution and partnered with companies such as Vale, CSN and Anglo-American. Carlos holds a BSc in Mechanical and Industrial Engineering from Faculdade de Engenharia Industrial (Brazil), an MSc in Digital Strategy from Trinity College Dublin and an Executive MBA from INSPER (Brazil).

CHELITA HEALY

COMPANY SECRETARY

Chelita Healy graduated from University College Dublin with a Bachelor of Civil Law degree and a Master's in European Law. She qualified as a Solicitor in 1996. She then worked as a solicitor and, later, as a Partner, in a Dublin legal firm before joining Kenmare's Company Secretarial department in 2019. She was appointed Company Secretary in May 2021.

CILLIAN MURPHY

MARKETING MANAGER

Cillian Murphy joined Kenmare in October 2016. He graduated with a BSc in Economics and Finance from University College Dublin. Cillian initially worked in Kenmare's Investor Relations and Corporate Development team before becoming a Marketing Executive. He has been Marketing Manager since January 2020.

RAJAN SUBBERWAL

GENERAL COUNSEL

Rajan Subberwal joined Kenmare in June 2013. He previously worked at Sullivan & Cromwell LLP in London and he trained at Clifford Chance LLP in London and Frankfurt. Rajan has a BA from Oxford University, an LLB from London University, and an LLM from Harvard Law School. He is admitted as a solicitor in Ireland and England and Wales, and as an attorney in New York.

The Directors recognise the importance of corporate governance and ensure that appropriate corporate governance procedures are in place.

The 2018 UK Corporate Governance Code issued by the UK's Financial Reporting Council (FRC) in July 2018 (the "Code") applies to the Company as it has a premium listing on the London Stock Exchange. A copy of the Code can be obtained from the FRC's website, www.frc.org.uk. In the financial year under review, the Directors have complied with all relevant provisions of the Code. This report, together with the other reports in the "Governance" part of this document, explain how the principles of the Code have been applied by the Company.

Board leadership and Company purpose: our Governance framework

Board of Directors

Role of the Board

The Board is collectively responsible for the leadership, oversight, control, development and long-term success of the Group. It works with management to set corporate vision and develop strategy, with the aim of creating long-term sustainable value for its shareholders, while recognising and discharging wider responsibilities to other stakeholders, including employees, customers, suppliers and the communities in which it operates, and to the environment. The Board constructively challenges and holds to account the management team, in regard to both operational and financial performance of the Group and wider sustainability goals. It is also responsible for ensuring that accurate and understandable information is provided about the Group to shareholders, finance providers and other stakeholders on a timely basis.

The Board's responsibilities include:

- ensuring that appropriate management, development and succession plans are in place;
- reviewing the health, safety and sustainability performance of the Group, including its response to climate;
- approving the appointment of Directors and their remuneration and severance;
- ensuring that satisfactory dialogue takes place with shareholders;
- understanding the views of the Group's other key stakeholders and keeping engagement mechanisms under review so that they remain effective;
- assessing the basis on which the Group generates and preserves value over the long-term;
- assessing and monitoring culture;
- providing a means for the workforce to raise concerns in confidence;
- a robust assessment of the Group's emerging and principal risks; and
- monitoring the effectiveness of the Group's risk management and internal control systems.

Matters reserved for the Board

The Board has a formal schedule of matters specifically reserved for its decision, including:

- strategic decisions;
- risk management and internal controls;
- acquisitions and capital expenditure above agreed thresholds;
- approval of interim and final dividends and share purchases;
- changes to the capital structure;
- tax and treasury oversight;
- approval of half-yearly and annual financial statements;
- budgets and matters currently or prospectively affecting the Group and its performance;
- Board and Committee membership; and
- Remuneration policy.

This schedule is available at www.kenmareresources.com/en/about-us/corporate-governance

Supported by

Audit & Risk Committee

Monitors the appropriateness and integrity of the Group's financial reporting, external audit, internal audit and risk management processes.

Nomination Committee

Evaluates the composition of the Board to ensure an effective balance of skills and experience and considers succession planning for Directors and Senior Executives.

Remuneration Committee

Determines the policy for remuneration of the Chair, the Executive Directors, the Company Secretary and such other Executive management as it is designated to consider.

Sustainability Committee

Oversees the implementation of the Group's sustainability-focused corporate policies.

Board and Committee meeting information flows

Stage 1
Chair agrees agenda with Company Secretary

The Board and each Committee has an annual workplan. This is supplemented with current issues and items proposed at previous meetings or by the Executive Committee. The Company Secretary prepares a draft agenda and this is reviewed and agreed with the relevant Chair and circulated to the Executive Committee for preparation of meeting papers.

Stage 2
Material is circulated ahead of the meeting

All Board and Committee papers are made available to Directors at least one week ahead of the relevant meeting via an electronic platform.

Stage 3
Board and Committee meetings

Speakers present their reports to the meeting and the Chair allows an opportunity for Directors to ask questions and make comments. Directors can also raise items for discussion under "Any Other Business". The Company Secretary takes minutes of each meeting.

Stage 4
Minutes are prepared, circulated and approved

The Company Secretary prepares draft minutes of each meeting and clarifies points with speakers, where necessary. The draft minutes are sent to the meeting Chair for approval and circulated to the Directors in the papers for the next meeting at which they are considered, amended, approved and signed.

Stage 5
Action lists are developed following key items

The Company Secretary prepares and circulates a list of key items discussed at each meeting that require any follow up action. This list is updated and its progress monitored.

Stage 6
Non-formal meetings, updates and progress reports following meetings

Management discusses any key issues that arose at the meetings, meeting with Directors if necessary to clarify issues. Any information requested is delivered and updates on issues provided either at the next meeting or, if the matter is urgent, by way of meeting/conference call.

Responsibilities of members of the Board

Director	Responsibilities
Chair	The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive Board relations and the effective contribution of all Directors, and ensures that Directors receive accurate, timely and clear information.
Managing Director	The responsibilities of the Managing Director are to manage the Company and the Group on a day-to-day basis within policy parameters set by the Board.
Financial Director	The responsibilities of the Financial Director are to contribute to the attainment of the Company's business objectives by providing strategic and financial guidance to ensure that the Company's financial commitments are met and by developing all necessary policies and procedures to ensure the sound financial management and control of the Company's business.
Senior Independent Director	The Senior Independent Director (SID) provides a sounding board for the Chair and serves as an intermediary for the other Directors and shareholders.
Non-Executive Directors	The Non-Executive Directors' main responsibilities are to review the performance of management and the Group's financial information, assist in strategy development, and ensure that appropriate and effective systems of internal control and risk management are in place. They provide a valuable breadth of experience and independent judgement to Board discussions.

Summaries of the **responsibilities of the Chair, Managing Director and Senior Independent Director** can be found at www.kenmareresources.com/en/about-us/corporate-governance

Climate Strategy

Governance

The Chair, Andrew Webb, is responsible for overseeing Kenmare's sustainability strategy, including its Climate Strategy. The Sustainability Committee of the Board ensures expert oversight and provides both the Board and Executive Committee with direction on sustainability, including overseeing the development and review of the Company's Climate Strategy and management plan. Further details on the Sustainability Committee's responsibilities and matters it reviewed in 2022 are on pages 108-109. In 2022, the Board's consideration of climate in the Company's strategy and capital allocation, included review of potential transition plans, an update to the Climate & Energy Strategy and oversight of the commissioning of RUPS, a $20 million investment in helping make the power provision to the Mine plants more reliable and to enable lower diesel usage.

Advocacy & lobbying

Kenmare welcomes the COP27 agreement on finance to provide "loss and damage" funding for vulnerable countries already being hit hard by climate disasters, with Mozambique being one of the countries most vulnerable to extreme weather events.

Kenmare is not a member of any trade associations. We support the position of the International Council on Mining and Metals on climate, to achieve Net Zero by 2050 or sooner. We also support policies that encourage investment in low-carbon technologies and support disincentives for the ongoing use of fossil fuels.

Composition and operation of the Board

The Board consists of the Chair and eight Directors, of whom two are Executive and six are Non-Executive. Biographical details, including each Director's date of appointment, are set out on pages 86 and 87. The majority of the Board is made up of independent Non-Executive Directors. The Chair is required to be a Non-Executive and independent on appointment.

The Board has delegated responsibility for management of the Group to the Managing Director and the management team.

A clear division of responsibility exists between the Chair, whose principal responsibility is the effective running of the Board and is not responsible for Executive matters regarding the Group's business, and the Managing Director, whose principal responsibility is running the Group's business on a day-to-day basis. A summary of the role and responsibilities of each of the Chair and the Managing Director can be found on the Company website at www.kenmareresources.com/about-us/corporate-governance.

The Board has delegated some of its responsibilities to four Committees of the Board: Audit & Risk, Remuneration, Nomination and Sustainability. Each Committee has written terms of reference that set out its authorities and responsibilities. These terms of reference are available for review at the Company's registered office and on the Company's website at www.kenmareresources.com/about-us/corporate-governance.

At the AGM in May 2022, Steven McTiernan retired as a Director and Andrew Webb took on the role of Chair. On 26 September 2022, Tony McCluskey resigned as a Director and Tom Hickey was appointed. On 31 December 2022, Sameer Oundhakar resigned as a Director and, on 25 January 2023, Issa Al Balushi was appointed to the Board having been nominated by African Acquisitions S.à.r.l, the Company's largest investor and a company controlled by the Oman Investment Authority (OIA).

As a result, female Directors now comprise one third of the Board and 11% of our Board is from an ethnic minority background. The current composition would meet the recommendations of the Parker Review and the Hampton-Alexander Review regarding Board ethnic and gender diversity respectively, were they applicable to the Company. The diversity policy on Board appointment is set out in the Nomination Committee report on page 106. and incorporated into this report.

All Directors offer themselves for re-election or election, as the case may be, at the Company's AGM in May 2023.

Board meetings

The Board meets regularly to ensure that all its duties are discharged effectively. All Directors are expected to prepare for and attend meetings of the Board and the AGM. If a Director is unable to attend a Board meeting in person, teleconference arrangements are available to facilitate participation. In the event that a Board member cannot attend or participate in the meeting, the Director may discuss agenda items with the Chair, Managing Director or Company Secretary in advance of the meeting.

A schedule of Board and Committee meetings is circulated to the Board for the following year. A more detailed agenda and Board materials are made available electronically in the week preceding the meeting.

During 2022, the Board held seven meetings. Details of the Directors' and Company Secretary's attendance at Board and Committee meetings are set out below:

	Full Board		Audit & Risk Committee		Remuneration Committee		Nomination Committee		Sustainability Committee	
	A	B	A	B	A	B	A	B	A	B
Non-Executive Director										
Mette Dobel	7	7								
Elaine Dorward-King	7	7	6	6			3	3	5	5
Clever Fonseca	7	7	6	6	5	5			5	5
Graham Martin	7	7			5	5	3	3	5	5
Steven McTiernan[1]	3	3								
Sameer Oundhakar[2]	7	7								
Deirdre Somers	7	7	6	6	5	5	3	3		
Andrew Webb	7	7								
Executive Directors										
Michael Carvill	7	7								
Tony McCluskey[3]	5	5								
Tom Hickey[4]	2	2								
Company Secretary										
Chelita Healy[5]	7	7	6	6	5	5	3	3	5	5

Column A indicates the number of meetings held during the period the Director was a member of the Board and/or Committee.

Column B indicates the number of meetings attended during the period the Director was a member of the Board and/or Committee.

1 Steven McTiernan retired as a Director on 26 May 2022.
2 Sameer Oundhakar resigned as a Director on 31 December 2022.
3 Tony McCluskey resigned as a Director on 26 September 2022.
4 Tom Hickey was appointed as a Director on 26 September 2022.
5 In attendance only.

Board activities in 2022

Strategic

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Conducted an overall review of strategy covering operational risks and mitigations, future product quality and marketing, power requirements and economics, capital allocation, protection of the Mine path and debt • Developed and reviewed Board objectives for 2022 • Received a report at every Board meeting on Corporate Development opportunities and Investor Relations • Received a presentation from the Company's brokers on the amended Irish Takeover Rules • Reviewed management succession plans	Deliver long life, low-cost production Allocate capital efficiently	Shareholders, Lending Banks and Employees

Operations

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Received reports at every Board meeting from the Chief Operations Officer on operational performance covering mining, processing, power supply, security, shipping, human resources and community relationships • Received an expert report and internal briefings on the security situation in Mozambique • Monitored progress on the Bronagh J dry-dock • Received updates at every meeting on the progress of development projects such as the RUPS project • Received updates on the progress of the pre-feasibility study for mining the Nataka ore zone • Reviewed issues regarding the variability of power supply in late 2022 • Received a report at every Board meeting from the Marketing Manager on product markets and customer relationships • Considered the impact of the orebody on future product offerings	Operate responsibly Deliver long life, low-cost production	Shareholders, Employees, Suppliers, Contractors and Communities

Governance & Corporate

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Approved the appointment of Tom Hickey to the Board • Received and approved the report on arrangements for compliance with the Company's relevant obligations under Section 225 of the Companies Act 2014 • Considered and approved Directors assuming additional Board appointments • Approved the discretionary underpin for KRSP awards made to the Executive Directors in 2022 • Considered a report on the Company's Market Abuse Regulation compliance and approved revisions to the Company's documents and procedures in this regard • Approved awards under the KRSP to employees and the Executive Directors • Considered and approved the Odd lot Offer • Received a presentation on the Group's compliance with sanctions resulting from the invasion of Ukraine • Reviewed and approved the Payments to Governments report for 2021	Operate responsibly	Shareholders, Employees, Government & Regulators

Board activities in 2022 cont.

Health & Safety

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Received reports at every Board meeting from the Chief Operations Officer on health and safety performance at the Mine	Operate responsibly	Employees, Communities

Finance & Risk Management

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Received reports and presentations at every meeting from the Financial Director regarding the Group's financial performance • Approved the annual accounts for 2021 and the half year results to 30 June 2022 • Considered the Company's distributable reserves in the context of payment of dividends and the buyback of the Company's shares • Approved the Group's 2023 budget and operating plan • Reviewed the principal risks and uncertainties facing the Group • Received regular updates on the Mozambican tax authority audit of the tax obligations of KMML Mozambique Branch and reviewed its settlement • Reviewed impairment and sensitivities around the Weighted Average Cost of Capital • Received regular reports from the Chair of the Audit & Risk Committee	Allocate capital efficiently	Shareholders, Lending Banks and governments

Sustainability

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Considered Kenmare's Climate Policy and Energy & Climate Strategy • Approved the setting of a carbon emissions reduction target of 12% by 2024 • Received a briefing on ESG reporting requirements • Considered the results of a socio-economic survey carried out on the Company's behalf in the Mine area • Received updates from the Chief Operations Officer on environmental management, rehabilitation of land, power and water supply • Received regular updates from the Chair of the Sustainability Committee • Received updates from the Chief Operations Officer on relations with the local community	Operate responsibly	Communities, Government & Regulators, Shareholders

Culture

	LINK TO STRATEGY	STAKEHOLDERS CONSIDERED
• Received regular briefings on employee and community relations • Approved the Supply Chain Code of Conduct • Reviewed the employee leadership training programme • Received regular updates on the Mozambican political situation • Received regular reports from the Chair of the Sustainability Committee • Considered the report of Graham Martin on workforce engagement during 2022 • Considered new Listing Rules around Board diversity	Operate responsibly	Communities, Government & Regulators, Shareholders

CASE STUDY

Odd lot Offer

The Odd lot Offer was implemented on 24 August 2022 in order to streamline the Company's shareholder base, which because of the Company's restructuring and recapitalisation in 2016 was unusually large for a company of its size. The Odd lot Offer facilitated the disposal of eligible holdings of less than 200 Ordinary Shares at a 5% premium, without the dealing costs that would typically render such disposal uneconomic, while giving active shareholders the ability to opt-out of such a disposal. On completion, in October 2022, the Company purchased a total of 92,419 of its own ordinary shares at £4.82 each pursuant to the Odd lot Offer. The Odd lot Offer benefitted shareholders as a whole by lowering the Company's cost base. Following the implementation of the Odd lot Offer, the number of certificated shareholders was reduced by approximately 81.37% (3,114 shareholders).

"The Odd lot Offer was implemented to streamline the shareholder base."

Workforce engagement

"There were a number of interactions between the Directors and the wider workforce in 2022, including a full Board visit to the Mine in February. While there, we toured our operational sites and local communities, receiving presentations from and meeting with a wide spectrum of employees, contractors and local officials. There were also a number of informal social gatherings with a cross section of senior leaders and other employees. These Mine visits and staff interactions are a very useful means of assuring the Directors, particularly the Non-Executives, that our culture and values are very much in evidence in all of our day-to-day activities. Following that visit, the Non-Executive Directors had an opportunity to pass on their observations and some constructive suggestions to senior management.

Separately, Mette Dobel, who joined the Board in 2022, made her first familiarisation visit to the Mine in September, visiting operational sites, KMAD and other community projects and met with a number of staff including Women's Forum representatives. First impressions by new directors are especially welcome and, following her visit, Mette passed on her thoughts to the Site leaders and the executives, including some suggestions for dealing with certain issues specifically concerning women and their recruitment and retention.

Also in September 2022, Michael Carvill hosted a long service awards ceremony at the Mine which, having been delayed by COVID-19, was especially welcomed and appreciated as an opportunity for some appropriate celebrations. A number of Directors and senior management attended, giving them many opportunities for engagement with a very wide cross section of the workforce.

Specifically in my role as designated Workforce Engagement Director I had a few more structured interactions with staff during the year. I had a group meeting with staff in Dublin and another over a video link with senior site leaders. On that latter call, I was joined by my fellow Non-Executive Directors Elaine Dorward-King and Mette Dobel. These interactions were lively and very much "two-way" and the staff involved were encouraged to ask questions of me and my fellow Directors on any aspects of the Company, our roles, the Board and corporate governance generally. We touched on a number of issues including internal communications, certain HR matters, leadership training, diversity and the culture and values of the Company. I had no concerns that the staff felt unable or unwilling to speak up on any matter.

What came through clearly to me from all these interactions with the wider workforce in 2022 was that the culture and values of the Company are understood, appreciated and followed and that Kenmare is seen as a caring employer, with the tone being set "from the top". A number of staff commented on the positive changes which have come about throughout the organisation from the recent leadership training programme, in terms both of developing our leaders and in empowering our staff to express themselves".

GRAHAM MARTIN
DESIGNATED WORKFORCE ENGAGEMENT DIRECTOR

Board oversight of culture

The Board believes that Kenmare's strategy is supported and enabled by a unique and distinctive culture which has been developed and sustained over many years. This culture is founded on the Company's values of Integrity, Commitment, Accountability, Respect and Excellence, which are embedded at every level of the organisation through a variety of Policies, forums, tools, communications and supports.

The Board does not use a singular tool for monitoring and shaping culture – instead it draws on a number of sources to understand how employees and others feel about Kenmare and understand how this drives behaviours on a day-to-day basis. These include the following reports, metrics and other information channels:

Our values

Integrity | **Commitment** | **Accountability** | **Respect** | **Excellence**

Diversity & Inclusion

The Board believes that diversity and inclusion help us to attract, engage and retain the best talent; adapt and respond effectively to the changing expectations of our stakeholders; and find and innovate solutions to business challenges, leveraging on the diverse viewpoints, skills and experience of our employees and stakeholders. Our Diversity & Inclusion policy seeks to create an environment where everyone is respected and valued and was approved by the Board; this policy places particular emphasis on promoting local content and employment and increasing female representation in the workforces. At year-end, 14.5% of our Mine employees were women, compared with 12.5% in 2021. We aim to hire local people wherever possible and, in 2022, 97% of our workforce was Mozambican and 70% was from the local district or province. We also have various initiatives in place, such as the Women's Forum, to encourage the retention of our female staff and improvement in working conditions, where necessary. Levels of female participation in the workforce are set as management bonus targets by the Remuneration Committee and reported on to the Committee and Board.

Workforce engagement

The Board believes that regular workforce engagement can greatly assist in understanding the impact and value of culture to the business and assessing its implementation by management. Graham Martin has been designated as the Non-Executive Director responsible for workforce engagement. His interaction with staff and feedback to the Board help the Board to assess workforce sentiment and address issues of concern. A report from Graham is set out on page 95.

Health & Safety

A safe working environment is a fundamental plank of our values. Kenmare's Health and Safety Policy sets out our commitment to zero-harm, proactive management of safety risks, and maximising opportunities to enhance employee well-being. Our performance against these objectives is monitored by the Board and Sustainability Committee, used as KPIs for management bonus purposes and externally audited.

Employee Engagement Survey

This helps us to understand how our employees feel about the Company, their working environment and the culture. It is undertaken every two years and the results presented to the Sustainability Committee. It covers areas such as job fulfilment, respect, workload, teamwork and interaction with managers. The last survey was completed in late 2022. The results showed an employee satisfaction rating of 83%, 14% down since the last such survey. We will be analysing the results closely to form thematic action plans.

Kenmare Moma Development Association (KMAD)

The Board believes that Kenmare should be a catalyst for positive social and economic change in the Moma Mine area. One of the ways the Company achieves this is by supporting KMAD – a not-for-profit organisation established in 2004 to implement development programmes in the Moma Mine's host communities. Its community initiatives have three key focuses – livelihoods and economic developments, healthcare development, and education development. The Kenmare Country Manager and his team brief the Sustainability Committee on its activities and the Committee reviews and provides input into its strategy.

Policies

We aim to be a trusted business and support transparent disclosure, so we can be accountable for our actions and commitments. All our staff recognise their personal and collective responsibility in upholding Kenmare's business integrity. Our high standards are enshrined in our policies and the laws and regulations of Ireland, the UK and Mozambique. Our policies reflect these standards and expectations and are approved and reviewed by the Board and relevant Committees.

Risk Management

Managing risk, including that to the well-being of our workforce and host communities, is an integral part of our business. A comprehensive process is in place for assessing and managing risks associated with business and strategic corporate decisions. Through this process, significant risks faced by the Group are identified, evaluated and appropriately managed. Details of our risk management framework and the role of the Board and its Committees are set out on page 71.

Supply Chain Code of Conduct

We recognise that our supply chain is an essential part of our business and that our suppliers, through the goods and services they deliver in support of our operations, create environmental, social and governance impacts that Kenmare is indirectly responsible for. It is Kenmare's vision for our entire supply chain to share our commitment to sustainable development and, to this end, in 2022, the Board approved a Supplier Code of Conduct which draws together our various corporate policies and will help suppliers understand Kenmare's expectations regarding sustainable development. Suppliers may be audited or required by Kenmare to provide information to demonstrate compliance with the code.

Sustainability Committee

The Committee is tasked with managing health, safety, security, social and environmental risks, and facilitating progressive employment practices on our operating sites. With this in mind, the Chief Operating Officer reports on health and safety matters (workforce and community) at every Sustainability Committee meeting. For example, in 2022, the Committee was briefed on development of a wellness programme, water supply and sanitation and a malaria vector control project, all of which reflect the Company's concern for the health of our employees and our communities. Any LTIs are reported to the Committee and examined for possible learnings.

Whistleblowing

Kenmare promotes a culture of openness and accountability and encourages staff to report suspected wrongdoing as soon as possible. Concerns can be raised with a line manager, externally with Safecall, an independent external reporting line or with the Chair of the Audit & Risk Committee or our General Counsel. Safecall reports are investigated by the Internal Auditor and reported on to the Audit & Risk Committee and any concerns fed back from its Chair to the Board.

Read more about **vision, strategies, values and purpose** on page 19

Independence of Non-Executive Directors

The Board has carried out an evaluation of the independence of its Non-Executive Directors, taking account of the relevant provisions of the Code and whether the Non-Executive Directors discharge their duties in a proper and consistently independent manner, and constructively challenge the Executive Directors and the Board.

In January 2023, Issa Al Balushi was appointed to the Board by African Acquisition S.à.r.l, as provided for under the Subscription and Relationship Agreement entered into in 2016. As a result, Issa Al Balushi is not considered to be independent. The Board is satisfied that each of the other current Non -Executive Directors fulfils the independence requirements of the Code.

Andrew Webb has been Chairman of the Company since May 2022. On his appointment as Chairman, Andrew met the independence criteria as set out in the Code.

Senior Independent Director

Graham Martin is the Group's Senior Independent Director (SID). The principal role of the SID is to provide a sounding board for the Chairman and to act as an intermediary for other Directors and shareholders. The SID is responsible for the appraisal of the Chairman's performance throughout the year. He is also available to meet shareholders upon request, in particular if they have concerns that cannot be resolved through the Chairman or the Managing Director. A summary of the role of the SID can be found at www.kenmareresources.com/en/about-us/corporate-governance.

Directors' Compliance Statement

The Directors have drawn up a Compliance Policy Statement as defined in Section 225(3)(a) of the Irish Companies Act 2014. Arrangements and structures have been put in place that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. These arrangements and structures were reviewed during the financial year to ensure they remained appropriate and comprehensive. The Directors' Compliance Statement is set out in full in the Directors' Report on page 147.

Share ownership and dealing

Details of the Directors' interests in Kenmare shares are set out in the Annual Report on Remuneration on page 129. The Kenmare Resources plc Dealing Policy applies to the Directors and to all employees. Under this policy, Directors and employees may not deal in Kenmare shares while they are in possession of inside information about the Group. Kenmare also operates a Dealing Code which applies to the Directors and to employees who are able to access restricted information about the Group. Under the Dealing Code, Directors and relevant employees are required to obtain clearance from the Company before dealing in Kenmare shares and persons discharging managerial responsibilities are prohibited from dealing in the shares during closed periods, as defined by the Dealing Code.

Company Secretary & legal

The Directors have access to the advice and services of the Company Secretary who advises the Board and Committees on governance matters. The Company's Articles of Association provide that the appointment or removal of the Company Secretary is a matter for the Board.

Kenmare's General Counsel and Company Secretary provide advice, guidance and support to Executive and operational management and work closely with them to provide training to our employees. Together they provide support on a range of matters including establishing policies and procedures, providing compliance training and communications, providing legal advice on compliance and business issues, monitoring and investigating whistleblower calls, and ensuring the Group is informed of any changes to regulation and/or reporting requirements. They work with the Head of Sustainability in relation to sustainability governance and, together with management at the Mine, review compliance and governance matters on a Group-wide basis. During 2022, workflows included Market Abuse Regulation compliance, transfer of administration of the KRSP to an online platform, sanctions and ESG reporting.

Directors may take independent advice in the furtherance of their duties at the Company's expense.

Induction and development of Directors

New Non-Executive Directors undertake a structured induction process, which includes a series of meetings with management, a briefing session with internal and external solicitors on the responsibilities of a Director under Irish law and applicable stock exchange rules, and a briefing with the Company Secretary regarding corporate policies.

External experts may be invited to attend certain Board or Committee meetings to address the Board (or relevant Committee, as the case may be) on relevant industry matters and on developments in corporate governance, risk management and Executive remuneration. Training and development requirements for the Directors are discussed in the evaluation process and Directors are encouraged to undertake appropriate training on relevant matters. During 2022, management arranged for briefings to the Board on the Irish Takeover Rules, Market Abuse Regulation and ESG reporting. In addition, all Directors have access to an online database which is regularly updated with relevant publications and changes in legislation.

Board evaluation

2021 Board Evaluation

In accordance with provisions of the Code, a performance evaluation of the Board is carried out annually and facilitated externally every third year. In 2021, a comprehensive performance evaluation of the Board and all of its Committees was conducted by Board Excellence Limited. A summary of the process and its findings can be found on page 86 of the 2021 Annual Report.

2022 Board Evaluation

In December 2022 and early 2023, the Chair, Andrew Webb, appraised the performance of the Board, Committees and each of the Non-Executive Directors and Graham Martin, the Senior Independent Director, evaluated the performance of the Chair.

The various phases of the internal performance evaluation process are set out below:

Read more about **Board of Directors** on page 86

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
In December 2022, a questionnaire covering key aspects of Board and Committee effectiveness, including their composition, the content and conduct of meetings, interaction with management, the effectiveness of the Chair and the Directors' continuing education process, was made available online to all Directors. This was completed on an anonymous basis to facilitate openness in scoring and comments.	Completed questionnaires, including views on performance and recommendations for improvement, were received by the Company Secretary in January 2023 and an analytics report was provided to the Chair and the Senior Independent Director. Extracts from the report relating to each Committee were provided to the relevant Committee Chairs.	Discussions were held by each of the Chair and the Senior Independent Director with each of the Directors individually to evaluate the performance of fellow Directors.	Each of the Committees considered the analytics report as part of the review of its performance and terms of reference and recommended any changes it considered necessary to the Board for approval.	The Chair and the Senior Independent Director reported to the Board at its meeting in January 2023 on the findings and it was agreed that any action point arising therefrom would be considered in development of the Board objectives for 2023.

The evaluation indicated a high level of satisfaction with the composition, performance and effectiveness of the Board, its Chair and Committees. It found that there are good communications both within the Board/Committees and with management. However, a number of key focus areas were identified for the Board to consider. These included changes to the format of board papers, arrangements for regular feedback between management and Non-Executive Directors, enhanced feedback from Board committees to the main Board and review of existing business continuity arrangements.

Powers of the Directors

Under the Articles of Association of the Company, the business of the Company is to be managed by the Directors who may exercise all the powers of the Company subject to the provisions of the Companies Act, the Constitution of the Company and to any directions given by resolution of a General Meeting (not being inconsistent with the Companies Act and the Articles of Association). The Articles of Association permit the Directors to delegate any of their powers, authorities and discretions to any committee provided that a majority of the members of a committee shall be Directors.

The Directors may also, from time to time appoint any company, firm or person to be the attorney(s) of the Company subject to such conditions as they may think fit.

The Articles of Association also provide that the Directors may establish any local or divisional boards or agencies for managing any of the affairs of the Company in any specified locality, either in Ireland or elsewhere, and may delegate to any such board or agent any of their powers, authorities and discretions upon such terms and subject to such conditions as the Directors may think fit.

Directors' powers in relation to the issuing or buying back by the Company of its shares are set out in the Directors' Report on page 146.

Appointment and removal of Directors

The Articles of Association empower the Board to appoint Directors but require such appointees to retire and submit themselves for re-appointment at the first Annual General Meeting following their appointment.

Under the Articles of Association, a third of the Board must retire annually but may offer themselves for re-election. However, in accordance with the provisions contained in the Code, the Board has decided that all Directors should retire annually at the Annual General Meeting and offer themselves for re-election.

Read more about Executive Committee on page 88

Directors may be removed by the shareholders in a General Meeting of the Company.

Memorandum of Association and Articles of Association

The Company's Memorandum of Association and Articles of Association set out the objects and powers of the Company and may be amended by shareholders at a General Meeting of the Company by special resolution (requiring the resolution to be passed by 75% of the eligible votes).

General meetings and shareholders' rights

Under the Articles of Association, the power to manage the business of the Company is generally delegated to the Directors. However, the shareholders retain the power to pass resolutions at a General Meeting of the Company which may give directions, not being inconsistent with the Companies Act and the Articles of Association, to the Directors as to the management of the Company.

The Company must hold a General Meeting each year as its Annual General Meeting, in addition to any other meetings in that year. The Annual General Meeting will be held at such time and place as the Directors determine. All General Meetings, other than Annual General Meetings, are called Extraordinary General Meetings. The Directors may at any time call an Extraordinary General Meeting. Extraordinary General Meetings shall also be convened by the Directors on the requisition of members holding, at the date of the requisition, not less than 5% of the paid-up capital carrying the right to vote at General Meetings.

No business may be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Three persons entitled to attend and to vote upon the business to be transacted, each being a member or a proxy for a member, constitutes a quorum.

The shareholders have the right to receive notice of a General Meeting. In the case of an Annual General Meeting or of a meeting for the passing of a special resolution, 21 clear days' notice at the least, and in any other case 14 clear days' notice at the least, needs to be given in writing in the manner provided for in the Articles to all the members (subject to any restrictions imposed on any shares), to the Directors, the Company Secretary and the Auditors and any other person entitled to receive notice under the Companies Act. The shareholders also have the right to attend, speak, vote and ask questions at General Meetings. In accordance with Irish company law, the Company specifies record dates for General Meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend. Record dates are specified in the notes to the Notice of a General Meeting. Shareholders may exercise their right to vote on some or all of their shares by appointing a proxy or proxies, by electronic means or in writing. The requirements for the receipt of valid proxy forms are set out in the notes to the notice convening the meeting. A shareholder, or a group of shareholders, holding at least 3% of the issued share capital of the Company has the right to put an item on the agenda of the Annual General Meeting or to table a draft resolution for inclusion in the agenda of a General Meeting, subject to certain timing requirements prescribed by the Companies Act and any contrary provision of Irish company law.

Voting at any General Meeting is by a show of hands unless a poll is properly demanded. On a show of hands, every member who is present in person or by proxy has one vote regardless of the number of shares they hold. On a poll, every member who is present in person or by proxy has one vote for each share they hold. A poll may be demanded by the Chair of the meeting or by at least three members having the right to vote at the meeting or by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or by a member or members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to and not less than one-tenth of the total sum paid up on all shares conferring that right.

Deadlines for exercising voting rights

Voting rights at General Meetings of the Company are exercised when the Chair puts the resolution at issue to a vote of the meeting. Where a person is appointed to vote for a shareholder as proxy, the instrument of appointment must be received by the Company not later than the latest time approved by the Directors.

Audit, risk and internal control

Board's approach to risk management and internal control

The Board of Directors has responsibility for the Group's systems of internal control and risk management. This involves an ongoing process of identifying, evaluating and managing the significant risks faced by the Group and regularly reviewing the effectiveness of the resultant systems of internal control and risk management that have been in place throughout the financial year and up to the date of approval of the Annual Report and Accounts. The Board has delegated to management the planning and implementation of the system of internal control throughout the Group. The system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Both it and the risk management system accord with Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and

Business Reporting (September 2014). The key elements of the systems include the following:

- The Board, in conjunction with management, identifies the major risks faced by the Group and determines the appropriate course of action to manage these risks;
- Risk assessment and evaluation are an integral part of the management process throughout the Group. Risks are identified and evaluated and appropriate risk management strategies are implemented;
- The Board maintains control and direction over appropriate strategic, financial, organisational and compliance issues, and has put in place an organisational structure with defined lines of responsibility and authority; and
- Capital expenditures are controlled centrally and, if in excess of predefined levels, are subject to approval by the Board.

Review and effectiveness of the risk management and internal control systems

The Board conducted a review of the effectiveness of the Group's risk management and internal controls systems, including financial, operational and compliance controls, and as part of this it obtained a report from the internal auditor. In the course of this review the Board did not identify nor was it advised of any failings or weaknesses which it determined to be significant.

Compliance policies & training

Kenmare insists on honesty, integrity and fairness in all aspects of its business and expects the highest standards of professionalism and ethical conduct to be maintained in all its activities. The Group has detailed policies and procedures in place on a range of relevant areas such as anti-bribery, diversity and inclusion, health and safety, environment, human rights and business ethics. Depending on the nature of their role, Directors and employees of the Group receive more detailed training on those policies both as part of their induction process and Kenmare's ongoing training programme. An e-Learning programme, which includes topics such as insider dealing, market abuse regulation and whistleblowing, has been put in place and update briefings are provided when there are any material changes in law or regulation.

Whistleblowing

Kenmare promotes a culture of openness and accountability and encourages staff to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be protected wherever possible. Concerns can be raised with a line manager, externally with Safecall (an independent external reporting line) or with the Chair of the Audit & Risk Committee or our General Counsel.

Employees may raise concerns anonymously if they wish. Kenmare's policies make clear that retaliation against any employee who raises a genuine concern is prohibited. Where concerns are raised, they are investigated in an appropriate and independent manner.

Stakeholder engagement

Kenmare has adopted a Stakeholder Engagement Policy (available on its website at www.kenmareresources.com/sustainability/policies) pursuant to which it will, inter alia:

- Engage openly and honestly with its key stakeholders (including shareholders) using appropriate communication tools and in a regular and timely manner, having regard to commercial sensitivities; and
- Consult and listen to all its stakeholders as appropriate, understand their aspirations, concerns and their views within the context of its decision-making processes.

More details on stakeholder engagement can be found on pages 16 and 17.

Community engagement

Kenmare values highly its strong relationship with its host communities. Our stakeholder engagement plan is updated annually and reflects the changing dynamics in the relationship between the Mine and the community. We work with local communities through the Kenmare Moma Development Association (KMAD). Read more on pages 58 and 59 or read the KMAD Annual Report 2022 at www.kenmareresources.com/en/sustainability/kmad

The Non-Executive Directors visited the Moma Mine in February and September 2022. The Directors met with management, staff and community members and visited some of the projects being implemented by KMAD.

Workforce engagement

The Board has designated Graham Martin as the Non-Executive Director responsible for engagement with the Group's workforce. During 2022, he and, separately, Mette Dobel visited the Mine. Graham met with staff in the Dublin office and held a conference call with Mine employees later in 2022. More details on workforce engagement are on page 95.

Shareholder engagement

Communications with shareholders are given high priority. Annual Reports and Accounts are sent to shareholders in accordance with their instructions. Major transactions and production guidance are also notified to the market, and the Company's website www.kenmareresources.com, provides the full text of all announcements. The website also contains the Annual Reports, half year results and investor presentations. In addition, the Company maintains several social media accounts such as Twitter, LinkedIn and Facebook, which are regularly updated with operational, financial and sustainability-focused news.

Read more about **our engagement with stakeholders** on page 16

Read more about **commitment to sustainability** on page 54

The following Corporate Governance documents are available on the Company's website:

- Directors' remuneration policy
- Terms of reference of the Nomination, Remuneration, Audit & Risk and Sustainability Committees together with their most recent reports and meeting attendance details
- Memorandum and Articles of Association of the Company
- Policies on Health and Safety, Human Rights, Business Ethics, Anti-Bribery, Whistleblowing, Employment, Diversity and Inclusion, Freedom of Association, Community Engagement and Investment and Stakeholder Engagement
- Whistleblower hotline contact numbers
- Principal risks and uncertainties
- Statement of payments to governments

Our website contains the following information for investors:

- Annual reports, half year results and presentations
- Share price information
- Regulatory news
- Details of meetings and voting
- Circulars
- Details of major shareholders
- FAQs for shareholders about their holdings

Where necessary, the Board and Committee Chairs engage with shareholders on specific topics and, where relevant, provide feedback to other Directors. The Chair and Senior Independent Director are also available throughout the year to meet shareholders on request.

The Board is kept informed of the views of shareholders through the Executive Directors' attendance at investor presentations and results presentations. Relevant feedback from such meetings, investor relations reports and brokers' notes are provided to the entire Board on a regular basis. The Board also receives briefings from the Company's brokers.

Capital Markets days and Mine visits for major shareholders are held periodically and feature presentations by the Executive Committee and the site leadership team. In addition to shareholders, these events are attended by members of the Board, advisers, sell-side analysts and potential investors. Physical meetings were restricted during early 2022 due to the COVID-19 restrictions but videoconference calls were held instead.

On an ongoing basis, our Investor Relations team acts as a focal point for contact with investors and they provide information and deal with queries as they arise. The Company Secretary engages annually with proxy advisers in advance of the Company's AGM. The Company's AGM affords shareholders the opportunity to question the Chair and the Board.

OIA relationship agreement

OIA (formerly the State General Reserve Fund ("SGRF")) currently does not fall within the definition of controlling shareholder under the Listing Rules as it holds less than 30% of Kenmare's equity. However, the Company and African Acquisition S.à.r.l., the vehicle through which SGRF invested in the Company, have entered into arrangements equivalent to those that would be expected to be in place between a listed company and its controlling shareholder. This is to ensure the independence of the Company from that shareholder. In particular, the Company entered into a subscription and relationship agreement, dated 18 June 2016, with African Acquisition S.à.r.l. that, amongst other things, sets forth the relevant arrangements.

Substantial holdings

The Company is not owned or controlled directly or indirectly by any government or by any corporation or by any other natural or legal person severally or jointly. The major shareholders do not have any special voting rights. Details of the substantial holdings as at 31 December 2022 and 31 March 2023 are provided on page 147.

Stock exchange listings

Kenmare, which is incorporated in Ireland and subject to Irish company law, has a premium listing on the London Stock Exchange (LSE) and is subject to the Listing Rules of the UK Listing Authority.

Kenmare has a secondary listing on Euronext Dublin. For this reason, the Company is not subject to the same ongoing listing requirements as those which would apply to an Irish company with a primary listing on Euronext Dublin, including the requirement that certain transactions require the approval of shareholders. For further information, shareholders should consult their own financial adviser.

AGM update

The AGM is an opportunity for the Executive Directors to deliver presentations on the business and for shareholders, both institutional and private, to question the Board directly. Generally, all Directors attend the AGM and are available to meet with shareholders. Notice of the AGM, proxy statement and the Annual Report and financial statements are sent to shareholders at least 21 days before the meeting. A separate resolution will be proposed at the AGM on each separate issue including a particular resolution relating to the adoption of the Directors' Report and Auditor's Report and the financial statements. Details of the proxy votes for and against each resolution, together with details of votes withheld, are announced after the result of the votes by hand. These details are published on the Company's website following the conclusion of the AGM. At the AGM held on 26 May 2022, there were no material votes cast against any resolutions.

NOMINATION COMMITTEE REPORT

I'm pleased to say the Committee is working effectively and efficiently

GRAHAM MARTIN
CHAIR OF THE NOMINATION COMMITTEE

ELAINE DORWARD-KING
COMMITTEE MEMBER

DEIRDRE SOMERS
COMMITTEE MEMBER

Membership and meetings

The Nomination Committee consists of myself, Elaine Dorward-King and Deirdre Somers, all of whom are Independent Non-Executive Directors.

There were three Committee meetings during 2022. These were attended by all Committee members.

Committee membership

	Independent:	Date of Appointment to Committee	Meetings attended
Graham Martin Chair	Yes	25/05/2017	3
Elaine Dorward-King Member	Yes	13/05/2020	3
Deirdre Somers Member	Yes	31/12/2021	3

Dear Shareholder

I am pleased to present the report of the Nomination Committee for 2022. During the year, the Committee met three times and the main areas of focus were the skills and experience of existing Board members, diversity on the Board, succession planning, the search for a new Financial Director, the composition of the Board's Committees, and Board evaluations. This report describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018.

Principal responsibilities of the Committee

- Regularly reviewing the structure, size, composition and length of service of the Board and making recommendations to the Board with regards to changes considered advisable;
- Assessing the effectiveness and performance of the Board and Committees including consideration of the balance of skills, knowledge, independence, diversity and experience of the Board and Committees, and other factors relevant to its effectiveness;
- Considering succession planning for Directors and other Senior Executives, taking into account the challenges and opportunities facing the Group, what skills and expertise are needed in the future, and ensuring a diverse pipeline for succession;
- Identifying, and nominating for the approval of the Board, candidates for appointment as Directors and ensuring that there is a formal, rigorous and transparent procedure for appointment;
- Reviewing the results of the Board performance evaluation process that relate to the composition of the Board, its diversity and how effectively the members of the Board work together; and
- Reviewing periodically the time input required from a Non-Executive Director.

The standard terms of contract for Non-Executive Directors are available on request from the Company Secretary, at the Company's registered office during normal business hours, and at the AGM (for 15 minutes prior to the meeting and during the meeting).

See the Committee's terms of reference at www.kenmareresources.com/en/about-us/corporate-governance/nominations-committee

Succession and changes to the Board this year

On 26 May 2022, Steven McTiernan stepped down as Chair of the Board of Directors and, as previously indicated, Andrew Webb took over the role. Andrew had joined the Board in December 2021 and this period as a Director before becoming Chair, together with the advice and help of Steven, assisted in a seamless transition.

In May 2022, the Company announced that its longstanding financial Director Tony McCluskey would be stepping down from the role. The Committee took the lead in the process of selecting Tony's replacement, with the assistance of an external recruitment consultant, The Effective Board LLP (which has no connection with the Company other than its involvement in previous searches). The consultant was directed, as usual, to widen the search base to include as many female applicants as possible and also requested to search for suitable sub-Saharan African candidates. A summary of the process involved is set out below. The search resulted in the co-option of Tom Hickey to the Board and his appointment as Financial Director, both with effect from 26 September 2022. Tom brings significant financial and natural resources experience to Kenmare, having served for 15 years as Executive Director of various public companies, including eight years as Chief Financial Officer of the African and South American-focused oil and gas producer Tullow Oil Plc.

On 31 December 2022, Sameer Oundhakar stepped down from his role with Oman Investment Authority (OIA), which controls African Acquisition S.à.r.l. (AAS) one of Kenmare's largest investors and which had nominated Sameer to the Kenmare Board. As a result, he stepped down from the Kenmare Board on that date and AAS nominated Issa Al Balushi in his place. Issa is a Manager in Economic Diversification Investments at OIA, has over 10 years of experience in the financial industry and investment and has worked as a portfolio manager for several international and national OIA assets. He is a Director of several private companies owned by OIA or Omani state-owned enterprises. Issa holds a Master's degree in Financial Analysis from UNSW, Sydney and a Bachelor of Science, Finance from SQU, Muscat. He was appointed as a Director of Kenmare on 25 January 2023.

These two most recent appointments have brought enhanced financial and markets experience as well as additional ethnic diversity and wide geographical experience to the Board.

Given that four of our nine Directors have been appointed in the last eighteen months, the size of the Board and the Committee's assessment of the skills and experience of the current Board, the Committee does not feel it necessary or desirable to appoint any additional Non-Executive Directors at the moment. The Committee is of the opinion that it would be preferable for all of the Directors to have time to settle into their roles before making any further changes.

However, ensuring that the Board continues to have the requisite skills to support the Company's strategy will remain a priority for my tenure as Chair. I will also focus on the strategy for further enhancing the Board's diversity, taking into account developing regulation and expectations in this respect and Board composition will be reviewed again later in 2023.

Read more about the annual Board evaluation on page 99

Process for Board appointments

Stage 1
The Committee approves a role specification based on skills and experience required and the Diversity & Inclusion Policy.

Stage 2
An independent search agent is appointed.

Stage 3
The Committee considers a longlist and then a shortlist of potential candidates and holds interviews.

Stage 4
The Committee identifies its preferred candidate.

Stage 5
The preferred candidate is invited to meet with all Board members and due diligence is carried out.

Stage 6
The Committee makes a recommendation to the Board for consideration.

Stage 7
The appointment is approved by the Board and announced.

Stage 8
The induction process is commenced.

Read more about **advancing female representation** on page 30

Training

Directors have access to an online training platform which allows them to update and refresh their knowledge in their own time. We also invite external experts to present to the Board on specific topics of interest from time to time. During 2022, tailored updates on Market Abuse regulation, the Irish Takeover Rules and ESG reporting as well as a briefing on Mozambican security and politics were provided by Kenmare to the Directors.

Succession

Each year the Committee considers the leadership needs of the Group and succession planning for senior management roles including the Managing Director and Financial Director.

During the year, the Committee received updates from management on succession planning activities throughout the Group. The Committee, and the wider Board, also engages with the potential pipeline for succession as members of the senior management team present at Board and strategy meetings.

Committee composition

There were no changes to Committee composition during 2022 save that on 31 December I stepped down from the Sustainability Committee and Mette Dobel took my place.

Diversity and inclusivity

Kenmare recognises the benefits of diversity and its objective to achieve greater diversity at Board and senior management level, as well as across the wider workforce. This is supported by the Group's Diversity and Inclusion Policy which can be found at www.kenmareresources.com/en/sustainability/policies.

The Board keeps this policy under review to ensure that it is effective in achieving diversity in its broadest sense, having regard to experience, age, gender, religious beliefs, sexual orientation, race, ethnicity, disability, nationality, background and culture, and instructs any search consultants it engages to consider this in sourcing candidates. We recognise that diversity aids implementation of our strategy by providing the Board with different ways to tackle an issue, healthy debate and challenge of the Board and the Executive team as well as making Kenmare more adaptable to changes in our environment.

While the Board will always seek to appoint candidates on merit against objective criteria, greater diversity is actively considered when making Board appointments. Gender and diversity will continue to be given careful consideration when shortlisting candidates as part of the process of Board refreshment and renewal, as it was in 2022. Women now comprise 33⅓% of the Board and 11% of our Board is from an ethnic minority background. As a result, we would meet the Board gender and diversity recommendations of the Hampton-Alexander review and Parker review respectively, were they applicable to the Company.

The most recent external evaluation in 2021 found that the Board has a reasonable level of diversity and that the Board has and continues to demonstrate strong commitment to improving diversity in terms of ethnicity/geography, gender and age. The issue of diversity will be reviewed by the Board later in the year when recent appointees have settled into their respective roles.

The Board and Executive Management are committed to increasing female representation in senior leadership positions across the Group. The Group is also making progress with this objective, with 18% of the Executive Committee being female and a further 8 women in their direct reports.

The Board and management continue to focus on evolving and implementing strategies for recruiting and developing colleagues in ways that promote diversity and inclusion.

Additional Directorships

Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties. This will include attendance at regular Board and committee meetings, the AGM and any extraordinary general meetings, Board dinners, occasional site visits and meetings with shareholders. In addition, they are required to consider all relevant papers prior to each meeting. They are required to obtain the agreement of the Board before accepting additional commitments that might affect the time they are able to devote to their role in Kenmare.

During the year, Deirdre Somers was appointed as a Non-Executive Director of Enfusion, Inc., an investment management software provider listed on the New York Stock Exchange. Prior to accepting this appointment, Deirdre discussed the matter with the Chair of the Board as she was already a Non-Executive Director of two publicly traded trading companies – Kenmare and AQUIS plc which is quoted on AIM and the listed ETF investment fund suite of BlackRock iShares I-VII. The nature of passive investment funds, and the manner in which their supervision is organised means that the time commitment is not equivalent to that required for the same number of trading companies. The Chair was therefore satisfied that the addition of this new position would not impact on her time commitment and availability to Kenmare and would not result in any conflict of interest.

Board effectiveness

In accordance with provisions of the Code, a performance evaluation of the Board is carried out annually and facilitated externally every third year. An external performance evaluation was conducted by Board Excellence in 2021 and this is summarised on page 86 of the 2021 Annual Report. An internal evaluation for 2022 was conducted by Andrew Webb, as Chair. The evaluation is summarised on page 99 of the Corporate Governance section and incorporated into this report by reference, The evaluation indicated a high level of satisfaction with the composition, performance and effectiveness of the Board, its Chair and Committees. and found that there are good communications both within the Board/Committees and with management. However, a number of key focus areas were identified for the Board to consider which will be dealt with throughout the year.

The 2021 external evaluation suggested that the Board could be further strengthened by a Non-Executive Director with robust operations experience in both the mineral sands area and potentially in other mining areas and by an Africa-based Director. As explained above, there are currently no plans to enlarge the Board and to appoint additional Directors but the suggestion will be borne in mind when Board composition is reviewed later in the year.

Committee effectiveness and priorities for 2023

The 2021 external evaluation found that the Committee had scope for improvement and 2022 saw a re-focus by the Committee on areas highlighted in the resulting action plan. The Committee's performance and effectiveness was also considered as part of the recent internal evaluation. I am pleased to say that the Committee was found to be working effectively and efficiently.

Priorities for 2023 include succession planning, senior management succession pipeline and the search for an additional Non-Executive Director as and when determined by the Board.

Acknowledgments

I would like to thank the Committee members for their commitment and input to the work of the Committee in 2022.

GRAHAM MARTIN
CHAIR OF THE NOMINATION COMMITTEE

6 April 2023

Read more about **diversity and inclusion** on page 57

1 **Marthinus Roelofse**
Bronagh J Captain

2 **António Puruque**
Bronagh J Chief Engineer

SUSTAINABILITY COMMITTEE REPORT

We commend the team for their continued focus on health and safety

ELAINE DORWARD-KING
CHAIR OF THE SUSTAINABILITY COMMITTEE

CLEVER FONSECA
COMMITTEE MEMBER

MATTE DOBEL
COMMITTEE MEMBER

Membership and meetings

The Sustainability Committee consists of myself as Chair, Clever Fonseca, and Mette Dobel, all of whom are Independent Non-Executive Directors. The Committee met five times in 2022. On 31 December 2022, we welcomed Mette Dobel to the Committee as a new member replacing Graham Martin, who stepped down from the role on that date. Graham Martin attended all Committee meetings held during 2022.

Committee membership

	Independent:	Date of Appointment to Committee	Meetings attended
Elaine Dorward-King Chair	Yes	4/11/2019	5
Clever Fonseca Member	Yes	2/10/2019	5
Mette Dobel Member	Yes	31/12/2022	n/a

Dear Shareholder

I am pleased to present the Sustainability Committee's 2022 report. During the year, the Committee met five times, three times in person and twice by videoconference. We were also fortunate to visit the Moma Mine and communities in February, with Mette Dobel visiting in September. The main areas of focus for our meetings are set out on the following page. This report describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018.

Principal responsibilities of the Committee

- To oversee the management of health, safety, security, social and environmental risks, and facilitate progressive employment practices;
- To ensure fair land access, compensation, and timely rehabilitation arrangements;
- Advocate for socio-economic development on behalf of our host communities, particularly relating to livelihoods, healthcare, education, and water and sanitation;
- Incorporate management of climate change and other sustainability issues into Group plans, with external reporting where appropriate to recognised international norms; and
- Monitor socio-political developments within the region and Mozambique.

See the Committee's terms of reference at www.kenmareresources.com/en/about-us/corporate-governance/ sustainability-committee

2022 sustainability performance

We commend the team for their continued focus on health and safety and on the significant milestone of 12 million hours worked without a Lost Time Injury, reached in September. Three incidents in the second half of the year resulted in a LTIFR of 0.09 per 200,000 hours worked, which although higher than 2021 (0.03) was nevertheless a 50% improvement relative to the five-year rolling average (2019-2021: 0.18). The Moma Mine again retained its NOSA five-star accreditation, which is aligned to ISO 45001 and ISO14001 International Standards, for its health, safety and environmental performance for a seventh consecutive year.

Areas of focus in 2022

Area of focus	Sustainability committee action
ESG strategy, targets and reporting	• Reviewed and approved Executives' 2023 ESG targets and progress against 2022 ESG targets • Approved the 2022 Sustainability Report, including the updated materiality assessment • Approved the Company's TCFD and EU Taxonomy disclosures • Reviewed preparations for future reporting requirements, including the Corporate Sustainability Reporting Directive
Safe & engaged workforce	• Considered management's root cause analysis reports on the Lost Time Injuries in 2022 • Monitored health and safety incidents and initiatives at the Moma Mine • Reviewed progress on the Moma Mine's health & wellness programme • Oversaw progress on gender diversity and localisation programmes
Thriving communities	• Reviewed the results of a third-party socio-economic review • Participated in a workshop on strategic social risks facing the Company and reviewed the Company's 10-year plans to address those risks • Oversaw a progress update on local procurement • Approved a boardwalk enabling the crossing of wetlands, in connection with the Namalope West resettlement plan • Received and reviewed an update on external relations with local regional and national authorities in Mozambique • Reviewed progress of Year 1 of the KMAD three-year strategic plan • Received updates on the political situation in Mozambique and its country risk factors
A healthy natural environment	• Reviewed and approved the updated Climate & Energy strategy, following an update of climate-related risks & opportunities • Received an update on the Moma Mine power supply • Reviewed progress against the Land Management and Water Strategies • Reviewed an update on geotechnical risks and risk management • Discussed the Agro-forestry trials and food security for communities
Trusted Business	• Oversaw progress of supply chain compliance against the Board-approved Supplier Code of Conduct • Reviewed progress on the implementation of the new security strategy, including adherence of our public security forces to the Voluntary Principles
Terms of reference	• Considered its terms of reference to ensure they remain appropriate for the Group's needs. The terms of reference are available on the Kenmare website at www.kenmareresources.com/en/about-us/corporategovernance/sustainability-committee

Kenmare continued to focus on integrating climate considerations into its overall strategy and operational approach. We hired an energy efficiency manager at Site and continued what will be an ongoing endeavour for the foreseeable future, exploring ways to displace diesel to work towards our Net Zero ambition by 2040 for Scope 1 & 2. RUPS was commissioned in 2022, which will significantly help with reliability of power in the stormier summer months (Dec-Mar) and will mean we can avoid running the diesel-powered generators during this period as we have had to do since 2014. However, our short-term emissions reduction target of 12% by 2024 will be a challenge to achieve. Near-term energy demand is increasing due to mining complexities and our medium-term energy needs will grow as we progress development of the Nataka orebody. You can read more about how we are working to overcome these challenges in our climate disclosures on page 64.

Kenmare's commitment to local socio-economic development through KMAD continued. The highlights include over $0.5 million being spent on repairing community infrastructure in the aftermath of Storm Ana. These unbudgeted repairs complied with Mozambican regulations stipulating resistance to Category 4 cyclones. To support vocational training and education, the first cohort of Kenmare sponsored students graduated from the KMAD-built Topuito Technical Training College. Of the 55 students that passed their three-year courses in mechanical or civil construction, or industrial electronics, Kenmare sponsored 28 female bursars. To improve health facilities in the area, KMAD completed building and equipping a laboratory for Mititicoma community health centre, which will be able to store a blood bank and administer more specialist medicines.

We continued to make steady progress on increasing the representation of women in our business and by the end of 2022, 14.5% of the workforce at the Mine was female (2021: 12.5%) with women making up 25% of the senior management there. The Mine's workforce comprised 97% Mozambican employees, 2% above regulatory requirements. The number of people employed from the local community remained constant at 70%.

Committee effectiveness and priorities for 2023

An external evaluation of the Committee's performance and effectiveness is conducted every three years. In the intervening years, this evaluation is carried out internally. The 2022 evaluation found that the Committee operates effectively. In 2023, we will continue the work started in 2022 to evaluate the longer-term, strategic sustainability-related risks and their mitigation plans. This will include Kenmare's 10-year socio-economic development and land management plan, progress of the Company's climate and energy strategy, including addressing the Company's growing energy demands, development of updated Biodiversity Management Plans in response to new Mozambican regulations and overseeing KMAD's progress on its new strategic pillar of water and sanitation.

Conclusion

I would like to thank the Committee members for their commitment and input to the work of the Committee during 2022. In particular I would like to thank Graham Martin for the excellent counsel he has given to the Committee over the past three years. I would also like to thank Michael Carvill, Managing Director, for his continued leadership, Ben Baxter, Higino Jamisse and his management teams for their efforts on our environmental and supply chain programmes, Anna Brog for her guidance and to Gareth Clifton and Regina Macuacua for their dedication to strong community relations.

ELAINE DORWARD-KING
CHAIR OF THE SUSTAINABILITY COMMITTEE
6 April 2023

AUDIT & RISK COMMITTEE REPORT

I would like to pay tribute to Tony McCluskey & thank him for his stewardship

DEIRDRE SOMERS

CHAIR OF THE AUDIT AND RISK COMMITTEE

ELAINE DORWARD-KING

COMMITTEE MEMBER

CLEVER FONSECA

COMMITTEE MEMBER

Membership and meetings

The Audit & Risk Committee consists of myself, as Chair, Clever Fonseca and Elaine Dorward-King, all of whom are Independent Non-Executive Directors. As outlined in the Directors' biographical details, members bring considerable accounting, corporate financial and mining industry experience to the work of the Committee. I am a Chartered Accountant and have been designated by the Board as the Committee's financial expert. Details of the skills and experience of the Committee members are set out on page 84.

Committee membership

	Independent:	Date of Appointment to Committee	Meetings attended
Deirdre Somers Chair	Yes	19/08/2020	6
Clever Fonseca Member	Yes	13/05/2020	6
Elaine Dorward-King Member	Yes	31/12/2021	6

Dear Shareholder

I am pleased to present the report of the Audit & Risk Committee for 2022. During the year, the Committee met six times and the main areas of focus were as set out on page 114. This report describes how the Committee has fulfilled its responsibilities during the year under its terms of reference and under the relevant requirements of the UK Corporate Governance Code 2018.

Principal responsibilities of the Committee

- Monitoring the integrity of the Group's financial statements and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgements contained in them;
- Assessing whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy;
- Monitoring the external auditor's independence and objectivity and, in particular, the appropriateness of the provision of non-audit services;
- Monitoring the effectiveness of the Group's internal control and risk management systems;
- Considering the appropriate risk appetite for the Group and overseeing the current and prospective risks faced by the Group and its strategy in relation to future risks;
- Ensuring the risk management function is properly resourced, with adequate information rights and sufficient independence such that it is free from management interference;
- Making recommendations for the Board to put to shareholders for their approval in General Meetings regarding the appointment, remuneration and terms of engagement of the external auditor;
- Monitoring the effectiveness of the internal audit function; and
- Reporting to the Board, identifying any matters in respect of which it considers that action or improvement is needed, and making recommendations as to the steps to be taken.

The Chair of the Audit & Risk Committee attends the Annual General Meeting to answer questions on the report on the Committee's activities and matters within the scope of the Committee's responsibilities.

See the Committee's terms of reference at www.kenmareresources.com/en/about-us/corporate-governance/audit-risk-committee.

External audit

Independence and non-audit services

The Committee is responsible for ensuring that the external auditor is independent and for implementing appropriate safeguards where the external auditor also provides non-audit services to the Group. The Committee closely monitors the level of audit and non-audit services that audit firms provide to the Group. The Committee has adopted a policy on the provision of non-audit services by the external auditor on the basis that they may provide such services only where the engagement will not compromise their audit objectivity and independence, they have the understanding of the Group necessary to provide the service and they are considered to be the most appropriate to carry out the work. All non-audit services provided by audit firms must be approved by the Committee.

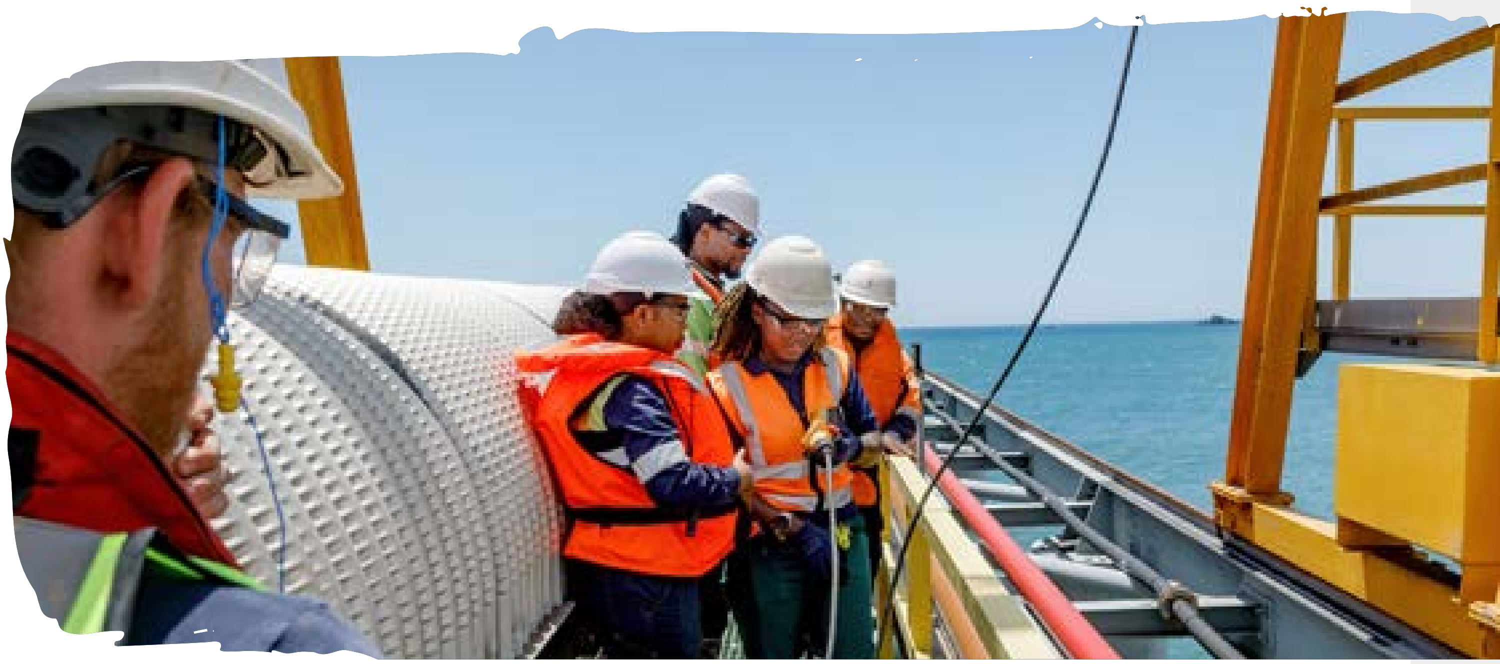
KPMG is the Group's external auditor and has confirmed to the Committee that it is independent from the Group under the requirements of the Irish Auditing and Accounting Supervisory Authority's (IAASA) Ethical Standards for Auditors. The Committee reviews and approves any appointment of an individual, within three years of having previously been employed by the current external auditor, to a senior managerial position in the Group. No such appointments were made in 2022.

The Company Secretary, the external audit lead partner and, from time to time, the Financial Director attend meetings at the invitation of the Committee. Twice each year, the Committee and the external auditor discuss, without management present, matters relating to its remit and any issues.

KPMG was approved as auditor by the Company at the AGM in May 2019 and began its engagement in July 2019. The lead audit partner is Keith Watt who took over the role in 2021, having been involved as audit partner since 2019.

In 2022, KPMG provided a number of audit services and non-audit services. The non-audit services consisted mainly of audit-related assurance concerning the review of the half-yearly financial statements and Mozambican tax compliance services and other related matters. The Committee is satisfied that the external auditor's knowledge of the Group was an important factor in choosing it to provide these services. The fee paid to KPMG in 2022 in respect of audit services and non-audit services was $180,000 and $109,000 respectively, a ratio of 1.65:1. KPMG has stated that it does not consider that these fees create a self-interest threat since the level of fees is not significant to the firm as a whole. The Committee is therefore satisfied that the non-audit work did not compromise KPMG's independence or objectivity and that it was in the interests of the Group to retain KPMG for those services. As a result, the Company did not invite third parties to tender for these services. The Committee did not request the auditors to look at any specific areas in 2022. Details of the amounts paid to KPMG during the year for audit and other services are set out in Note 7 to the consolidated financial statements on page 178.

Read more about **the auditor's report** on page 153



Read more about our financial performance on page 48

Effectiveness

The Committee, on behalf of the Board, is responsible for the relationship with the external auditor and for monitoring the effectiveness and quality of the external audit process. The Committee's primary means of assessing the effectiveness of the external audit process is by monitoring performance against the agreed audit plan. In addition, we consider the following:

- The experience and knowledge of the external audit team;
- The quality of presentations to the Board and Committee;
- The technical insights provided relevant to the Group;
- Demonstration of a clear understanding of the Group's business and key risks; and
- The results of post-audit interviews with management and the Audit & Risk Committee Chair.

Based on the above, the Committee is satisfied with the effectiveness of the external auditor for 2022 and is satisfied that the external auditor demonstrated professional scepticism and challenged management's assumptions, where necessary.

Financial reporting and significant financial judgements

A key responsibility of the Committee is to consider the significant areas of complexity, management judgement and estimation that have been applied in the preparation of the financial statements. The Committee has reviewed the suitability of the accounting policies which have been adopted and whether management has made appropriate judgements and disclosures. The table on pages 114-115 sets out the significant matters considered by the Committee in relation to the financial statements for the year ended 31 December 2022.

Fair, balanced and understandable report

At the request of the Board, the Committee considered whether, in its opinion, the 2022 Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and whether it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

As part of this process, we considered the robust process in place to create the Annual Report and Financial Statements and the Committee:

Stage 1	Stage 2	Stage 3	Stage 4
Reviewed a draft of the whole Annual Report and Financial Statements in advance of giving its final opinion and ahead of final approval by the Board. The Committee was provided with all relevant information, received briefings from management on how specific issues are managed and challenged management as required;	Received confirmation that each Committee had signed off on each of its respective Committee reports and reviewed other sections for which it has responsibility under its Terms of Reference;	Was provided with a confirmation by management that it was not aware of any material misstatements in the financial statements made intentionally to achieve a particular presentation;	Was provided with findings from KPMG that it had found no material audit misstatements that would impact the unqualified audit opinion during the course of its work. The Committee confirms that it is satisfied that KPMG, as the external auditor, has fulfilled its responsibilities with diligence and professional scepticism. After reviewing the presentations and reporting from management and consulting where necessary with KPMG, the Committee is satisfied that the Annual Report and Financial Statements appropriately addresses the critical judgements and key estimates, both in respect of the amounts reported and the disclosures.

Following its review, we believe that the 2022 Annual Report and Financial Statements is representative of the year and presents a fair, balanced and understandable overview, providing the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

Risk management

The Group has identified and documented critical risks to the business, including key operational risks and related controls in its risk register. The Mine's operational risks to the business are reviewed quarterly and updated. The Group's operational risks are reviewed annually and the corporate and business risks on the Group's risk register are updated annually.

Following a review of the Group risk register by senior management, the principal risks identified for the Group and their mitigations are submitted to the Audit & Risk Committee and Board for review and approval. These risks are included in the principal risks and uncertainties facing the Group as set out on pages 71-79. As part of the internal audit function, controls identified in the risk register are tested to ensure they are operating effectively.

The Committee assessed the Group's risk management and internal control framework in line with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting and reviewed the audit and review summary reports from the external auditor. The Committee, having assessed the above information, is satisfied that the internal control and risk management framework is operating effectively and has reported this opinion to the Board.

Internal audit

The Internal Auditor prepares an internal audit plan for each financial year proposing the audit areas to be covered and the timeframe for each. This is presented to the Committee for approval. The Internal Auditor updates the Committee on progress at regular intervals and presents reports to each Committee meeting The Committee can question the Internal Auditor on the contents of the reports and the processes employed by him in investigations. These reports are considered by the Committee and material matters and recommendations are then reported to the Board.

The Committee is responsible for monitoring and reviewing the operation and effectiveness of the Internal Audit function including its focus, plans, activities and resources. To fulfil its duties during 2022, the Committee:

- Reviewed and approved the internal audit annual plan to ensure alignment with the Group's principal risks;
- Considered and was satisfied that the competencies, experience of and level of resources available to the Internal Auditor were adequate to achieve the proposed plan;
- Considered the role and effectiveness of internal audit in the overall context of the Group's risk management framework and was satisfied that the function has appropriate standing within the Group;
- Ensured that the Internal Auditor had access to the Chair of the Board if required; and
- Ensured co-ordination between internal audit and the external auditor to maximise the benefits from clear communication and co-ordinated activities.

On the basis of the above the Committee concluded that, for 2022, the internal audit function was performing well and is satisfied that the quality, experience and expertise of the function is appropriate for the Group.

Whistleblowing

The Company has a Whistleblowing Policy in place and a third-party service provider is engaged to provide a confidential 24/7 whistleblowing service available ("Safecall") to all stakeholders to report any wrongdoing in the workplace. The service does not replace the internal processes within the organisation, but seeks to provide an alternative for those employees who, for any reason, do not wish to use the internal processes. The Audit & Risk Committee Chair is also positioned to receive written complaints in confidence on accounting, risk issues, internal controls, auditing issues and related matters for reporting to the Audit & Risk Committee.

Five reports were received in 2022 and concerned alleged corruption in the procurement process, termination of a supplier contract and preferential treatment of an employee. All were investigated by the Internal Auditor in accordance with procedures and all investigations were closed with no material findings of misconduct.

Read more about **our principal risks** on page 71

Read more about our dividend policy on page 33

Areas of focus in 2022

Area of focus	Audit and Risk committee action
Financial Reporting	• Reviewed the 2021 Annual Report and Accounts in March 2022, the 2022 Half Yearly Financial Report issued in August 2022 and the regulatory announcements relating to these statements before submitting them to the Board of Directors with a recommendation to approve. • Undertook a review of the 2021 Annual Report and Accounts and confirmed to the Board that it was the opinion of the Committee that, taken as a whole, the 2021 Annual Report and Accounts were fair, balanced and understandable and provided the information necessary for shareholders to assess the Group's position and performance, business model and strategy. • Assessed the appropriateness of the Group's accounting policies, including the key estimates, judgements and disclosures made by management. • Considered the Group's adoption of the requirements of the European Single Electronic Format and Regulatory Standards (ESEF).
Distributable Reserves	• Reviewed the Company's distributable reserves to ensure these were sufficient to pay the 2021 final dividend, the 2022 interim dividend and to buy back shares pursuant to the Odd lot Offer.
Risk Management and Internal Control	• Reviewed the Group's risk management and internal control framework (including procedures for detecting fraud) established for identifying, evaluating and managing key risks. • The principal risks facing the Group were reviewed and considered and four specific strategic risks identified by the Committee as key to the outcome for the year were monitored. • Reviewed the Company's risk appetite statement. • Received and considered risk review updates. • Received updates on insurance renewals. • Reviewed the Anti-Bribery and Whistleblower policies to ensure they remained appropriate for the Group's business. • Approved and monitored progress against a set of Treasury policy KPIs.

Areas of focus in 2022

Area of focus	Audit and Risk committee action
Internal Audit	• Reviewed the internal audit charter and was satisfied that it remained appropriate for the Group. • Approved the internal audit plan for 2022 and received quarterly updates on progress in this regard as well as in relation to ad hoc work undertaken during the year. • Received quarterly reports from the internal auditor on Safecall (anonymous whistleblower line) reports received and resulting investigations. • Reviewed internal audit reports during the year covering warehouse management, foreign currency conversion, radiation management, berm management, due diligence software, third party access to financial software and impersonation of Kenmare. • Reviewed the effectiveness of the internal audit function.
External Audit	• Agreed the audit plan of the external auditor, KPMG, for their audit of the 2022 Annual Report and Accounts and their review of the 2022 Half Yearly Financial Report. • Reviewed the independence, objectivity and effectiveness of the external audit process including the safeguards designed to avoid the possibility that the auditor's objectivity and independence could be compromised. The Committee is satisfied that the appropriate policy is in place in respect of services provided by external auditors. • Approved the non-audit services provided by KPMG to the Group in 2022. • Post-completion of the 2021 audit and 2022 half year review, in conjunction with KPMG, review meetings were held with senior finance management and it was confirmed by both parties that no issues had arisen during the audit or review process. • Met the external auditor without management present to discuss matters relating to the external audit process.
Climate Change	• The Committee reviewed the proposed disclosures in the 2021 Annual Report against the recommendations of the Task Force on Climate Related Financial disclosures (TCFD) and EU Taxonomy. • The Committee considered the impact of climate change on amounts reported in the financial statements including the potential financial impact of the physical and transitional risks and opportunities identified in accordance with the recommendations of the TCFD. • The Committee received an update from external advisors and management on the changes required under the Corporate Sustainability Reporting Directive (CSRD). The Committee received an update on management's plans to ensure the Group is appropriately prepared for the main disclosure requirements of CSRD.
Taxation	• Received regular updates on the Mozambican tax authority's audit of the tax obligations of KMML Mozambique Branch and its ultimate conclusion. • Reviewed financial reporting disclosures pertinent to this audit.
Committee affairs	• Considered its terms of reference to ensure they remain appropriate for the Group's needs. The terms of reference are available on the Kenmare website at www.kenmareresources.com/en/about-us/corporate-governance/audit-risk-committee • Addressed the sections of the action plan arising from the 2021 external Board evaluation which were relevant to it.

Read more about **how we manage climate change** on page 60

Estimates and judgements

The Committee reviewed in detail the following areas of significant judgement, complexity and estimation in connection with the 2022 financial statements. The Committee considered the report from the external auditor on the audit work undertaken and conclusions reached as set out in its audit report on pages 153-158.

Area of judgement	Audit and Risk committee considerations
Impairment of Property, plant and equipment	• The Committee discussed the Group's impairment process with both management and KPMG. • The Committee reviewed management's impairment testing methodology and process, including key judgements and assumptions. The Committee found the process to be robust and was satisfied with the results of the testing process. • The Committee requested an external review of management's impairment assessment which confirmed that it was in accordance with market and industry practice. External advisors agreed with the approach taken by management.
Revenue recognition	• The Committee gained comfort over revenue recognition through discussions with management in relation to the operation of key financial controls within the Revenue Process in order to prevent and detect material misstatements. In addition, the Committee gained an understanding of the substantive audit work performed by KPMG. As a result of this, the Committee is satisfied that there are appropriate controls and processes in place across the Group to ensure the completeness and accuracy of revenue.
Going Concern and Viability Statement	• The Committee reviewed the going concern and viability statement including the underlying methodology, process and assumptions and recommended to the Board that it approve the going concern and viability statement.
Other matters	• The Committee considered and is satisfied with a number of other judgements and estimates which have been made by management including provisioning for tax matters, the Mine closure and Mine rehabilitation provision, units of production depreciation, considerations of the impact of climate change on amounts reported in the financial statements and the carrying amounts of the Parent Company's investments in subsidiary undertakings.

Audit & Risk Committee effectiveness and priorities for 2023

As outlined in the Corporate Governance Report, during 2022 there was an internal evaluation of the Board and the performance and effectiveness of its Committees. I am pleased to confirm that the Chair found that the Committee is working well. During 2023, the Committee will continue to focus on preparedness for current and future compliance with EU ESG regulation in cooperation with our Sustainability Committee, close monitoring of impairment, in light of changing interest rate environment and operating costs and treasury KPIs in light of inflation, interest rates and future funding needs

The Committee would like to thank KPMG for their work on the 2022 financial statements. I would also like to thank my fellow Committee members for their commitment and input to the work of the Committee during 2022 and the financial team for their assistance, guidance and support.

Lastly, I would like to pay tribute to Tony McCluskey, our former Financial Director, and thank him for his stewardship of the Company's finances over a period of thirty years and for his assistance to the Committee. We were especially pleased to see that the transfer of his role to Tom Hickey was a smooth transition for both staff and our external stakeholders and Tony is to be commended for this. We wish him luck in his future endeavours.

DEIRDRE SOMERS
CHAIR OF THE AUDIT & RISK COMMITTEE

6 April 2023

1 **Elvira da Silva Piliquito**
Merchant in Mtiticoma - KMADs Income generation project beneficiary

REMUNERATION COMMITTEE REPORT

The remuneration policy aligns the interests of Executives and shareholders

GRAHAM MARTIN
CHAIR OF THE REMUNERATION COMMITTEE

DEIRDRE SOMERS
COMMITTEE MEMBER

CLEVER FONSECA
COMMITTEE MEMBER

Chair's Overview

On behalf of the Board, I am very pleased to present the Remuneration Committee's report for 2022 on Directors' remuneration.

This report is divided into three sections:

- This statement, which provides a summary of the year under review and, together with the Annual Report on remuneration, describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018 as well as the Committee's proposals for a new Directors' remuneration policy;
- The Annual Report on remuneration which provides details of the remuneration earned by the Directors in the year ended 31 December 2022 and how the proposed new remuneration policy will operate for the year ending 31 December 2023; and
- Details of the proposed new Directors' remuneration policy which will be put to an advisory vote of shareholders at the 2023 AGM.

Summary of the work of the Committee in 2022

A substantial part of the work of the Committee in each year relates to the setting of the corporate key performance indicators (KPIs) for the year, performance against which is reflected not only in the Executive Directors' bonus scheme, but also forms a part (generally ranging from 20-50%) of the bonus entitlement of all our corporate staff and all the more senior staff at the Mine. The Committee monitors performance on a quarterly basis and the outcome is regularly communicated, as appropriate, to the Directors and other affected staff.

As in previous years, the performance criteria set by the Committee for 2022 reflected a mix of quantitative targets and qualitative targets and were set at stretching levels for the maximum award. The quantitative targets for 2022 comprised 77% (2021: 72.5%) of the maximum 100% opportunity and the qualitative targets 23% (2021: 27.5%). The quantitative targets covered metrics reflecting mineral production, financial results and certain environmental, social and governance (ESG) targets. The qualitative targets included matters such as the Group's long-term mining strategy, staff engagement and personal leadership.

As noted by the Chairman and the Managing Director in their respective reports, Kenmare achieved record financial results in 2022, including revenues, profitability and dividends. Revised production guidance was achieved for ilmenite and rutile while original production guidance was achieved for primary zircon and concentrates. The team at the Mine achieved almost 12 million hours worked without any Lost Time Injuries (LTI) to late September 2022 – a fantastic achievement.

These results, along with the Committee's assessment of performance against the qualitative targets, (all of which are set out in more detail on pages 123), were reflected in a general corporate scorecard outcome for the year of 47.78%. The Committee considers this outcome a fair reflection of corporate performance for the year against stretching targets and the respective individual performances of the Directors.

Other aspects of the Committee's work in 2022 included:

- assessing the outcome of the key performance indicators (KPIs) under the Executive Directors' bonus scheme for 2021, and agreeing some modifications to those metrics for the application of the scheme in 2022;
- reviewing benchmarking reports prepared by PwC on the salaries, benefits and fees of the Executive Directors, the Company Secretary, and the Chairman and setting their levels;
- reviewing and discussing with the Executive Directors the remuneration of the Executive committee and senior Mine management;
- agreeing a change to the terms of employment of the Managing Director whereby the requirement of compulsory retirement at age 65 was removed;
- agreeing the amount of the annual award to the Executive Directors under the Group's long-term share plan, the Kenmare Restricted Share Plan (KRSP), the performance indicators to be considered under the performance underpin and the annual KRSP awards for other employees within the Committee's remit;
- a summary of performance in 2021 in the context of the performance underpin for review at the end of the relevant three-year period;
- with the retirement package for our Financial Director Tony McCluskey and the remuneration package for Tom Hickey who was appointed to the role, details of which are below;
- monitoring the performance of the Group against the KPIs on a quarterly basis and providing regular feedback to the Executive Directors;
- of the remuneration and benefits of the Executive Directors in the context of the remuneration of the Group's workforce as a whole. We received presentations from management on the remuneration structure for workers at the Mine and our Dublin, London, and Beijing-based staff and we satisfied ourselves that our staff receive pay and benefits that are benchmarked appropriately, take into account local employment regulations and conditions as well as seniority, and afforded our staff the opportunity to share in the benefits from the success of the Group. The Committee also notes that there is no discrimination between our male and female workers in their pay and benefits for similar jobs; and
- a presentation from PwC with an update on current remuneration matters with particular focus on a review of the 2022 AGM season, investor feedback on remuneration issues and on possible adjustments to the Remuneration Policy.

In May, Tony McCluskey, our long-standing Financial Director, announced that he wished to retire from the Company. Tony McCluskey stepped down from the Board on 26 September 2022 but remained an employee of the Company to assist with the transition to his successor, Tom Hickey, and with other corporate activities with which he was closely involved. He continued to receive his full salary to 31 December 2022 and was then retained on a reduced salary until 18 May 2023.

The Committee determined that he would be treated as a "good leaver" by reason of retirement in accordance with the Directors' Remuneration Policy and KRSP rules. Further details of Tony McCluskey's leaving arrangements, including the prorating of his KRSP awards upon the cessation of his employment and his post-cessation shareholding requirements are set out on pages 123 to 132.

The Committee also considered and approved the appropriate starting salary for Tom Hickey (determined to be the same as Tony McCluskey, €387,443), his 2022 annual bonus opportunity (100% of salary, pro-rated for time on the Board) and appropriate initial KRSP award (110% of salary), as well as the other terms of his service contract. Further details are set out on page 142.

Performance and reward for 2022

Under the current Directors' remuneration policy, the Executive Directors receive a base salary (which, apart from inflationary adjustments, has not been increased since 2010), pension contributions in line with market levels and the Irish workforce, certain other benefits, an award of shares under the KRSP, and the opportunity to earn a bonus depending on the outcome of the remuneration KPIs. In 2022, the Directors' remuneration policy operated in line with the intentions set out in the 2021 Annual Report on Remuneration.

The results for 2022 mentioned above are reflected in the outcome of the KPIs and consequently the bonus earned by the Executive Directors.

The KRSP awards granted on 13 May 2020 are due to vest in May 2023. Vesting is subject to continued employment and an underpin based on the Remuneration Committee's judgement of Company and individual performance over the three-year vesting period. In advance of the vesting, the Committee has conducted an initial assessment of the underpin and provisionally determined that a reduction to the vesting of 5% should be made to the awards. The Committee will confirm the final vesting level in May 2023, with any changes outlined in next year's remuneration report. More details on the underpin and the Committee's assessment are on page 128.

Read more about **our remuneration policy** on page 135

Read more about **our KPIs** on page 30

Outcome

The outcome of the Committee's assessment of performance against the quantitative and qualitative criteria resulted in each of the Executive Directors receiving a cash bonus of 47.78% of salary in the case of the Managing Director, a cash bonus of 48.78% of salary in the case of Tony McCluskey and a pro-rated cash bonus of 46.28% of salary in the case of Tom Hickey. The Committee considers these outcomes a fair reflection of the corporate performance for the year and the respective individual performances of the Executives.

The Committee confirms that no malus and clawback provisions were used during the year.

Proposed new Directors' remuneration policy

A new Directors' remuneration policy will be presented to shareholders for approval at the 2023 AGM.

The current Directors' remuneration policy was approved by the Company's shareholders at the 2020 AGM with 91.02% of votes in favour. Over a period of unprecedented economic uncertainty this Policy has served us well, with the Directors' Remuneration Reports under this Policy being well received by shareholders with 98.02% and 98.87% of shareholder votes in favour at the 2021 and 2022 AGMs respectively.

Although the Policy is due for renewal at the 2023 AGM, in the view of the Committee, it remains fit for purpose. Therefore we are seeking approval only to make minor adjustments, with the key features of the policy unchanged.

At the beginning of 2023, we wrote to each of our major shareholders and proxy voting agencies setting out our proposals in detail and received some very useful feedback in meetings, correspondence and in telephone calls, as a result of which we made some changes to our initial recommendations. I am very grateful to those of our shareholders and agencies who engaged with us in this consultation process.

The resultant proposed new policy together with a summary of the key changes to the current policy is set out in detail on page 135.

Management has agreed 9% salary increases for corporate staff to mitigate current inflationary pressure. In this context, the Remuneration Committee approved an increase of 7% for the Executive Directors. Our bonus scheme and KRSP will continue to operate in 2023 in broadly the same way as they did in 2022.

Workforce engagement

As well as the management presentations noted above on the remuneration benefits of our worldwide staff, I personally had an opportunity in my capacity as designated workforce engagement director to engage directly in 2022 with senior Mine staff and head office staff as noted more fully on page 95. In those discussions, I explained the role and responsibilities of the Remuneration Committee, in particular in setting the salaries and benefits of the Executive Directors and how they align with the approach for the wider workforce.

We discussed our desire to ensure that Executive pay is aligned in its short, medium and long-term structure with our culture and values and with the incentives and rewards available to our staff and I took questions regarding employment conditions.

In the wider context, management engaged with the workforce during the year in relation to performance reviews, salaries, bonus outcomes (which reflect personal and Company performance) and awards made under the KRSP. As the KRSP has been recently introduced for senior employees, management there delivered a presentation to those employees on the operation and main features of the scheme and dealt with any queries arising.

The Committee are particularly pleased that the KRSP has been cascaded further down the organisation and is now part of the remuneration package of around 300 staff at the Mine.

Shareholder dialogue

Throughout the year we take every opportunity when engaging with our shareholders to invite them to raise any concerns or give any observations on Executive remuneration, even when Executive remuneration is not the specific purpose of the meeting. No specific concerns were raised by our shareholders in the course of 2022 and any observations which were made were either taken into account in the determination of outcomes in 2022 or in the proposed new three-year remuneration policy.

Shareholders' views on Executive remuneration are very important to the Board, particularly this year as we are proposing a new remuneration policy to put before you for approval at the AGM. Should you have any questions, comments or feedback on remuneration matters at Kenmare I would be very pleased to hear from you. I can be reached via the Company Secretary at chealy@kenmareresources.com.

I hope you will vote in support of the remuneration report at the forthcoming AGM, and in favour of our new remuneration policy proposals.

Conclusion

The Committee continues to believe that the current Directors' remuneration policy with its blend of short, medium and long-term aspects remains appropriate for the Group and in our view clearly aligns the interests of the Executives with those of the shareholders. It is relatively simple and easily understandable; we believe it is motivating and it also allows sufficient discretion to the Committee to take account of all relevant matters affecting the Group or its performance in the year. In addition, it gives discretion to the Committee to look back over each three-year period in determining the ultimate KRSP vesting outcomes. This is why we are proposing to substantially retain its structure in our new proposals.

As ever, I am very grateful for the support and guidance given to me throughout the year by my fellow members of the Remuneration Committee and for the support given to the Committee by Chelita Healy, the Company Secretary.

GRAHAM MARTIN
CHAIR OF THE REMUNERATION COMMITTEE

6 April 2023

Read more about **the 2022 bonus outcome** on page 126

ANNUAL REPORT ON REMUNERATION

Responsibilities of the Committee

The role of the Committee is to assist the Board to fulfil its responsibility to ensure that:

- Remuneration policy and practices of the Group are designed to support strategy and promote long-term sustainable success, reward fairly and responsibly, with a clear link to corporate and individual performance and having regard to statutory and regulatory requirements; and
- Executive remuneration is aligned to Group purpose and values and linked to delivery of the Group's long-term strategy.

The primary responsibilities of the Committee are to:

- Determine and agree with the Board the Group's policy on Executive remuneration;
- Within the terms of the agreed policy, determine the total individual remuneration package of the Chair, Executive Directors, Company Secretary and such other members of the senior Executive management as it is designated to consider;
- Review workforce remuneration, related policies and the alignment of incentives and rewards with culture; and
- Oversee the preparation of the Annual Report on remuneration.

See the Committee's terms of reference at www.kenmareresources.com/en/about-us/corporate-governance/remuneration-committee

The Committee gives full consideration to legal and regulatory requirements, to the principles and provisions of the 2018 UK Corporate Governance Code ("the Code") and to related guidance. The Committee also seeks to ensure that risk is properly considered in the setting of the remuneration policy, by ensuring that targets are appropriately stretching but do not lead to the taking of excessive risk.

The Committee reviews remuneration and related policies applicable to the wider workforce, ensuring that this is taken into account when setting the policy for Executive remuneration. The aim across the Group is to provide a reward package that is aligned to shareholders' interests, supports the achievement of the Company's annual and strategic objectives, is competitive against the appropriate market and is consistent with our focus on performance and our core values. This means:

- base salaries are set in line with the relevant market recognising the individual's skill, knowledge, experience levels and contribution to the role;
- high performance and exceptional contribution are recognised through in-year incentives;
- packages for leadership roles have an increased emphasis on longer-term share-based reward;
- employees with competitive post-retirement benefits in line with practices applicable in relevant jurisdictions; and
- access to a competitive and cost-effective package of other benefits as part of the total reward offering.

The Company Secretary acts as Secretary to the Committee. The Managing Director and Financial Director may be invited to attend meetings of the Committee, except when their own remuneration is being discussed. No Director is involved in the consideration of their own remuneration.

The Remuneration Committee seeks independent advice when necessary from external remuneration consultants. In 2019, the Committee conducted a competitive tender process following which PwC, which has no other connection with the Group, Company or the Directors, were retained as independent external remuneration advisors. Since then, the Committee has renewed their appointment annually. PwC is paid a fixed fee for a fixed scope of work and charges fees on a time and materials basis for work outside of the agreed scope. During the year ended 31 December 2022 the total fees payable to PwC in respect of these services was £50,500 (2021: £35,500). PwC is a member of the Remuneration Consultants Group and a signatory of that Group's Code of Practice for remuneration consultants. The Committee reviews the services and advice provided by PwC each year and is satisfied that the advice it receives is independent and objective.

Membership and meetings

The Remuneration Committee consists of Graham Martin as Chair, Deirdre Somers, and Clever Fonseca. All Committee members are Independent Non-Executive Directors. Biographical details for each of the Committee members and a description of their respective skills, expertise and experience are set out on pages 86 and 87.

The Committee formally met five times during the year but there were also a number of less formal communications throughout the year on remuneration issues between members of the Committee and with the Executive Directors.

Committee membership

	Independent:	Date of Appointment to Committee	Meetings attended
Graham Martin Chair	Yes	14/10/2016	5
Deirdre Somers Member	Yes	13/05/2021	5
Clever Fonseca Member	Yes	31/12/2021	5

Consideration of employment conditions outside the Group

The Committee reviews the remuneration of the Executive Directors in light of the remuneration of the Executive Directors of other appropriate quoted companies and in the course of 2022 considered benchmarking reports prepared by PwC in relation to the same.

Implementation of the Directors' remuneration policy

In implementing the current remuneration policy and developing the new policy, the Remuneration Committee considered the following factors set out in the Code:

- Clarity and simplicity – We believe that the remuneration package for our Executive Directors is clear and transparent, in particular the KRSP is a simple structure which cascades where appropriate down the organisation. The operation of the KRSP was simplified in 2020 by adjusting the vesting schedule so that all awards vest after three years subject to a further two-year holding period.
- Risk – The Remuneration Committee has a number of tools at its disposal to ensure that reputational and other risks are identified and mitigated. These include malus and clawback provisions in respect of both the annual bonus and the KRSP, the use of a minimum share price when determining KRSP awards to the Executive Directors at the time of the 2016 capital raise (now only applicable to the Managing Director) and the discretionary underpin on the vesting of KRSP awards. Furthermore, the Remuneration Committee has the discretion to amend the formulaic outcome of the annual bonus if the Committee believes this does not reflect the true underlying performance of the Group or the experience of shareholders. When determining the outcomes of the 2022 bonus, the Committee considered these factors and determined that the formulaic outcome was appropriate in light of the Group's performance.
- Predictability and proportionality – A range of potential remuneration outcomes under the policy can be calculated including a share price appreciation scenario. This enables shareholders to assess the impact of performance outcomes and share price appreciation on the value of remuneration for individual Directors. The 2022 bonus outcome reflected the Group's overall performance including ESG outcomes and progress in the long-term mining strategy.
- Alignment to culture – The introduction of a discretionary underpin assessment ensures that the vesting level of KRSP awards takes into account the overall business performance over the relevant three-year period, including non-financial factors such as environmental, social and governance considerations which are at the heart of our culture, values and strategy.

Directors' remuneration (audited)

The following tables set out the remuneration for Directors for the year ended 31 December 2022 and the prior year. The base salaries increased by 5% in 2022 reflecting an inflation adjustment.

	Michael Carvill				Tom Hickey[3]				Tony McCluskey[3]			
Executive Directors' remuneration[4]	**2022 $'000**	**2022 %**	**2021 $'000**	**2021 %**	**2022 $'000**	**2022 %**	**2021 $'000**	**2021 %**	**2022 $'000**	**2022 %**	**2021 $'000**	**2021 %**
Fixed Pay												
Basic salary	**618**		661		**110**		–		**313**		436	
Benefits	**7**		9		**1**		–		**3**		5	
Pension	**62**		66		**11**		–		**31**		44	
Total fixed pay	**687**	**39%**	736	65%	**122**	**69%**	–	–	**347**	**68%**	486	65%
Variable Pay												
Bonus[1]	**295**		399		**51**		–		**153**		264	
Long-term incentives												
- Kenmare Restricted Share Plan (KRSP)[2]	**778**	**–**	–		**–**		–		**–**	**–**	–	
Total variable pay	**1,073**	**61%**	399	35%	**51**	**31%**	–	–	**153**	**31%**	264	35%
Total single figure	**1,760**		1,135		**173**		–		**500**		750	

1 The 2022 performance outcome of Michael Carvill is 47.78% of salary, of Tom Hickey is 46.28% of salary and of Tony McCluskey is 48.78% of salary. Bonus in excess of 50% of salary is paid in nil-cost share options granted under the KRSP, which will vest in three years and the balance is paid in cash.

2 The value of the KRSP awards reflects the awards granted in 2020 is calculated based on an average share price of the last three months of 2022 of £4.22 and taking into account the expected reduction in vesting of 5% as a result of the performance underpin. See page 128 for more details. The vesting date for the awards is 13 May 2023 and the Committee will confirm the final vesting level at that point.

3 Tony McCluskey retired, and Tom Hickey was appointed as Financial Director of the Company on 26 September 2022. Tony McCluskey's figures represent his remuneration in respect of service as a Director of the Company.

4 The underlying currency of the Executive Directors' emoluments is Euros. The annual basic salary of Michael Carvill is €587,052 (2021: €559,097), Tom Hickey €387,443 (2021: €Nil) and Tony McCluskey €387,443 (2021: €368,984). This disclosure forms an integral part of the financial statements.

Non-Executive Directors' remuneration[1,2,3]	Basic fee 2022 $'000	Basic fee 2021 $'000	Committee Chair & Membership fee 2022 $'000	Committee Chair & Membership fee 2021 $'000	Senior Independent Director fee 2022 $'000	Senior Independent Director fee 2021 $'000	Audited total 2022 $'000	Audited total 2021 $'000
Peter Bacchus	–	68	–	25	–	11	–	104
Mette Dobel	63	–	–	–	–	–	63	–
Elaine Dorward-King	63	68	29	16	–	–	92	84
Clever Fonseca	63	68	19	13	–	–	82	81
Tim Keating	–	16	–	1	–	–	–	17
Graham Martin	63	68	34	27	10	–	107	95
Steven McTiernan	88	230	–	–	–	–	88	230
Sameer Oundhakar	63	55	–	–	–	–	63	55
Gabriel Smith	–	26	–	11	–	–	–	37
Deirdre Somers	63	68	31	20	–	–	94	88
Andrew Webb	155	6	–	–	–	–	155	6
Total	621	673	113	113	10	11	744	797

1 The fees set out in the table above relate to the period of the directorship.

2 The Non-Executive Directors' remuneration is 100% fixed. In 2022, it was agreed to increase all Non-Executive Directors' fees by 5% to reflect inflation. Prior to this there had been no increase in basic fees since 2011. The underlying currency of the fees is Euros.

3 This disclosure forms an integral part of the financial statements.

Total Directors' remuneration	Audited total 2022 $'000	Audited total 2021 $'000
Executive Directors		
Salary	1,041	1,097
Benefits	11	14
Bonus	499	663
Pension	104	110
Kenmare Restricted Share Plan (KRSP)	778	–
Total Executive Directors' remuneration	2,433	1,884
Non-Executive Directors		
Fees	744	797
Total remuneration	3,177	2,681

Executive and Non-Executive Directors' remuneration and fees for services as Directors provided to the Company and the entities controlled by the Company are $2.4 million (2021: $1.9 million) and $0.7 million (2021: $0.8 million) respectively. These figures have been calculated based on the requirements of the UK's Large and Medium-sized Companies and Groups (Accounts and Report) (Amendment) Regulations 2013 (the "Regulations"), to which the Company has regard.

2022 annual bonus award (audited)

The performance metrics for the 2022 annual bonus award sought to deliver continuous and stretching progress in relation to operational performance, cost efficiency and capital expenditure management, health and safety initiatives, and corporate objectives. Different performance targets for corporate performance were set for each Executive Director according to their roles. The maximum opportunity under the annual bonus award for 2022 was 100% of base salary for the Managing Director and Financial Director.

Tom Hickey's bonus was pro-rated for the period he was Financial Director during the year.

Performance targets and outcomes for the 2022 financial year were as follows:

2022 annual bonus outcome		Weighting %	Performance needed for pay out at: Threshold (25% of maximum vests)	Target (50% of maximum vests)	Stretch (100% of maximum vests)
Operational	Ilmenite production (tonnes)	22.0	1,125,000	1,151,000	1,225,000
	Zircon (standard & special) production (tonnes)	5.0	54,400	58,100	63,200
	Rutile production (tonnes)	1.0	9,500	10,700	11,500
	Concentrates production (tonnes)	2.0	40,300	42,900	46,800
Financial	EBITDA ($m)	10.0	227.8	268.0	308.2
	Cash operating costs ($m)	10.0	210.0	200.0	190.0
	Cash operating cost per tonne ($/t)	5.0	171.0	159.5	148.0
	Average share price in December 2022 (including dividends paid in 2022) (£ per share)	5.0	5.23	5.67	6.11
Environmental, Social and Governance (ESG)					
Safe & Engaged Workforce	Lost Time Injury Frequency Rate (LTIFR) per 200,000 hours worked	2.5	0.18	0.14	0.11
	All Injuries Frequency Rate (AIFR)	2.5	1.84	1.75	1.65
	Health – Malaria reduction and THRIVE	2.0	Implementation of the malaria vector control programme and ongoing implementation of the THRIVE programme.		
	Gender diversity (% of female staff at the Mine)	2.0	13.0	13.5	14.0
	Staff engagement	1.0	Implementation of the 2020 staff survey results, conduct a staff survey in 2022 and publish results.		
A healthy, natural environment	Land management	3.0	Quality land rehabilitation. Successful execution of expanded agroforestry and soil improvement trial. Update Environmental Management Plan (EMP) and Rehabilitation Plan to create balance of biodiversity, food security and carbon sequestration.		
	Water stewardship	2.0	Development of water accounting framework and accounting in line with ICMM guidelines. Establish accurate current water re-use rate (total water) and set 2023 target.		
	Emission reduction & energy efficiency	3.0	Concept study completed on partial electrification of dryers and diesel reheaters. MSP dryer diesel consumption improvement on prior year. Mature biofuels options understanding.		
Thriving Communities	Local procurement	2.0	Increase operating expenditure with Mozambican suppliers. Increase number of contracts entered into with local suppliers.		
	Socio-economic impact	2.0	Improvement in repayment of loans from micro-businesses; numeracy and literacy rates among school children; and water quality.		
Trusted Business	Sustainable supply chain	2.0	Audit of suppliers against our sustainability questionnaire.		
	Security	1.0	Training of external security forces in Voluntary Principles on Security and Human Rights and implement the 2022 tactical plan relating to the Mine's security strategy.		
Project Execution	Long-term strategy	10.0	Nataka mining trials successfully delivered. Nataka PFS delivered. Nataka DFS well underway. Additional growth plans developed.		
Corporate, Leadership, Vision and Values		5.0	The Committee considered how each Executive performed in terms of the Board's expectations of his role, including: leadership, strategic vision and planning, business development, succession planning and alignment with the company's vision and values.		
Total		100.0			

1 Formulaic level of award equates to the weighting multiplied by the proportion of element vesting.

	Performance achieved	Proportion of element	2022 %
	1,088,300	0.0	0.00
	58,400	53.0	2.65
	8,900	0.0	0.00
	45,200	79.5	1.59
	299.2	88.7	8.87
	211.9	0.0	0.00
	176.4	0.0	0.00
	4.55	0.0	0.00
	0.09	100.0	2.50
	1.12	100.0	2.50
In relation to the malaria vector programme Kenmare had to establish a new partner, Centro de Investigação em Saúde de Manhiça (CISM) during the year, resulting in less progress being made than expected. In relation to THRIVE, participation in and awareness of the programme has increased in the year and so target was achieved.		25.0	0.50
	14.5	100.0	2.00
Target achieved in that the engagement survey actions were implemented, with the exception of the career path project which is ongoing. The 2022 engagement survey was conducted.		50.0	0.50
191 hectares were rehabilitated during the year and so the stretch target was achieved in land rehabilitation. The agroforestry KPI was not achieved. The stretch target was achieved in the EMP and Rehabilitation Plan. Local authorities have no objection to the plans and local communities have engaged with the plans. Formal approval will be sought in 2023 when the EMP is submitted.		66.6	2.00
70% of the action items from the gap analysis were completed. The development of the detailed water balance for water accounting by UoQ is in progress. The water re-use plan has been successfully implemented with the completion of the new finishing pond at WCP B and the use of existing available Godwin pump. The stretch targets were therefore achieved.		100.0	2.00
An engineering option to reduce 40% of the diesel from dryers using electricity was identified. Dryer maintenance projects implemented delivered 7% improvement on diesel efficiency in 2022. Initial investigations into biofuels were conducted. The stretch targets were therefore achieved.		100.0	3.00
Local spend (excluding electricity and fuel) increased by 12%. Eleven new contracts were signed with local suppliers. Stretch targets were achieved.		100.0	2.00
For micro-businesses financial management the target achieved. For education and water quality objectives the threshold was achieved.		33.5	0.67
Stretch target achieved with all on-site suppliers audited.		100.0	2.00
Training in the Voluntary Principles was delivered to 290 public security force personnel. The security strategy delivered significant improvement to security metrics. Stretch target achieved.		100.0	1.00
Continue work on the Nataka PFS to optimise operating and capital costs.		100.0	10.0
		50.0-100.0	2.5-5.0
			46.28% – 48.78%

Read more about **our remuneration policy** on page 135

Overall, the outcome of the scorecard and therefore outcome for Michael Carvill was 47.78% of maximum, for Tom Hickey was 46.28% of maximum and for Tony McCluskey was 48.78% of maximum. The Committee believes this appropriately reflects the Executive Directors' performance during the year and the Group's results, and therefore has not applied further discretion to this outcome. In accordance with the Policy, as the bonuses were less than 50% of salary, 100% of the 2022 annual bonus award was paid in cash.

Vesting of the 2020 KRSP awards

The KRSP awards granted on 13 May 2020 vest subject to continued employment and an underpin based on the Remuneration Committee's judgement of Company and individual performance over the three-year vesting period. The underpin provides the Committee with the ability to take a holistic view of the Company's performance to ensure that the vesting level is appropriate.

For the 2020 award, the underpin included the following four core elements to be considered as part of the assessment (although the Committee may consider other factors in addition to these):

- operational performance outcomes under the annual bonus scorecard over the three-year period;
- share price performance since grant;
- environmental, social and governance performance; and
- major strategic or project decisions and return on investment.

In advance of the awards vesting in May 2023, the Committee has conducted an initial assessment of the underpin. The Committee notes that absolute share price performance (86% growth from January 2020 to December 2022) and performance relative to peers have both been strong. As part of this assessment, the Committee considered whether there has been a windfall gain. The Committee notes that the 2020 KRSP awards were granted at the underpin price (£2.32), which was circa 10% higher the market price on the date of grant, and so there has already been an adjustment to the number of shares granted. Furthermore, the underpin price also applied to the 2019 KRSP awards (with the share price over 2019 being consistently below the underpin price) and therefore the number of shares granted to the Executive Directors in 2020 was broadly the same as in 2019.

Delivery of ESG targets has also been strong over 2020, 2021 and 2022, with no significant ESG issues or health and safety incidents during this time. Bonus outcomes for 2020, 2021 and 2022 have averaged around 57% of maximum (slightly ahead of target), with some key production targets (such as ilmenite and rutile production) missed in each of the three years, although marginally in some cases. Project delivery has generally been successful, but some projects have run over budget and schedule.

Taking all of this into account, the Committee has provisionally determined that a reduction to the vesting of 5% should be made to the awards. The Committee will confirm the final vesting level in May 2023, with any changes outlined in next year's remuneration report.

Total pension entitlements

Pension provision for the Executive Directors was made in 2022 based on 10% of base salary, in line with the remuneration policy and the contributions for the Kenmare corporate staff. In lieu of his pension contribution Tom Hickey receives this amount in cash. Fees paid to Non-Executive Directors are not pensionable. No Director has a prospective entitlement to a defined benefit pension by reference to their service as a Director.

Payments for loss of office (audited)

No payments for loss of office were made during the year. Tony McCluskey stepped down as Director of the Company on 26 September 2022. The Committee determined that he would be treated as a "good leaver" by reason of retirement in accordance with the Directors' remuneration policy and KRSP rules. As outlined on page 128, the expected vesting outcome in relation to the 2020 KRSP award is 95%, equivalent to 98,563 shares for Tony McCluskey with value £0.4 million based on the average share price over the final three months of 2022 (£4.22). The vesting date for the awards is 13 May 2023 and the Committee will confirm the final vesting level at this time. Details of Tony McCluskey's outstanding share awards are set out on page 130.

Payments to past Directors (audited)

Terence Fitzpatrick stepped down as a Director on 1 July 2018 but has remained an employee of the Company. His salary is for his services as an employee and not loss of office compensation. During the year contributions of $30,450 (2021: $30,450) were paid into his pension.

Tony McCluskey stepped down as a Director on 26 September 2022 but has remained an employee of the Company. To assist with the transition to his successor, Tom Hickey, and with other corporate activities with which he was closely involved, Tony McCluskey has been retained as an employee of the Company on a reduced salary from 1 January 2023 until 18 May 2023. His salary is for his services as an employee and not loss of office compensation. Following his retirement from the Board, contributions of $9,900 were paid into his pension in 2022.

Directors' and Secretary's shareholdings (audited)

The interests of the Secretary and Directors who held office during 2022, their spouses and minor children, in the ordinary share capital of the Company, other than pursuant to share options or share awards, were as set out below:

	Shares held 31 March 2023	Shares held 31 December 2022	Shares held 1 January 2022
Michael Carvill[1]	**377,621**	**377,621**	301,559
Mette Dobel	–	–	–
Elaine Dorward-King	**10,000**	10,000	10,000
Clever Fonseca	**970**	970	970
Tom Hickey	**40,000**	40,000	–
Graham Martin	**100,000**	100,000	100,000
Tony McCluskey	**138,315**	116,661	182,463
Steven McTiernan	**176,219**	228,607	228,607
Sameer Oundhakar	–	–	–
Deirdre Somers	**3,940**	3,940	3,940
Andrew Webb	–	–	–
Chelita Healy (Secretary)	–	–	–

1 99,385 shares held by Rostrevor One Limited, a company controlled by Michael Carvill are included in his holding.

Share awards scheme (audited)

		Number of nil-cost options (excluding dividend equivalents unless stated otherwise)							
Name	Share Plan	At 1 Jan 2022	Awarded	Vested & exercised	Lapsed or Forfeited	At 31 Dec 2022	Date of grant	Exercise period	Market price at exercise £
Michael Carvill	KRSP	26,893	2,901[1]	(29,794)	–	–	26 May 2017	26/05/2021-26/05/2024	£4.85
	KRSP	59,744	1,863[1]	(31,735)	–	29,872	15 March 2018	15/03/2021-15/03/2025	£4.54
	KRSP	152,074	5,689[1]	(96,934)	–	60,829	15 March 2019	15/03/2022-15/03/2026	£4.54
	KRSP	157,206		–	–	157,206	13 May 2020	13/05/2023-13/05/2027	
	KRSP	120,066		–	–	120,066	28 April 2021	28/04/2024-28/04/2028	
	KRSP Deferred bonus	13,864		–	–	13,864	28 April 2021	28/04/2024-28/04/2028	
	KRSP	–	119,730	–	–	119,730	5 April 2022	5/04/2025-5/04/2029	
Totals		**529,847**	**130,183**	**(158,463)**	**–**	**501,567**			
Tony McCluskey	KRSP	17,748	1,914[1]	(19,662)	–	–	26 May 2017	26/05/2021-26/05/2024	£4.85
	KRSP	39,430	1,229[1]	(20,944)	–	19,715	15 March 2018	15/03/2023-15/09/2023[2]	£4.50
	KRSP	100,364	3,755[1]	(63,973)	(3,318)[3]				
					–	20,073	15 March 2019	18/05/2023-18/11/2023[2]	£4.50
						16,755	15 March 2019	18/05/2023-18/11/2023[4]	
	KRSP	103,750		–	–	103,750	13 May 2020	13/05/2023-13/11/2023[2]	
	KRSP	79,239		–	(25,015)[3]	54,224	28 April 2021	28/04/2024-28/10/2024[2]	
	KRSP Deferred bonus	7,393		–	–	7,393	28 April 2021	18/5/2023-18/11/2023[4]	
	KRSP	–	71,909	–	(45,140)[3]	26,769	5 April 2022	5/04/2025-5/10/2025[2]	
	KRSP Deferred bonus	–	7,109	–	–	7,109	5 April 2022	18/5/2023-18/11/2023[4]	
Totals		**347,924**	**85,916**	**(104,579)**	**(73,473)**	**255,787**			
Tom Hickey	KRSP	–	91,829			91,829	28 Sept 2022	28/09/2025-28/09/2029	
Totals		**–**	**91,829**	**–**	**–**	**91,829**			
Chelita Healy	KRSP	2,158		–	–	2,158	28 April 2021	28/04/2024-28/04/2028	
	KRSP	–	4,696	–	–	4,696	5 April 2022	5/04/2025-5/04/2029	
Totals		**2,158**	**4,696**	**–**	**–**	**6,854**			

1 Dividend equivalent entitlements relating to share awards vesting.
2 Exercise period reduced to six months as a result of termination of employment, in accordance with KRSP rules.
3 Shares forfeited as a result on pro-rating on termination of employment, in accordance with KRSP rules.
4 Vesting date accelerated to date of termination of employment, agreed by Board exercising discretion under the KRSP rules.

The aggregate gain on awards that vested during the year for Executive Directors was $1.5 million (2021: $1.2 million).

In the case of the Executive Directors, the KRSP awards made prior to 2020 vest, subject to continued employment, 60% on the third anniversary of grant date, 20% on fourth anniversary, and 20% on fifth anniversary.

The Executive Directors' 2020, 2021 and 2022 KRSP awards vest, subject to continued employment and to the Remuneration Committee's assessment against a discretionary underpin, on the third anniversary of grant date. The vested KRSP awards are subject to a two-year holding period which may extend beyond an Executive Director's cessation of employment in accordance with the post-employment holding requirements of the 2020 remuneration policy.

The 2022 awards for Michael Carvill and Tony McCluskey represent 100% of base salary based on a share price of £4.52; the average closing price of the Company's shares during the five trading days following announcement of the Company's preliminary results for 2021. The value of these awards totalled £0.5 million for Michael Carvill and £0.3 million for Tony McCluskey. Tom Hickey was granted a KRSP award following his appointment to the Board. This represents 110% of base salary based on a share price of £4.08; the average closing price of the Company's shares during the five trading days before the date of award. The value of this award totalled £0.4 million.

In the case of Chelita Healy the above KRSP awards vest, subject to continued employment, on the third anniversary of grant date. Non-Executive Directors do not receive awards under share plans.

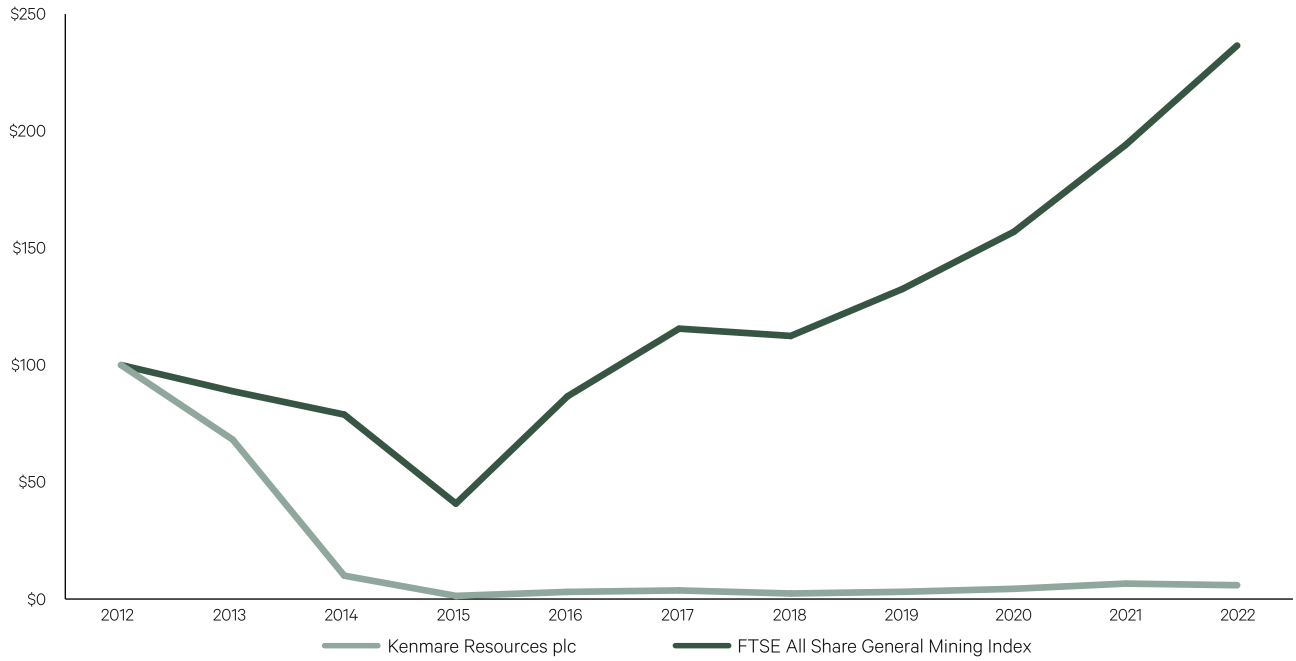
Executive Directors' shareholding requirement

In accordance with the current remuneration policy, the Executive Directors are required to build up shareholdings equal to 250% of their respective salaries. This requirement can be met both by shareholdings held by the Executive Directors (directly or indirectly) and, on a net of tax basis, by unvested share awards that are not subject to performance or underpin conditions. As of 31 December 2022, the shareholding of Michael Carvill exceeded this requirement. As of 26 September 2022, (the date of his retirement from the Board), the shareholding of Tony McCluskey exceeded this requirement. Tom Hickey, having joined the Board on 26 September 2022, has not yet met the requirement.

Performance graph and table

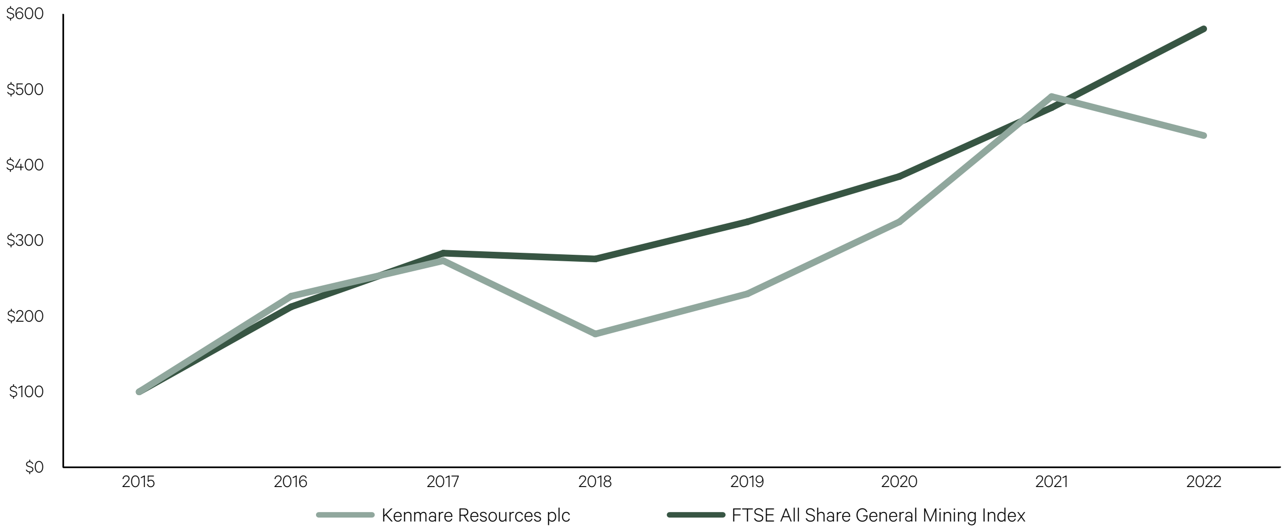
The value at 31 December 2022 of $100 invested in the Group in 2012 compared with the value of $100 invested in the FTSE All Share Mining Index, as this is a relevant sector index of which Kenmare is a constituent, is shown in the graph below.

VALUE AT 31 DECEMBER 2022 OF $100 INVESTMENT AT 31 DECEMBER 2012



The statutory chart above includes a period prior to the capital raise in 2016. The share price declined significantly during this period due to a number of factors, including challenging commodity markets. However, Kenmare's share price performance since the 2016 capital raise has been strong (with the share price as at 31 December 2022 being £4.39, which was 89% above the 2016 capital raise price of £2.32). As this performance is not easily visible in the statutory chart above, we therefore present a chart on the next page prepared on the same basis but starting from 31 December 2015.

VALUE AT 31 DECEMBER 2022 OF $100 INVESTMENT AT 31 DECEMBER 2015



The remuneration paid to the Managing Director in the past 10 years is set out below:

		Single figure of total remuneration $'000	Bonus pay-out (as % maximum opportunity)	Long-term incentive vesting rates (as % maximum opportunity)
2022	Michael Carvill	1,760	48%	95%
2021	Michael Carvill	1,135	60%	N/A
2020	Michael Carvill	1,070	62%	N/A
2019	Michael Carvill	1,444	47%	25%
2018	Michael Carvill	1,652	58%	83.3%
2017	Michael Carvill	1,528	59%	0%
2016	Michael Carvill	1,340	66%[i]	N/A
2015	Michael Carvill	744	22%[i]	N/A
2014	Michael Carvill	967	26%[i]	N/A
2013	Michael Carvill	809	0%	0%

[i] Amount shown reflects the cash and deferred share award under the Kenmare Incentive Plan (KIP), part of which was conditional on long-term performance.

Percentage change in remuneration and Company performance

Annual change	2022 %	2021 %	2020 %
Directors' remuneration			
Executive Directors			
Michael Carvill, Managing Director	**55%**	6%	(26%)
Tom Hickey, Financial Director	**N/A**	N/A	N/A
Tony McCluskey, Financial Director	**(33%)**	7%	(28%)
Non-Executive Directors [i]			
Elaine Dorward-King	**11%**	(10%)	29%
Clever Fonseca	**1%**	4%	18%
Graham Martin	**13%**	6%	6%
Steven McTiernan	**(62%)**	7%	0%
Sameer Oundhakar	**15%**	N/A	N/A
Deirdre Somers	**9%**	226%	N/A
Andrew Webb	**2,483%**	N/A	N/A
Group performance			
Net profit	**60%**	669%	(63%)
Employee average remuneration on a full-time equivalent basis			
Employees of the Company Kenmare Resources plc	**8%**	10%	7%

[i] The changes in the Non-Executive Directors' fees are a result of changes to Board and/or Committee composition and responsibilities during 2022 and the fact that the underlying currency of the fees is Euros.

Relative importance of spend on pay

Annual change	2022 $'000	2021 $'000	Change
Overall spend on pay including Directors	**55,907**	46,712	20%
Profit distributed by way of dividend and share back	**34,726**	97,983	(65%)
Group cash operating costs	**216,700**	191,800	13%

Average employee numbers throughout the Group increased from 1,551 in 2021 to 1,662 in 2022.

Group cash operating costs have been included in the table in order to give a context to spend on pay relative to the overall cash operating costs.

Statement of implementation of policy in 2023 (audited)

Base salary

The base salaries for 2023 will increase by 7% reflecting an inflationary adjustment which is below the wider Kenmare corporate staff increase of 9%. These are set out below:

Executive Director	2023 $'000	2020 $'000	% Change
Michael Carvill	**661**	618	7
Tom Hickey	**437**	408	7

The underlying currency of Michael Carvill and Tom Hickey's base salaries is Euro. The US Dollar figures shown above for 2023 have been calculated using the average 2022 Euro to US Dollar exchange rate. The final US Dollar figure for 2023 will vary depending on exchange rate movements.

Annual bonus

The incentive opportunity for the Executive Directors under the incentive scheme for 2023 will be as follows:

Executive Director	On-target incentive (% of salary)	Maximum incentive (% of salary)
Michael Carvill	**50**	100
Tom Hickey	**50**	100

The performance metrics for 2023 annual bonuses and their associated weightings are as follows:

Area	Measure	Weight[i]
Operational	Ilmenite, zircon, rutile and concentrates production volumes	25%
Financial	EBITDA	15%
	Total cash operating costs	10%
	TSR	5%
ESG	Safe & Engaged Workforce A Healthy, Natural Environment Thriving Communities Trusted Business	25%
Strategic & Project Execution		15%
Corporate		5%

i The targets for the Managing Director and Financial Director will be the same for all metrics except for the corporate category, where the Remuneration Committee will determine appropriate splits reflecting their respective responsibilities and challenges in these areas in 2023.

The targets have not been disclosed due to commercial sensitivity but will be disclosed in the 2023 Annual Report on remuneration. The performance metrics as set out above seek to deliver ongoing progress in relation to operational performance, cost efficiency, ESG, and strategic corporate objectives. The performance targets associated with the quantitative measures are in line with guidance issued in January 2023.

Kenmare Restricted Share Plan

The maximum award level for the Executive Directors under the KRSP for 2023 will be 100% of base salary. For the Managing Director only, the share price used to determine the award levels will not be less than £2.32, the open offer price for the 2016 capital raise.

In addition to the assessment of the appropriate award level prior to grant, the Remuneration Committee will also undertake a discretionary underpin performance assessment prior to vesting. The assessment of the underpin will consider Company and individual performance over the three-year vesting period. This provides the Committee with the ability to take a holistic view of the Company's performance to ensure that the vesting level is appropriate.

The following five core elements will be considered as part of the underpin assessment, although the Committee may consider other factors in addition to these:

- Operational performance outcomes under the annual bonus scorecard over the three-year period;
- Share price performance since grant;
- ESG performance;
- Major strategic or project decisions and return on investment; and
- The long-term strategic vision for the Company.

The Committee does not intend to set fixed, quantitative underpins in respect of these factors. Instead, in completing its assessment, the Committee may consider the following questions:

- Has operational performance been below threshold in any year during the vesting period? If so, has this been offset by performance in a prior or subsequent year?
- Has absolute TSR been positive over the vesting period? Has relative TSR performance been satisfactory?
- Have there been any adverse ESG issues arising during the vesting period, or any significant health and safety incidents?
- For major projects which have commenced during the vesting period, what progress has been made? For major projects that have been completed during the vesting period, what were the outcomes against original expectations and how do these translate to returns to shareholders?
- The long-term strategic vision is an evolving three to five-year plan. How has it been advanced in the three-year KRSP vesting period? If there have been material changes, were these communicated to and agreed by the Board?

In making an adjustment to vesting levels, the Committee will also consider the extent to which the matter has already been reflected in the annual bonus scheme outcomes. Furthermore, the Committee will consider these factors in both an individual and collective context, meaning that there may be different vesting levels for each participant.

Malus and clawback provisions will apply, as set out in the Directors' remuneration policy. Awards will be subject to malus during the vesting period. Clawback will apply for two years post-vesting.

Statement of voting at AGM

The table below shows the outcome of the advisory vote on the Directors' Remuneration Report at the 2022 AGM and the Directors' remuneration policy at the 2020 AGM.

Item	Votes for	%	Votes against	%	Votes withheld
Advisory vote on 2021 Directors' Remuneration Report	73,221,015	98.87	837,362	1.13	35,030
Advisory vote on Directors' remuneration policy	70,960,538	91.02	6,997,155	8.98	11,440

This report was approved by the Board of Directors and signed on its behalf by:

GRAHAM MARTIN
CHAIR OF THE REMUNERATION COMMITTEE

6 April 2023

REMUNERATION POLICY REPORT

The policy complies with the Companies Act 2014 and, on a voluntary basis, with the regulations set out in the UK's Large and Medium-sized Companies and Groups (Accounts and Report) Regulations 2008 (as amended in 2013, 2019 and 2020) (together "the Regulations"). In accordance with the Companies Act 2014, the vote on the policy at the Company's forthcoming AGM will be advisory only, and not binding, but if the policy is not approved by that advisory vote, the current policy will continue to apply and the Company will prepare a revised remuneration policy and hold an advisory vote in respect of that revised policy at the following General Meeting. It is intended that the new policy will apply for three years from the date of the AGM.

Principles

Kenmare's remuneration policy is designed to support the strategy, long-term interests and sustainability of the business by providing levels of remuneration that attract, motivate and retain Directors of the highest calibre who can contribute their experience to the Group's operations. The Board seeks to align the long-term interests of Executive Directors with those of shareholders, within the framework set out in the UK Corporate Governance Code (the "Code").

The Remuneration Committee seeks to ensure:

- that Executive Directors are rewarded in a fair and balanced way for their individual and team contribution to the Group's performance;
- that Executive Directors receive a level of remuneration that is appropriate to their scale of responsibility and individual performance;
- that the overall approach to remuneration has regard to the mining sector and the global markets from which it draws its Executive Directors;
- that risk is properly considered in setting remuneration policy and in determining remuneration packages, with a focus on simplicity, transparency and the promotion of long-term alignment with shareholders; and
- no Director is involved in the consideration of his or her own remuneration.

Key changes to the Executive Directors' remuneration policy from the previous policy

The current remuneration policy is due for renewal at the 2023 AGM. However, in the view of the Committee, it remains fit for purpose. Therefore we are seeking approval only to make minor adjustments, with the key features of the policy unchanged.

The table below sets out the proposed changes from the previous policy and the rationale for these changes.

Component of the Policy / implementation of the Policy	Proposed change to the Policy or implementation of the Policy	Rationale
KRSP – underpins *(Implementation of Policy)*	• The Committee considers five key questions when assessing the discretionary underpin on KRSP shares at vesting, looking at shareholder experience, operational performance, ESG issues, the long-term strategic vision for the Company and progress on major projects. • We will strengthen the underpin question related to shareholder experience by replacing *"Has there been a material decline in the share price or failure to meet shareholder expectations for growth?"* with *"Has absolute TSR been positive over the vesting period? Has relative TSR performance been satisfactory?"* • The other areas considered as part of the assessment undertaken by the Committee will remain unchanged.	• To deliver increased alignment with long-term shareholder interest and to ensure that vesting levels of the KRSP reflect both Company performance and shareholder experience over the period. This change will apply to awards granted in 2023 and thereafter.
KRSP – leaver provisions *(Policy)*	• Amend the "good leaver" provisions of the policy to bring them in line with the KRSP rules and give the Committee the discretion to dis-apply time pro-rating for a "good leaver". The default "good leaver" treatment for Executive Directors will remain that awards are pro-rated for time. • If the Committee exercises this flexibility, vesting of the KRSP awards would not be accelerated and so they would still vest in accordance with the usual timescales and would still be subject to the underpins and the two-year post-vesting holding period.	• Ensures that the Policy reflects the scheme rules and gives additional flexibility to the Committee in line with typical market practice. • Aligns treatment of Executive Directors with other participants of the KRSP.

Remuneration policy for 2023 onwards

The main components of the remuneration policy and how they are linked to and support the Group's business strategy are summarised in the table below. The policy covers all remuneration payments to Directors, and includes no provisions for derogations.

Element of remuneration	How the element supports our strategic objectives	Operation of the element including any provision for malus or clawback	Maximum potential value	Performance metrics, weighting, minimum payout and time period (where applicable)
Base salary	Supports the recruitment and retention of Executive Directors recognising the scope and responsibility of the roles and the individual's skills and experience.	Reviewed annually with increases generally effective from 1 January. When determining levels, consideration is given to: • Group performance; • the performance of the Executive Director over the previous 12 months; • the salary review budget for all employees for the coming year; • retention risk and the ability to replace higher value skills if needed in the market; • benchmarking data of other UK and Irish listed companies of similar market capitalisation and practice in the global mining sector; • inflation; and • the rewards, incentives and conditions available to the Group's workforce.	Base salary reviews for Executive Directors are at the discretion of the Remuneration Committee but will generally be increased by no more than the cost of living and with consideration to general Group increases. The exceptions may include circumstances where: • there is a significant movement in the benchmarking data for that role; or • an individual is brought in below market level with a view to increasing base pay over time to reflect proven competence in role; or • there is a material increase in scope or responsibility of the Executive Director's role.	None.

Element of remuneration	How the element supports our strategic objectives	Operation of the element including any provision for malus or clawback	Maximum potential value	Performance metrics, weighting, minimum payout and time period (where applicable)
Benefits	Provides market competitive benefits to support Executive Directors in carrying out their duties.	Benefits include holiday and sick pay, family health insurance, permanent health insurance, life assurance and an annual health check. The Managing Director has a Company car. The Group also reimburses the Executive Directors in respect of all expenses reasonably incurred by them in the proper performance of their duties. The Company may introduce new benefits that are, or become, prevalent in a jurisdiction in which it operates and in which a Director is located or are considered necessary to support Executive Directors in the execution of their duties.	Set at a level appropriate to the individual's role and circumstances. The maximum opportunity will depend on the type of benefit and cost of its provision, which will vary according to the market and individual circumstances.	None.
Pension	To provide a market competitive remuneration package by facilitating long-term saving for retirement.	Each Executive Director is entitled to receive a payment into the Company's Group personal pension plan or their private pension arrangements, or alternatively a salary supplement in lieu of such a contribution.	The maximum pension contribution for Executive Directors is in line with the rate for staff based in Ireland (currently 10% of salary).	None.

Element of remuneration	How the element supports our strategic objectives	Operation of the element including any provision for malus or clawback	Maximum potential value	Performance metrics, weighting, minimum payout and time period (where applicable)
Annual bonus	To ensure a market-competitive package and to incentivise Executive Directors to achieve the Group's business objectives.	Based on the level of performance over the financial year, the annual bonus will be paid in cash shortly after the end of the relevant financial year up to a maximum cash payment of 50% of base salary. Where the annual bonus achieved exceeds 50% of base salary, Executive Directors will be granted restricted shares under the KRSP in respect of the excess outcome above this level, which will vest three years from grant. If the Remuneration Committee, in exceptional circumstances, believes that payment in cash is not appropriate it will instead be able to make an award of shares under the KRSP of equivalent value. Such restricted shares would not be subject to forfeiture but would be subject to a minimum retention period. Clawback will apply to cash annual bonus awards for two years from the date of payment. Annual bonus awards made in the form of restricted shares will be subject to malus during the vesting period. Clawback will apply to these for two years post-vesting.	The maximum annual opportunity is 100% of base salary. The payout for threshold and target performance will not normally exceed 25% and 50% of maximum respectively.	Performance is measured over the financial year. Performance metrics and targets are determined at the start of each year by the Remuneration Committee and will consist of a balanced scorecard of financial and non-financial measures. The Remuneration Committee has the discretion to vary the weighting of the metrics or to substitute different measures over the lifetime of the policy to take account of changes in business strategy and/or external market conditions, but a significant proportion of the bonus scorecard will be weighted towards financial and operational metrics. The targets and actual levels of performance will be disclosed retrospectively within the implementation section of the Company's Directors' Remuneration Report. The Remuneration Committee will have the discretion to adjust the results of the outcome of the scorecard if it believes this does not accurately reflect the underlying performance or align with the experience of shareholders.

Element of remuneration	How the element supports our strategic objectives	Operation of the element including any provision for malus or clawback	Maximum potential value	Performance metrics, weighting, minimum payout and time period (where applicable)
Share awards under the Kenmare Restricted Share Plan ("KRSP")	To increase shareholder alignment by providing Executive Directors with longer-term interests in shares.	Annual awards of shares will be made under the Kenmare Restricted Share Plan. The awards will vest on the third anniversary of grant subject to continued employment and the Remuneration Committee's assessment against a discretionary underpin. Vested shares are then subject to a further two-year holding period. Participants may sell sufficient shares at the point of vesting to cover their tax liabilities. Awards will be subject to malus during the vesting period. Clawback will apply for two years post-vesting. Awards made under the KRSP may carry an entitlement to dividend equivalents in respect of dividends paid between grant and vesting.	The maximum award level in any year is 100% of base salary.	The Remuneration Committee will use its discretion to consider the appropriate level of award (including making no award) if it believes this is appropriate in light of the Group's performance and that of the individual Executive Director at the time of making of the award. The share price used to determine the award levels will normally be the share price shortly before the date of grant. However, for the current Managing Director only, the share price used will not be less than the open offer price for the 2016 capital raise (£2.32). Vesting of the award will be subject to a performance underpin based on a number of corporate indicators. The Committee will consider whether performance against such indicators has been adequately adjusted for under the annual bonus outcome when considering their use of discretion. The underpin has no predetermined targets and will be assessed retrospectively based on performance over the three-year vesting period. The Committee will provide a full disclosure of their assessment within the Directors' remuneration report.

Element of remuneration	How the element supports our strategic objectives	Operation of the element including any provision for malus or clawback	Maximum potential value	Performance metrics, weighting, minimum payout and time period (where applicable)
Shareholding requirement	To strengthen the alignment between the interests of Executive Directors and those of shareholders.	Executive Directors' shareholding measured after the five-year period from their date of appointment.	Shareholding requirement during employment of 250% of salary. Post-cessation shareholding requirement of 100% of the in-employment shareholding requirement (or actual shareholding on departure if lower) for two years post-employment. Unvested shares which are not subject to performance or underpin conditions will count towards the shareholding requirement on a net of tax basis. The post-cessation shareholding requirement applies to awards granted after the 2020 AGM. This will not apply to shares purchased voluntarily from an Executive Director's own funds.	N/A
Non-Executive Director fees	To provide a level of fees to support recruitment and retention of Non-Executive Directors with the necessary experience and ability to make a significant contribution to the Group's activities.	The Non-Executive Directors are remunerated entirely through fees. A base fee is payable to each Non-Executive Director with additional fees payable for additional responsibilities such as Committee membership or Chairing a Committee. They are not eligible to receive any performance-related remuneration nor do they hold share options.	The fees paid to the Non-Executive Directors are set at a level to attract individuals with the necessary experience and ability to make a significant contribution to the Group's activities, while also reflecting the time commitment and responsibility of the role.	None.

Notes to the future policy table performance measures and targets

The Remuneration Committee will select performance conditions for the Annual Bonus which reflect the Group's overall strategy and are the key metrics used by the Executive Directors to oversee the operation of the business. They will be determined annually. They typically include production, financial and non-financial performance criteria. In the past, they have, for example, related to areas such as mineral production targets, EBITDA, production costs, community safety, environmental compliance and health and safety (both workforce and community related). The performance criteria for 2022 are described on pages 126-127 and those for 2021 are described on pages 110 and 111 of the 2021 Annual Report. The Remuneration Committee is of the opinion that the performance targets for the Annual Bonus are commercially sensitive in respect of the Group and that it would be detrimental to the interests of the Group to disclose them before the start of the financial year. The targets will therefore be disclosed after the end of the relevant financial year in that year's Remuneration report.

The Committee believes that the KRSP will continue to provide an opportunity for the Executive Directors to build meaningful shareholdings in the Company and therefore further align the longer-term experience of shareholders and management. The performance underpin ensures that the Committee has the ability to reduce vesting outcomes if Group or individual performance does not warrant full vesting of the award. The underpin will not be assessed based on predetermined targets; it will be a discretionary retrospective assessment and the Committee will provide a full disclosure of its assessment. The Remuneration Committee intends to use a broad range of corporate indicators which are intended to reflect overall performance of the Group during the vesting period.

Approach to recruitment remuneration

Components	Policy
General	The Committee's approach to recruitment remuneration is to pay competitively to attract the appropriate high-calibre candidate to the role. Our expectation is that the pay of any new recruit would be assessed using the same principles as for the existing Executive Directors.
Base salary and benefits	The base salary will be set taking into account the responsibilities of the individual and the salaries paid to similar roles in comparable companies and countries as per our base salary policy. The Executive Director will be eligible to receive benefits in line with Kenmare's benefits policy as set out in the remuneration table.
Pension	The Executive Director will be eligible to receive pension benefits equal in value up to 10% of salary in line with our pension policy.
Annual bonus	Up to 100% of base salary in line with our policy.
Kenmare Restricted Share Plan	Up to 100% of base salary in line with our policy.
Sign on payments/ recruitment awards	Payments to an Executive Director may be made on a case-by-case basis and where considered by the Remuneration Committee to be necessary. Newly recruited Executive Directors will be entitled to an award of restricted shares of up to 150% of salary in the financial year in which they join the Board (i.e. 50% more than the standard annual KRSP award). Awards above 100% of salary under the KRSP may have performance conditions attached.
Share buy outs/ replacement awards	Awards may be granted to replace those forfeited by the Executive Director on taking up the appointment where considered by the Remuneration Committee to be appropriate. The Committee will seek to structure any replacement awards such that they are no more generous in terms of quantum or vesting period than the awards due to be forfeited. In determining quantum and structure of these commitments, the Committee will seek to replicate the value and, as far as practicable, the timing and performance requirements of remuneration foregone.
Relocation policies	In instances where the new Executive Director is required to relocate or spend significant time away from their normal residence, the Company may provide compensation to reflect the cost of relocation for the Executive Director. The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost of living differences/housing allowance/schooling.

Service contracts

The Company's policy is that Executive Directors should have a notice period of no more than 12 months. The Company may terminate the Managing Director's contract with 12 months' notice and the Financial Director's contract with 6 months' notice. The Financial Director may terminate with three months' notice; the Managing Director agreed in the course of the year to amend his terms so that he is required to give six months' notice of termination. Notice periods in the event of a change of control are set out below

As a listed company, all of the Executive Directors and Non-Executive Directors are subject to annual re-election at the AGM. The Financial Director's contract is subject to a retirement age of 65; the Remuneration Committee considered it in the best interests of the Company to remove the retirement age from the Managing Director's contract.

In the event of termination, the Remuneration Committee will agree an appropriate termination payment for the relevant individual reflecting the circumstances, service and existing contractual terms and conditions.

The Company has the right, or may be required in certain circumstances, to make a payment in lieu of notice of termination, the amount of that payment being base salary and, in the case of the Managing Director, the cash equivalent of benefits and pension that would have accrued to him during the contractual notice period as well as any bonus or other incentive payment he would be entitled to under applicable "good leaver" provisions. In addition, the Remuneration Committee reserves the right to allow continued participation in the Company's incentive arrangements during the notice period.

Upon a change of control, the Managing Director has the right to terminate his employment by notice and be entitled to receive an amount equal to 12 months' salary, cash equivalent of benefits and pension contributions, subject to such amount being reduced by the equivalent amounts in respect of any months worked by him after his giving of notice. Such payment would be in settlement of all claims that the Managing Director may have against the Group, but shall not affect his entitlement to accrued but unpaid salary, deferred bonus or similar incentive payments and certain other amounts. If a change of control of the Company occurs before 26 March 2024, the Financial Director's employment may only be terminated by the Company at 12 months' notice (or payment in lieu thereof as set out above).

Policy on payment for loss of office

Components	Policy
General	When determining any loss-of-office payment for a departing individual, the Committee will protect the Company's interests and reflect the circumstances in place at the time having taken into consideration the terms of the individual's service agreement.
Good leaver	In general, good leaver treatment will apply in the case of death, retirement, ill-health, disability or for any other reason determined by the Remuneration Committee. The current Managing Director will also be treated as a good leaver where he terminates his employment provided no gross misconduct or gross negligence has occurred and he does not take up employment with a competitor within three months of termination.
Base salary, benefits and pension	In the event of termination, the Executive Director will be entitled to receive compensation equivalent to salary, benefits and Company pension contribution they would have received if still in employment for the balance of the applicable notice period. Where appropriate, the Company may continue to provide benefits for a period post-termination.
Annual bonus	Good leavers If the participant is deemed to be a good leaver, then the Annual Bonus will be pro-rated for time and performance. The Remuneration Committee will have the discretion to either: • assess performance and make a payment at the time of cessation of employment; or • assess performance and make a payment at the end of the relevant financial year in line with the operation of the annual bonus for other participants. Bad leavers For a bad leaver all annual bonus entitlements will lapse.
Deferred annual bonus	Deferred annual bonuses will normally vest in full in line with the original vesting schedule other than in cases of gross misconduct or negligence where deferred bonus awards will lapse.

Components	Policy
Kenmare Restricted Share Plan	Good leavers For good leavers, unvested restricted share awards under the KRSP will usually vest at the original dates subject to the performance underpin, but the number of shares will be reduced pro-rata to reflect the proportion of the vesting period elapsed unless the Remuneration Committee determines otherwise. The post-vesting holding period will continue to apply. The Remuneration Committee will have the discretion to allow shares to vest immediately (e.g. in case of death). Bad leavers For a bad leaver all unvested restricted shares will lapse.
Shareholding requirement	All leavers are required to maintain a post-cessation shareholding equal to 100% of in-employment shareholding requirement (or actual shareholding on departure, if lower) for two years post-employment. This requirement applies to awards granted after the 2020 AGM.
Other	In the event of a compromise or settlement agreement, the Committee may make payments it considers reasonable in settlement of potential legal claims. The Committee may also include in such payments reasonable reimbursement of professional fees in connection with such agreements. The reimbursement of repatriation costs or fees for professional or outplacement advice may also be included in the termination package, as deemed reasonable by the Committee, as may the continuation of benefits for a limited period.

Policy on payment for change of control

Components	Policy
General	When determining any change of control payment the Committee will protect the Company's interests and reflect the circumstances at the time.
Base salary, benefits and pension	In the event of termination of employment by the Company following a change of control, the Executive Directors will be entitled to receive compensation equivalent to salary, and, in the case of the Managing Director, benefits and Company pension contribution they would have received if still in employment during the relevant notice period. In the event of termination by the Managing Director within two months of a change of control, he will be entitled to receive an amount equal to 12 months' salary, cash equivalent of benefits and pension contributions, subject to such amount being reduced by the equivalent amounts paid in respect of any months worked by the Managing Director after his giving of notice. Such payment would be in settlement of all claims that the Managing Director may have against the Group, but shall not affect his entitlement to accrued but unpaid salary, deferred bonus or similar incentive payments and certain other amounts. If a change of control of the Company occurs before 26 March 2024, the Financial Director's employment may only be terminated by the Company at 12 months' notice (or payment in lieu thereof as set out above).
Annual bonus	The payment of the annual cash bonus following a change of control will be based on achievement against the annual performance metrics as assessed by the Remuneration Committee up to the point of change of control. The Remuneration Committee will have the discretion to pro-rate for the proportion of the year elapsed.
Deferred annual bonus	All unvested deferred annual bonuses will vest immediately unless the Remuneration Committee agrees they should be rolled over into equivalent awards of the acquirer.
Kenmare Restricted Share Plan	All unvested restricted share awards under the KRSP will vest immediately subject to the Remuneration Committee's assessment of the performance underpin at that point, unless the Remuneration Committee agrees they should be rolled over into equivalent awards of the acquirer. The number of shares vesting will usually be pro-rated to reflect the proportion of the service period elapsed, but the Remuneration Committee will have the discretion not to apply this pro-rating.

Other Remuneration Committee discretions

In addition to assessing and making judgements on the meeting of performance targets and the appropriate incentives payable, the Remuneration Committee has certain operational discretions available that can be exercised in relation to Executive Directors' remuneration including but not limited to:

- Amending the outcome of the relevant scorecard if the Committee believes the formulaic outcome of the scorecard does not reflect the true underlying performance of the Group or the experience of shareholders;
- Deciding whether some or all cash bonus amounts should be settled in restricted shares;
- Deciding whether to apply malus or clawback to an award;
- Deciding to what extent if any the performance underpin should apply to the vesting of an applicable KRSP award;
- Determining whether a leaver is a "good leaver" under the Company's incentive plans and the treatment of their outstanding awards; and
- Amending performance conditions following a major corporate event or in circumstances in which the Committee considers that the impact of external influences is such that the original metrics are no longer appropriate.

Where such discretion is exercised, it will be explained in the subsequent Directors' remuneration report.

Consideration of employment conditions elsewhere in the Group

The Committee does not directly consult with employees when formulating Executive Director pay policy, nor does it apply strict numerical pay ratios. However, the Committee does take into consideration information on pay arrangements for the wider employee population when determining the pay of Executive Directors. This includes consideration of the salary increases awarded across the Group when determining salary increases for the Executive Directors each year.

The Group aims to provide a remuneration package for employees that is market competitive and follows the same core structure as for the Executive Directors, including cascade of the KRSP where appropriate, participation in an annual bonus scheme and pension provision.

Consideration of employment conditions outside the Group

The Committee reviews the remuneration of the Executive Directors in light of the remuneration of the Executive Directors of other appropriate quoted companies. The Committee's advisers prepare annual reports benchmarking their remuneration (and that of the Non-Executive Directors which are shared with the Executive Directors and the Chairman) against peer companies and this assists the Committee in determining the appropriateness of the remuneration payable to the Executive Directors.

Consideration of shareholder views

The Remuneration Committee considers shareholder feedback received in relation to the AGM each year and guidance from shareholder representative bodies more generally. This feedback, together with additional feedback received during meetings from time to time and the results of recent votes on the Remuneration report, is then considered as part of the Company's review of policy.

In December 2022, the Remuneration Committee received a presentation from PwC with an update on current remuneration matters with particular focus on the various issues likely to affect the design of our proposals for a new three-year Directors' remuneration policy, including changes to shareholder and proxy agency guidelines.

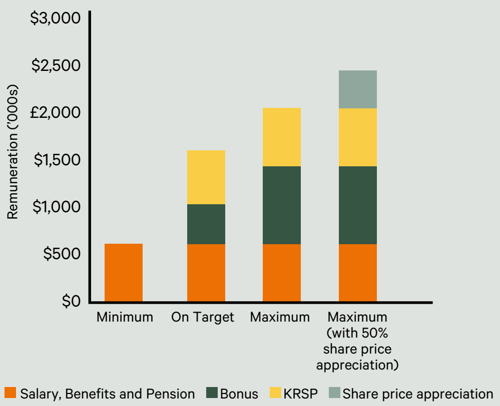
In formulating the policy for 2023, the Committee consulted with a number of the Company's significant shareholders and proxy voting agencies regarding their views on remuneration practice and policies. The views expressed during these consultations were taken into account. For example, following the consultation with shareholders, the Committee simplified the discretionary powers relating to pro-rating of KRSP awards for good leavers. Feedback from our major shareholders suggests that they are supportive of the general structure of the proposed policy. In order to avoid any conflict of interest, no Executive Director is present when their own remuneration is being discussed. with shareholders.

Illustrations of application of remuneration policy

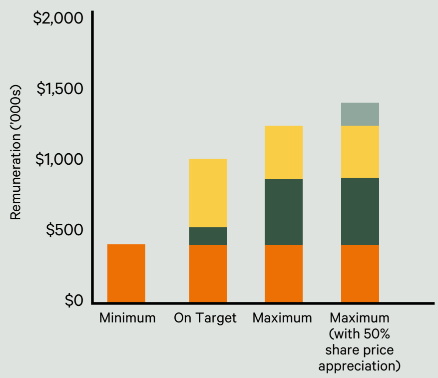
The total remuneration opportunity in 2023 for each of the Executive Directors is shown below under four different performance scenarios: (i) Minimum; (ii) On-target; (iii) Maximum; and (iv) Maximum (with 50% share price appreciation). The elements of remuneration have been based on the proposed remuneration policy for 2023 as set on pages 135-141 (which basic elements reflect the remuneration policy adopted in 2020) and have been categorised into three components: (i) Salary, Benefits and Pension; (ii) Bonus; and (iii) Share awards under the KRSP, with the assumptions set out below:

Element	Minimum	On-Target	Maximum	Maximum (with 50% share price appreciation)
Salary, benefits and pension	Included	Included	Included	Included
Annual bonus	No variable payable	50% of the maximum opportunity	100% of the maximum opportunity	100% of the maximum opportunity
Share awards under the KRSP	No award	100% of the maximum opportunity	100% of the maximum opportunity	100% of the maximum opportunity

Managing Director



Financial Director



Non-Executive Directors' remuneration

Non-Executive Directors' contracts may be terminated by either party giving to the other one month's prior written notice. The Non-Executive Directors are remunerated entirely through fees. They are not eligible to receive any performance-related remuneration nor do they hold share options. The fees paid to the Non-Executive Directors are set at a level to attract individuals with the necessary experience and ability to make a significant contribution to the Group's activities, while also reflecting the time commitment and responsibility of the role. Additional per diem rates may be paid to Non-Executive Directors when the meeting load has significantly exceeded what would be expected in the normal course of business.

None of the Non-Executive Directors had a beneficial interest in any contract to which the Company or any of its subsidiary undertakings was a party during the financial year.

Non-Executive Directors are not entitled to any compensation on the termination of their appointment. All Directors are subject to annual re-election. No compensation is payable to Non-Executive Directors if they are not re-elected.

DIRECTORS' REPORT

Read more about **Sustainability Committee** on page 108

The Directors present their report below and the audited financial statements for the financial year ended 31 December 2022.

Principal activities

The principal activity of Kenmare Resources plc and its subsidiary undertakings is the operation and further development of the Moma Titanium Minerals Mine in Mozambique.

Strategic report

The Strategic Report, including a financial and risk review and a review of the likely future developments of the Group, set out on pages 10-80 forms part of the Directors' Report and is incorporated by reference.

Statement of results and key performance indicators

The consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022 is set out on page 160. The financial review on pages 46-50 contains a detailed business review including an analysis of the key performance indicators used to measure the Group's performance and is incorporated by reference.

Dividends

In June 2022, the Company paid a final 2021 dividend of $24.1 million representing USc25.42 per share (2021: USc25.42). In October 2022, the Company paid a 2022 interim dividend of USc10.98 (H1 2021: USc7.29) per ordinary share, totalling $10.4 million. The Board is recommending a final dividend of USc43.33 (2021: USc25.42) per share. This would give a total dividend in respect of 2022 of USc54.31 (2021: USc32.71) per share. It is proposed to pay the final dividend on 19 May 2023 to shareholders registered at the close of business on 14 April 2023.

Directors and Company Secretary

The names of the Directors and Company Secretary who held office during 2022 and a biographical note on each appear on pages 86 and 87. In accordance with the UK Corporate Governance Code, all Directors submit to re-election at each AGM.

Directors' and Company Secretary's shareholdings and share awards

The interests of the Directors and Secretary of the Company, their spouses, and minor children in the ordinary share capital of the Company, and details of the share awards granted to them in accordance with the rules of the Kenmare Restricted Share Plan (KRSP), are detailed in the Annual report on remuneration on pages 129-130.

Share option and share award schemes

At 31 December 2022, there were options in respect of 2,562,203 Ordinary Shares in issue. These are nil-cost options to subscribe for Ordinary Shares and were granted pursuant to the KRSP. There were no outstanding interests under any previous share award schemes.

Share capital

The Company's authorised share capital consists of 181,000,000 ordinary shares of €0.001 each ("Ordinary Shares"). The Company's ordinary shares rank equally in all respects and carry no special rights. They carry voting and dividend rights. There are no restrictions on the transfer of the Company's shares or voting rights and the Company has not been notified of any agreements between holders of securities in this regard.

At the AGM held on 26 May 2022,

- the Company was granted an authority to make market purchases, within a set price range, of up to 10% of its own shares; and
- the Directors were given the authority by shareholders to allot shares up to an aggregate nominal amount equal to €31,641.

The authorities referenced above will expire at the conclusion of this year's AGM at which shareholders will be asked to grant new authorities to the Company.

At the same AGM, the Company was authorised to make an off-market purchase (as such term is defined in Section 1072 of the Companies Act 2014) pursuant to the Odd lot Offer. While this authority will not expire until 26 November 2023, the Odd lot Offer closed on 30 September 2022.

On 3 October 2022, the Company purchased a total of 92,419 of its own ordinary shares at £4.82 each pursuant to the Odd lot Offer. These Ordinary Shares were cancelled on that date resulting in an issued share capital of 94,829,551 Ordinary Shares after the transaction. As a result, on 31 December 2022, the issued share capital of the Company was 94,829,551 Ordinary Shares.

Save for the foregoing, the Company did not issue, hold, purchase, sell or cancel any Ordinary Shares during 2022 and no member of the Group held any Ordinary Shares during 2022.

Substantial interests

As at 31 March 2023 and 31 December 2022, the Company had received notification of the interests outlined in the table below in its ordinary share capital, equal to, or in excess of, 3%:

	As at 31 March 2023		As at 31 December 2022	
	Holding/ voting rights	% of issued share capital	Holding/ voting rights	% of issued share capital
African Acquisition S.à.r.l.	20,381,795	21.5%	20,381,795	21.5%
M&G Plc	14,042,709	14.8%	15,355,379	16.2%
FIL Limited	10,326,785	10.9%	8,527,046	9.0%
Premier Miton Group Plc	5,401,119	5.7%	5,401,119	5.7%
Aberforth Partners LLP	5,300,094	5.6%	5,300,094	5.6%
J O Hambro Capital Management Limited	4,706,199	5.0%	4,950,282	5.2%

Read more about Audit & Risk Committee on page 110

Principal risks and uncertainties

Under Section 327 of the Companies Act 2014, the Directors are required to give a description of the principal risks and uncertainties facing the Group. These principal risks and uncertainties are set out on pages 70-79 and are incorporated by reference.

Risk exposure

The exposure of the Group to credit, liquidity, market, currency and cash flow risk is detailed in Note 24. Capital management is detailed in Note 25.

Viability statement

In line with Provision 31 of the UK Corporate Governance Code, the Directors have prepared a viability statement in respect of the financial year ended 31 December 2022, which is set out on page 80 and is incorporated into this report by reference.

Going concern

The Directors have evaluated the appropriateness of the going concern basis in preparing the 2022 Consolidated Financial Statements for a period of at least 12 months from the date of approval of these financial statements (the 'period of assessment'). The evaluation is based on the Group's cash flow forecast ("the Group Forecast").

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 10 to 80. The financial position of the Group, its cash flows, liquidity and borrowing position are described in the Financial Review on pages 46-50. Note 25 to the financial statements includes the Group's policy for managing its capital.

The Group Forecast has been prepared by management with best estimates of production, pricing and cost assumptions over the period of assessment. The Group recognises the principal risks which can impact on the outcome of the Group Forecast and have therefore applied sensitivity analysis to the assumptions to test the robustness of the cash flow forecast for changes in market prices, shipments, operating and capital cost assumptions. Changes in these assumptions affect the level of sales and profitability of the Group and the amount of capital required to deliver the projected production levels. Debt covenants are complied with and Group liquidity is maintained, although at lower levels, in each of these sensitivities.

Having assessed the principal risks facing the Group, together with the Group's cash flow forecast, the Directors have a reasonable expectation that the Group has adequate resources for the foreseeable future and can continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statutory compliance statement

The Directors acknowledge that they are responsible for securing the Company's compliance with the Company's "relevant obligations" within the meaning of Section 225 of the Companies Act 2014 (described below as "Relevant Obligations").

The Directors confirm that they have:

a. Drawn up a compliance policy statement setting out the Company's policies (that are, in the opinion of the Directors, appropriate to the Company) in respect of the Company's compliance with its Relevant Obligations;

b. Put in place appropriate arrangements or structures that, in the opinion of the Directors, provide a reasonable assurance of compliance in all material respects with the Company's Relevant Obligations; and

c. During the financial year to which this report relates, conducted a review of the arrangements or structures that the Directors have put in place to ensure material compliance with the Company's Relevant Obligations.

Takeover directive

In the event of a change in control, directly or indirectly, of the Company, the Project Companies or any other subsidiary which is a borrower under the debt facilities, such facilities will be cancelled and all outstanding amounts together with accrued interest shall become immediately due and payable. The KRSP contains change of control provisions that provide for accelerated crystallisation of awards and vesting of shares (including by way of exercise of nil-paid options) in the event of a change of control of the Company. Other than as described in the Remuneration Policy Report on pages 135-145, there are no agreements between the Company and its Directors or employees providing for predetermined compensation for loss of office or employment that would occur in the event of a bid for the Company, save that certain employees, not being Directors, have service contracts that either provide for extended notice periods and/or fixed payments on termination following a change in control of the Company.

Corporate Governance Statement

For the purpose of Section 1373 of the Companies Act 2014, the Directors have prepared a Corporate Governance Statement in respect of the financial year ended 31 December 2022, which is set out on page 148 and is incorporated into this report by reference.

Non-financial reporting statement

In compliance with the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, the table below sets out the relevant sections in this Annual Report to understand the Group's approach to these non-financial matters.

Reporting Requirements	Page Reference	Our Policies	Risk Assessment
Environmental matters	Pages 60-65	Environmental	Environmental risk is included in the risk entitled "Health, Safety and Environment ("HSE") described in the "Principal risks and uncertainties" section on page 76.
Social and employee matters	Page 57 Pages 56 Page 67	Diversity Health and safety Whistleblowing Conflicts of interest Employment Community engagement and investment	Health and safety risk is included in the risk entitled "Health, Safety and Environment" ("HSE") described in the "Principal risks and uncertainties" section on page 76. Community engagement and investment is relevant to the risk entitled "Grant and maintenance of licences", described in the "Principal risks and uncertainties" section on page 74. Otherwise, although the risks associated with social and employee matters are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for our business.
Human rights	Page 67	Human rights Freedom of association	Although the risks associated with human rights abuses are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for our business.
Anti-bribery and corruption	Page 67	Anti-bribery Business ethics	Although the risks associated with bribery and corruption are actively monitored, the Group does not believe these risks meet the threshold of a principal risk for our business.
Description of business model	Pages 18 and 19		
Non-Financial key performance indicators	Included in KPIs on pages 30-33 and the Sustainability report on pages 52 and 53		

Diversity and Inclusion

The Diversity and Inclusivity Report, which is within the Nomination Committee Report on page 106, is incorporated into this report by reference.

Taxonomy Regulation

For the purposes of the EU Taxonomy Climate Delegated Act, the Directors have prepared a taxonomy disclosure in respect of the financial year ended 31 December 2022, which is set out on page 68 and is incorporated into this report by reference.

Other

Audit & Risk Committee

The Board of the Company has established an Audit & Risk Committee. See pages 110-116 for the Audit & Risk Committee Report for the financial year under review.

Rules regarding Directors etc

Details of the rules relating to the appointment or removal of Directors, amendment of the Articles of Association and the powers of Directors are set out in the Corporate Governance Report, which is incorporated into this report by reference.

Subsidiary undertakings and branches

The subsidiary undertakings of the Company at 31 December 2022 are outlined in Note 4 to the Company financial statements. Each of the subsidiary undertakings Kenmare Moma Mining (Mauritius) Limited, Kenmare Moma Processing (Mauritius) Limited and Mozambique Minerals Limited operates a branch in Mozambique. In addition, the Company established and maintains a branch in the UK, registered at Companies House.

Political donations

There were no political donations made during 2022 that require disclosure under the Electoral Act 1997 (as amended).

UK Listing Rule 9.8.4

No information is required to be disclosed in respect of Listing Rule 9.8.4.

Auditors

KPMG, a global chartered accounting firm, was first appointed statutory auditor on 14 May 2019 and has been reappointed annually since that date and pursuant to Section 383(2), of the Companies Act 2014 will continue in office. The financial statements on page 160 have been audited by KPMG.

Disclosure of information to statutory auditor

In accordance with the provisions of Section 330 of the Companies Act 2014, each of the persons who are Directors of the Company at the date of approval of this report confirms that:

- So far as each Director is aware, there is no relevant audit information (as defined in the Companies Act 2014) of which the statutory auditor is unaware; and
- Each Director has taken all the steps that they ought to have taken as a Director to make themself aware of any relevant audit information (as defined) and to ensure that the statutory auditors are aware of such information.

Accounting records

The Directors have employed appropriately qualified accounting personnel and have maintained appropriate accounting systems to ensure that proper accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014. The books of account are kept at the Company's office at 4th Floor, Styne House, Hatch Street Upper, Dublin 2, Ireland.

Events since the financial year end

Details of events since the financial year end are set out in Note 29 to the consolidated financial statements.

Notice of Annual General Meeting and special business

Notice of the Annual General Meeting, together with details of special business to be considered at the meeting, is set out in a separate circular to be sent to shareholders and will also be available on the Group's website, www.kenmareresources.com.

On behalf of the Board:

M. CARVILL	**T. HICKEY**
DIRECTOR	DIRECTOR
6 April 2023	6 April 2023

Read more about **Remuneration Committee** on page 122

GROUP FINANCIAL STATEMENTS

I’m proud of the work Kenmare does to support women in the workforce.

RACHEL TLHOLE
MINERAL SEPARATION PLANT SUPERINTENDENT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE ANNUAL REPORT AND THE FINACIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with IFRS as adopted by the European Union and applicable law including Article 4 of the IAS Regulation. The Directors have elected to prepare the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework as applied in accordance with the provisions of the Companies Act 2014.

Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements comply with the provision of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014 including Article 4 of the IAS Regulation. They are responsible for such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Company's website Kenmare Resources plc: English. Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement as required by the Transparency Directive and UK Corporate Governance Code

Each of the Directors, whose names and functions are listed on pages 86-87 of this Annual Report, confirm that, to the best of each person's knowledge and belief:

- The Group financial statements, prepared in accordance with IFRS as adopted by the European Union and the Company financial statements prepared in accordance with FRS 101 Reduced Disclosure Framework, give a true and fair view of the assets, liabilities, and financial position of the Group and Company at December 31 2022 and of the profit or loss of the Group for the year then ended;
- The Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risk and uncertainties that they face; and
- The Annual Report and financial statements, taken as a whole, provides the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board:

M. CARVILL	**T. HICKEY**
DIRECTOR	DIRECTOR
6 April 2023	6 April 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KENMARE RESOURCES PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Kenmare Resources plc ('the Company') and its consolidated undertakings ('the Group') for the year ended December 31 2022 set out on pages 160-197 and contained within the reporting package 635400ETHWP1EKJMDO16-2022-12-31-en, which comprise the Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Parent Company Statement of Financial Position, Parent Company Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in Note 1.

The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at December 31 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We were appointed as auditor by the directors on July 17 2019. The period of total uninterrupted engagement is the four years ended December 31 2022. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities. No non-audit services prohibited by that standard were provided.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

We evaluated the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. There were no risks identified that we considered were likely to have a material adverse effect on the Group's and Company's available financial resources over this period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the Directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims;
- Inquiring of Directors, the Audit & Risk Committee and internal audit and management as to the Group's policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Inquiring of Directors, the Audit & Risk Committee and internal audit regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud;
- Inspecting the Group's regulatory and legal correspondence;
- Reading Board and Audit & Risk Committee meeting minutes;
- Considering remuneration incentive schemes and performance targets for management and Directors; and
- Performing planning analytical procedures to identify any unusual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. This included communication from the Group to full scope component audit teams of relevant laws and regulations and any fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation, taxation legislation and distributable profits legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, environmental law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the Directors and management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We identified a fraud risk in relation to the timing of revenue recorded by the Group.

Further detail in respect of revenue recognition is set out in the key audit matter disclosures in this report.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation;
- Evaluating the business purpose of significant unusual transactions;
- Assessing significant accounting estimates for bias; and
- Assessing the disclosures in the financial statements.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from 2021):

Group key audit matters

Impairment of property, plant, and equipment (PPE) $930.8m (2021: $954.6m)

Refer to page 168 (accounting policy) and pages 181-182 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The Directors have developed an impairment assessment model which they use to determine if the net present value of future cash flows from the CGU will be sufficient to recover the carrying value of the PPE assets of the Group. Assumptions used in the model include the useful life of the Mine, future sales prices, costs of production, sustaining capital expenditure and the discount rate. The most significant assumption is the country risk premium included within the calculation of the discount rate. There is a risk that incorrect inputs or inappropriate assumptions could be included in the impairment model leading to an impairment charge not being correctly identified and recognised in the Group financial statements.	Our audit procedures included: • We obtained and inspected management's assessment of impairment of PPE assets and considered whether further indicators should have been assessed based on our knowledge of the business, its operating environment, industry knowledge, current market conditions and other information obtained during the audit; • We made inquiries of members of the Local and Group finance teams to understand the performance of the Group and management's assessment of impairment in the period; • We challenged management's assumptions and valuation techniques in determining whether impairment charges are required and evaluating if these were indicators of possible management bias; • We assessed the accuracy of management's calculations of the carrying value of those assets subject to impairment testing and considered whether the assets tested are complete; • Where relevant, we compared certain inputs to external industry-specific and general economic data sources; • We agreed cashflow forecasts used in the impairment model to Board-approved budgets and challenged the reasonableness of these budgets; • We evaluated the appropriateness and likelihood of the sensitivities on the cashflow forecasts and the impact on the overall impairment test outcome and assessed whether additional sensitivity analysis would have been appropriate; • We recalculated the impairment/headroom for CGUs using stressed variables to evaluate management's sensitivity analysis; • We performed testing on the design and implementation of the control in place over the impairment of property, plant and equipment; • We assessed management's calculations to determine whether impairment losses were required; • We engaged a KPMG valuation specialist to challenge certain assumptions used within the discount rate; • We challenged the Group's financial advisor on the assumptions and data inputs used in the discount rate and assessed their capability, competence and objectivity as financial advisers to the Group; and • We evaluated the completeness, accuracy and relevance of disclosures required by IAS 36, including disclosures about sensitivities and major sources of estimation uncertainty as presented in the Group's financial statements. Based on evidence obtained, we found that management's key assumptions and key inputs were reasonable. We found the disclosures to be adequate in providing an understanding of the basis of impairment.

Group key audit matters CONTINUED

Revenue recognition $526.0m (2021: $455.9m)

Refer to page 166 (accounting policy) and pages 174-175 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The Group sells products under a variety of contractual terms. Revenue is recognised when the control is transferred to customers which is generally when mineral products have been delivered in line with the terms of the individual customer contracts. There is a risk of fraud at year end that revenue has not been reported in the consolidated financial statements in line with IFRS 15 and differing contractual terms. There is a risk that it has been misstated intentionally to meet performance targets or in error through the recording of a sale intentionally in the incorrect period, specifically at year end.	Our audit procedures included: • We assessed the appropriateness of the allocation of contract revenue to multiple element deliverables; • We performed testing on the design and implementation of the control in place over the recognition of revenue and any manual journals posted to revenue key management personnel; • We assessed on a sample basis whether sales transactions either side of the balance sheet date as well as credit notes issued after year end were recognised in the correct period by performing cut-off procedures. We assessed if revenue has been recorded correctly through the review of shipment terms, shipment dates, bills of lading, and letters of credit; • We examined any new significant contractual arrangements entered into and inquired whether terms have changed with any significant customer, where there could be an impact on the timing of revenue recognition; and • We evaluated the adequacy of the Group's disclosures in respect of revenue. Based on the procedures performed, we did not identify any material misstatements. We found the disclosures in respect of revenue to be appropriate.

Company key audit matter

Investment in subsidiaries $802.9m (2021: $801.1m)

Refer to page 202 (accounting policy) and page 205 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The investments held by Kenmare Resource plc Company only are held at cost less impairment. There is a risk in respect of the carrying value of these investments if future cash flows and performance of these subsidiaries is not sufficient to support the Company's investment.	Our audit procedures included: • We obtained an understanding of the process for impairment considerations and tested the design and implementation of the relevant control therein; • We obtained and inspected management's assessment of impairment indicators; • We compared the carrying value of investments to the net assets of the subsidiary draft financial statements; • We considered the audit work performed in respect of the subsidiaries, including the judgements and assumptions used in determining the valuation of Property, Plant and Equipment; and • We evaluated the adequacy of the Company's disclosures in respect of investments in subsidiaries in accordance with the relevant accounting standards. Based on the procedures performed, we did not identify any material misstatements. We found the disclosures in respect of revenue to be appropriate.

Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements and Company financial statements as a whole was set at $9.7m (2021: $9.4m)and $8.0m (2021: $8.0m) respectively, determined with reference to benchmarks of net assets for the Group and Company (of which it represents 1% (2021: 1%) and 1% (2021: 1%) respectively).

Performance materiality for the Group financial statements and Company financial statements as a whole was set at $7.3m (2021: $7.0m) and $6.0m (2021: $6.0m) respectively, determined with reference to benchmarks of net assets of which it represents 75% (2021: 75%) and 75% (2020: 75%) respectively. We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. In applying our judgement in determining performance materiality, we considered a number of factors, including the low number and value of misstatements detected and the low number and severity of deficiencies in control activities identified in the prior year financial statement audit.

We consider net assets to be the most appropriate benchmark as it best reflects the operations of the Group and Company.

We reported to the Audit & Risk Committee any corrected or uncorrected identified misstatements exceeding $0.48m (2021: $0.47m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

We applied materiality to assist us in determining the overall audit strategy, what risks were significant risks of misstatement and key audit matters, and the audit procedures to be performed in response.

The Group's principal activity, its mining operation in Mozambique, is carried out through two components. These components were subject to full scope audits for Group audit purposes, using materiality levels of US$3.5m each (2021: US$3.0m). The Group team instructed our component auditor in Mozambique as to the significant areas to be addressed, including the relevant risks, and the information to be reported.

Taken together, the Company and the Mine components accounted for 100% of Group revenue (2021: 100%) and 97% of Group net assets (2021: 97%).

The work on two of the three components (2021: two of the three components) was performed by component auditors and the rest, including the audit of the Parent Company was performed by the Group team.

Other information

The Directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' report and the non-financial statement included on the Company's website at Kenmare Resources plc and Directors' Report, the Business Overview, Strategic Report and Governance sections of the Annual Report, as well as the Directors' Responsibility Statement, Shareholder profile, Glossary – alternative performance measures, Glossary – terms, and General information.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit we report that, in those parts of the directors' report specified for our consideration:

- We have not identified material misstatements in the Directors' report;
- In our opinion, the information given in the Directors' report is consistent with the financial statements; and
- In our opinion, the Directors' report has been prepared in accordance with the Companies Act 2014.

Corporate governance statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability, that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review by the Listing Rules of Euronext Dublin and the UK Listing Authority.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 147;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 147,
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 147;
- Directors' statement on fair, balanced and understandable and the information necessary for shareholders to assess the Group's position and performance, business model and strategy set out on page 112,
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the Annual Report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated set out on page 113,
- Section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 113; and
- Section describing the work of the Audit & Risk Committee set out on pages 110-116.

The Listing Rules of Euronext Dublin also requires us to review certain elements of disclosures in the report to shareholders by the Board of Directors' Remuneration Committee.

We have nothing to report in this regard.

In addition as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on page 148, that:

- Based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC)) Regulations 2006 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act;
- Based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information; and
- The Corporate Governance Statement contains the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017.

We also report that, based on work undertaken for our audit, the information required by the Act is contained in the Corporate Governance Statement.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion:

- The disclosures of Directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made.
- The Company has not provided the information required by Section 1110N in relation to its remuneration report for the financial year December 31 2021; and
- The Company has not provided the information required by Section 5(2) to (7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 for the year ended December 31 2022 as required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (amendment) Regulations 2018.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 152, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

6 April 2023

Keith Watt
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St Stephen's Green
Dublin 2
D02 DE03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	**2022 $'000**	2021 Restated* $'000
Revenue	2	**525,988**	455,944
Cost of sales	4	**(282,694)**	(295,010)
Gross profit		**243,294**	160,934
Administration Expenses	4	**(9,862)**	(9,825)
Operating profit		**233,432**	151,109
Finance income	8	**1,147**	265
Finance costs	8	**(12,472)**	(14,078)
Profit before tax		**222,107**	137,296
Income tax expense	9	**(16,073)**	(8,770)
Profit for the financial year and total comprehensive income for the financial year		**206,034**	128,526
Attributable to equity holders		**206,034**	128,526

		$ per share	$ per share
Basic earnings per share	10	**2.17**	1.18
Diluted earnings per share	10	**2.12**	1.16

* Refer to Note 4 for further details on the 2021 restatement.

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Assets			
Non-current assets			
Property, plant and equipment	11	930,759	954,558
Right-of-use assets	12	1,608	2,136
		932,367	956,694
Current assets			
Inventories	13	84,171	60,219
Trade and other receivables	14	124,018	74,747
Cash and cash equivalents	15	108,271	69,057
		316,460	204,023
Total assets		1,248,827	1,160,717
Equity			
Capital and reserves attributable to the Company's equity holders			
Called-up share capital	16	104	104
Share premium	17	545,950	545,950
Other reserves	18	232,759	230,539
Retained earnings	19	324,721	154,050
Total equity		1,103,534	930,643
Liabilities			
Non-current liabilities			
Bank loans	20	46,180	74,757
Lease liabilities	12	1,540	971
Provisions	21	19,746	38,999
		67,466	114,727
Current liabilities			
Bank loans	20	32,398	73,342
Lease liabilities	12	245	1,207
Trade and other payables	22	35,293	32,768
Current tax liabilities	23	8,893	4,808
Provisions	21	998	3,222
		77,827	115,347
Total liabilities		145,293	230,074
Total equity and liabilities		1,248,827	1,160,717

The accompanying notes form part of these financial statements.

On behalf of the Board:

M. CARVILL
DIRECTOR

6 April 2023

T. HICKEY
DIRECTOR

6 April 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Called-Up Share Capital $'000	Share Premium $'000	Other Reserves* $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2021	120	545,950	231,350	123,083	900,503
Total comprehensive income for the year					
Profit for the financial year	–	–	–	128,526	128,526
Total comprehensive income for the year	–	–	–	128,526	128,526
Transactions with owners of the Company					
Recognition of share-based payment expense (Note 6)	–	–	3,420	–	3,420
Exercise of share-based payment awards	–	–	(2,283)	–	(2,283)
Unvested and expired share-based payments (Note 6)	–	–	(1,964)	1,964	–
Tender offer share buyback (Note 16)	(16)	–	81,605	(81,589)	–
Tender offer share buyback transaction costs (Note 16)	–	–	–	(1,540)	(1,540)
Cancellation of treasury shares	–	–	(81,589)	–	(81,589)
Dividends paid (Note 19)	–	–	–	(16,394)	(16,394)
Total contributions and distributions	(16)	–	(811)	(97,559)	(98,386)
Balance at 1 January 2022	**104**	**545,950**	**230,539**	**154,050**	**930,643**
Total comprehensive income for the year					
Profit for the financial year	–	–	–	206,034	206,034
Total comprehensive income for the year	–	–	–	206,034	206,034
Transactions with owners of the Company					
Recognition of share-based payment expense (Note 6)	–	–	5,601	–	5,601
Exercise of share-based payment awards	–	–	(3,363)	–	(3,363)
Shares acquired by the Kenmare Employee Benefit Trust (Note 16)	–	–	(1,797)	–	(1,797)
Shares distributed by the Kenmare Employee Benefit Trust (Note 18)	–	–	1,779	–	1,779
Odd-lot Offer share buyback (Note 18)	–	–	515	(515)	–
Odd-lot Offer share buyback transaction costs (Note 16)	–	–	–	(122)	(122)
Cancellation of treasury shares	–	–	(515)	–	(515)
Dividends paid (Note 19)	–	–	–	(34,726)	(34,726)
Total contributions and distributions	–	–	2,220	(35,363)	(33,143)
Balance at 31 December 2022	**104**	**545,950**	**232,759**	**324,721**	**1,103,534**

*An analysis of other reserves is provided in Note 18.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Cash flows from operating activities			
Profit for the financial year after tax		206,034	128,526
Adjustment for:			
Foreign exchange movement included in operating costs		1,123	1,872
Expected credit losses	24	1,110	225
Share-based payments		5,601	3,420
Finance income	8	(1,147)	(265)
Finance costs	8	12,472	14,078
Income tax expense	9	16,073	8,770
Depreciation	11, 12	64,596	63,136
		305,862	219,762
Change in:			
Provisions		(2,141)	2,372
Inventories		(23,952)	3,451
Trade and other receivables		(47,627)	(45,057)
Trade and other payables		(1,680)	(15,681)
Exercise of share-based payment awards		(1,566)	(2,283)
Cash generated from operating activities		228,896	162,564
Income tax paid		(10,461)	(6,284)
Interest received		657	265
Interest paid	20	(6,921)	(7,147)
Factoring and other trade facility fees	8	(2,218)	(1,431)
Debt commitment fees paid	8	(534)	(161)
Net cash from operating activities		209,419	147,806
Investing activities			
Additions to property, plant and equipment	11	(59,867)	(60,342)
Net cash used in investing activities		(59,867)	(60,342)
Financing activities			
Dividends paid	19	(34,726)	(16,394)
Odd-lot Offer share buyback	16	(515)	–
Odd-lot Offer share buyback transaction costs	16	(122)	–
Tender offer share buyback	16	–	(81,589)
Tender offer share buyback transaction costs	16	–	(1,540)
Market purchase of equity under Kenmare Restricted Share Plan	18	(1,797)	–
Drawdown of debt	20	20,000	20,000
Repayment of debt	20	(91,429)	(20,000)
Payment of lease liabilities		(1,142)	(1,449)
Net cash used in financing activities		(109,731)	(100,972)
Net increase/(decrease) in cash and cash equivalents		39,821	(13,508)
Cash and cash equivalents at the beginning of the financial year		69,057	87,244
Effect of exchange rate changes on cash and cash equivalents		(607)	(4,679)
Cash and cash equivalents at the end of the financial year	15	108,271	69,057

1. Statement of accounting policies

Kenmare Resources plc (the "Company") is domiciled in the Republic of Ireland. The Company's registered address is Styne House, Hatch Street Upper, Dublin 2. The Company has a premium listing on the Main Market of the London Stock Exchange and a secondary listing on Euronext Dublin. These consolidated financial statements comprise the Company and its subsidiaries (the "Group"). The principal activity of the Group is the operation and further development of the Moma Titanium Minerals Mine in Mozambique.

The significant accounting policies adopted by the Group are set out below.

Adoption of new and revised standards

Standards adopted in the current financial year

The following new and revised standards, all of which are effective for accounting periods beginning on or after 1 January 2022, have been adopted in the current financial year.

- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3

None of the new and revised standards and interpretations listed above have a material effect on the Group's financial statements.

Standards to be adopted in future accounting periods

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective. The Group will apply the relevant standards from their effective dates. The standards are mandatory for future accounting periods but are not yet effective and have not been early-adopted by the Group.

- Classification of Liabilities as Current or Non-current – Amendment to IAS 1 effective 1 January 2024
- IFRS 17 Insurance Contracts and Amendments to IFRS 17 effective 1 January 2023
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 effective 1 January 2023
- Definition of Accounting Estimate – Amendments to IAS 8 effective 1 January 2023
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 effective 1 January 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
- Lease Liability in a Sale and Leaseback – (Amendments to IFRS 16) effective 1 January 2024

The Directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Group in future periods.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFR Interpretations Committee (IFRIC) as adopted by the EU and those parts of the Companies Act 2014 applicable to companies reporting under IFRS and Article 4 of the IAS Regulation.

The 2021 income statement has been restated in order to reclassify freight costs and distribution costs from other operating costs to cost of sales. In addition, foreign exchange losses have been reclassified to other operating costs and are no longer presented separately on the face of the income statement. Management feel these presentational changes more appropriately reflect the nature of each category of expense. Further details can be found in Note 4.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have or will have adequate resources to continue in operational existence for the foreseeable future. Based on the Group's cash flow forecast, liquidity, solvency position and available finance facilities, the Directors have a reasonable expectation that the Group has adequate resources for the foreseeable future and, therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Group forecast has been prepared by management with best estimates of production, pricing and cost assumptions over the period. Key assumptions upon which the Group forecast is based include a Mine plan covering production using the Namalope, Nataka, Pilivili and Mualadi reserves and resources as set out in the unaudited mineral reserves and resources table on page 42. Specific resource material is included only where there is a high degree of confidence in its economic extraction. Production levels for the purpose of the forecast are approximately 1.2 million tonnes per annum of ilmenite plus co-products, zircon, concentrates and rutile, over the next 12 months. Assumptions for product sales prices are based on contract prices as stipulated in marketing agreements with customers or, where contract prices are based on market prices or production is not presently contracted, prices are forecast taking into account independent titanium mineral sands expertise and management expectations. Operating costs are based on approved budget costs for 2023, taking into account the current running costs of the Mine and escalated by 2% per annum thereafter. Capital costs are based on the capital plans and include escalation at 2% per annum. The 2023 operating costs and forecast capital costs take into account the current inflationary environment. The 2% inflation rate used from 2024 to escalate these costs over the life of mine is an estimated long-term inflation rate.

Sensitivity analysis is applied to the assumptions above to test the robustness of the cash flow forecasts for changes in market prices, shipments and operating and capital cost assumptions. Changes in these assumptions affect the level of sales and profitability of the Group and the amount of capital required to deliver the projected production levels. As a result of this assessment, the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the 12 month period from the date of authorisation of these financial statements.

Basis of accounting

The financial statements are presented in US Dollars rounded to the nearest thousand. They have been prepared under the historical cost convention except for certain trade receivables and share-based payments, which are recorded at fair value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, its subsidiaries and its subsidiaries' branches. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets, less liabilities of the subsidiary. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets and liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the costs on initial recognition of an investment in an associate or a joint venture.

Determination of ore reserve estimates

The Group estimates its ore reserves and mineral resources based on information compiled by a Competent Person as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition (the "JORC Code"). Ore reserves and mineral resources determined in this way are used in the calculation of depreciation, amortisation and impairment charges, the assessment of life of mine and for forecasting the timing of the payment of close-down costs, restoration costs and clean-up costs. In assessing the life of a mine for accounting purposes, mineral resources are taken into account only where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating ore reserves and mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of final products, production costs or recovery rates may change the economic status of ore reserves and mineral resources and may ultimately result in the reserves being revised.

1. Statement of accounting policies CONTINUED

Accounting for climate change

Management have considered the impact of climate change on amounts reported within the financial statements, including the potential financial impact of the physical and transitional risks identified in the Strategic Climate Report in accordance with the recommendations of the Taskforce on Climate-related Financial Disclosures. Considerations in respect of climate-related matters have been made on a number of key estimates and judgements including:

- The estimate of future cash flows used in determining the recoverable amount of the Moma Titanium Minerals Mine cash-generating unit;
- The Mine closure provision and Mine rehabilitation provision; and
- The useful lives of property, plant and equipment.

Whilst the Group has set ambitions to be net zero by 2040, the financial impact is still being assessed as the Group considers how it will work towards meeting this target. As such, the estimate of future cash flows used in determining the recoverable amount of the Moma Titanium Minerals Mine cash-generating unit does not consider the expenditure (or any related savings) associated with the company's ambition to become net zero nor the financial impact of the climate risks disclosed within the Group's TCFD reporting as a reliable estimate thereof cannot currently be made.

The Group considered whether its climate ambitions required changes to the useful lives of existing assets. No adjustments to useful lives were made during the period as a direct result of the impact of the Group's climate ambition to become net zero as the Group's transition plan is still under development. Should pathways for eliminating fossil fuel power generating assets be identified, depending on technological development within the industry, which is highly uncertain, the Group's property, plant and equipment profile may change and accelerated depreciation of assets may be required in the future. However, at this present time the requirement for fossil fuel-powered assets means that early retirement of existing assets is not expected.

The Group estimates the Mine closure and rehabilitation provision based on current restoration standards, techniques and climate conditions. Closure plans and cost estimates are supported by detailed studies which are provided by external estimates. Detailed closure cost studies are refreshed at least every five years and these studies are evolving to incorporate greater consideration of forecast climate conditions at closure.

Management continues to monitor future uncertainty around climate change risks and is continually developing the Group's assessment of the impact that climate change has on the amounts recognised in the financial statements. It is, therefore, likely that the future carrying amounts of assets or liabilities may change as the Group's judgements and estimates evolve as the Group responds to its climate change ambitions.

Revenue recognition

Revenue represents the value of goods and services supplied to third parties during the year. Revenue is measured at the fair value of consideration received or receivable and excludes any discounts and applicable sales tax. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to a customer.

The Group has a mixture of long-term contracts and spot contracts with customers for the sale of mineral products ilmenite, zircon, concentrates and rutile. Sales contracts are evaluated to determine the performance obligations, the transaction price and the point at which there is transfer of control. Sales are made on either a "free on board" (FOB), "cost, insurance and freight" (CIF), or a "cost and freight" (CFR) basis. Control of mineral products passes from the Group to customers on delivery and delivery is deemed to take place when the product is loaded on the ocean-going vessel chartered by either the customer or the Group. The transactional price is the amount of consideration due in exchange for transferring the promised goods or services to the customer and is allocated against the performance obligations and recognised in accordance with whether control is recognised over a defined period or at a specific point in time.

The customer is responsible for the cost of shipping and handling for all FOB Incoterms. The Group is responsible for shipping the product to a destination port specified by the customer for all CIF and CFR Incoterms. The Group has determined that the shipping service represents a separate performance obligation, and revenue in relation to such services is deferred and recognised separately from the sale of the material over time as the shipping service is provided. Shipment revenue is recognised at the contracted price to the Group. All shipping and handling costs incurred by the Group are recognised as a cost of sale.

Finance income

Finance income represents deposit interest earned. Deposit interest is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Finance costs

Finance costs consist of interest on bank borrowings, interest on lease liabilities, trade receivable facilities fees, debt commitment fees and the unwinding of the Mine closure provision. The accounting policies applicable for these finance costs are set out in borrowing costs, leases, financial assets and provisions. Debt commitment fees for undrawn facilities are recognised in the period to which they relate.

Employee benefits

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay as a result of past services provided by the employee and the obligation can be reliably estimated.

DEFINED CONTRIBUTION PLANS

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Share-based payments

The Group grants equity settled share-based payments to certain employees as part of their remuneration. The grant date fair value of equity settled share-based payment arrangements is recognised as an expense with a corresponding increase in equity on a straight-line basis over the vesting period.

The fair value of the award is deemed to be the nominal share price at grant date. Where an award has a $nil strike price, the Company has determined that the risk-free rate and market volatility rate has a negligible impact on fair value. No adjustment is made to fair value for expected dividends throughout the vesting period as the award holder is entitled to receive dividend equivalents at the end of the vesting period.

Fair value incorporates the effect of market-based conditions where applicable. Non-market based vesting conditions are only taken into account when assessing the number of awards expected to vest such that the cumulate expense recognised equates to the number of awards that actually vest.

A modification to an award which reduces the number of equity instruments granted is accounted for as a cancellation. The cancellation of awards is accounted for as an acceleration of the vesting period and therefore any amount unrecognised that would otherwise have been charged are recognised immediately in profit & loss.

Where a shared understanding of the award is deemed not to exist and employees are rendering services for the award beginning on a date earlier than the grant date, the Group estimates the cost of such awards from the date of communication to the vesting date. The Group adjusts the fair value estimate of such awards to the grant date when a shared understanding is obtained.

The dilutive effect of outstanding options, to the extent that they are to be settled by the issue of new shares and to the extent that the vesting conditions would have been satisfied if the end of the reporting period was the end of the contingency period, is reflected as additional share dilution in the determination of diluted earnings per share.

Foreign currency

The individual financial statements of each Group entity are prepared in their functional currency, which in each case is US Dollars. The presentation currency for the consolidated financial statements is also US Dollars.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at rates prevailing on such reporting date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of comprehensive income for the financial year in foreign exchange gain/loss and are not part of the operating profit or loss.

Borrowing costs

All borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time as the assets are substantially ready for their intended use.

Taxation

The tax expense represents the sum of the current tax and deferred tax.

Current tax payable is based on the best estimate of the tax amount expected to be paid and reflects uncertainty related to income taxes, if any. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other financial years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

1. Statement of accounting policies CONTINUED

Deferred tax liabilities are not recognised for taxable temporary differences arising on investments in subsidiary undertakings, if the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is released and reflects uncertainty related to income taxes, if any. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and tax liabilities on a net basis.

Property, plant and equipment

The cost of property, plant and equipment comprises any costs directly attributable to bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated closure costs associated with the asset. This includes the cost of moving plant and associated infrastructure to the orebodies under the Group's mining concessions which form part of the Group's life of Mine plan.

Construction in progress expenditures for the construction and commissioning of property, plant and equipment are deferred until the facilities are operational, at which point the costs are transferred to property, plant and equipment and depreciated at the applicable rates.

When an asset is subject to regular major inspections or overhauls, a component approach to depreciation is applied and the cost of a maintenance event is capitalised and depreciated over the time to the next occurrence. Other subsequent expenditure on an item of property, plant and equipment is capitalised as part of the cost of an asset only when it increases the future economic benefits associated with the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Property, plant and equipment are depreciated over their useful life on a straight-line basis, or over the remaining life of the Mine if shorter, or on a units of production basis. The major categories of property, plant and equipment are depreciated as follows:

Plant and equipment	Unit of production basis
Development expenditure	Unit of production basis
Other assets	
Vessels	Five to twenty-five years
Buildings and airstrip	Twenty years
Mobile equipment	Three to five years
Fixtures and equipment	Three to ten years

Units of production depreciation is calculated using the quantity of heavy mineral concentrate extracted from the Mine for processing in the period as a percentage of the total quantity of heavy mineral concentrate planned to be extracted in current and future periods based on the mining reserve. The mining reserve is updated on an annual basis for results of drilling programmes carried out, mining activity during the year, and other relevant considerations. The unit of production depreciation rate is adjusted as a result of this update and applied prospectively.

Capital spares consist of critical plant spares with estimated useful lives greater than one year and are included in property, plant and equipment. Capital spares are stated at cost.

Residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Changes to the estimated residual values or useful lives are accounted for prospectively.

Development expenditure

Project development costs include expenditure on the development of an orebody including pre-feasibility and feasibility studies on mining the orebody, the transport of mining plants to the orebody, additional infrastructure required to mine the orebody and community resettlement costs.

Project development costs include finance costs and lender and advisor fees incurred during the period before such mine is capable of operating at production levels in the manner intended by management are deferred and included in property, plant and equipment. In addition, expenses including depreciation net of revenue earned during commissioning of the Mine in the period before it is capable of operating in the manner intended by management are deferred. These costs include an allocation of costs, including share-based payments, as determined by management and incurred by Group companies. Interest on borrowings relating to the Mine construction and development projects are capitalised until the point when the activities that enable the Mine to operate in its intended manner are complete. Once the Mine is operating in the manner intended by management, the related costs are depreciated off over the life of the estimated ore reserve of such mine on a unit of production basis, or over its useful life if shorter. Where the Mine project is terminated or impairment of value has occurred, related costs are written off immediately.

Exploration and evaluation expenditure

Exploration and evaluation expenditure activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation expenditure is charged to the statement of comprehensive income as incurred, except where the existence of a commercially viable mineral deposit has been established and it is expected that the deposit will be mined. Capitalised exploration and evaluation expenditure considered to be tangible is recognised as a component of property, plant and equipment at cost less impairment charges. Until such time as an asset is available for use, it is not depreciated. All capitalised exploration and evaluation expenditure is monitored for indications of impairment as part of development expenditure. To the extent that capitalised expenditure is not expected to be recovered, it is charged to the statement of comprehensive income.

Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost (being the present value of the lease liabilities), and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Right-of-use assets are depreciated over their lease term.

The lease liability is initially measured at the present value of the future lease payments, discounted using the Group's incremental borrowing rate. The Group has applied judgement to determine the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases including heavy mobile equipment rental at the Mine. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment of non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As the fair value for the Mine is difficult to determine, the Group uses its value in use in estimating the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised as income immediately.

1. Statement of accounting policies CONTINUED

Inventories

Product inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and overheads, including depreciation, incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs necessary to make the sale. Quantities are assessed primarily through surveys and assays.

Consumable spares are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises the purchase price and related costs incurred in bringing the inventories to their present location and condition. Consumable spares identified as obsolete are recognised as an expense immediately.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The financial assets of the Group consist of cash and cash equivalents and trade and other receivables.

Classification of financial assets

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Cash and cash equivalents are initially measured at fair value and are subsequently measured at amortised cost. They are held by the Group to collect deposit interest and to meet the liquidity requirements of the Group.

The Group has a trade finance facility for three of the Group's customers. In accordance with this facility, the bank purchases 80% of the receivable without recourse and therefore assumes the credit risk. Derecognition of the trade receivables occurs when the customer's invoices is factored and the Group receives cash from the bank.

The Group also has a trade facility for customers to which it sells to under letter of credit terms. Under this facility, the bank confirms the letter of credit from the issuing bank and therefore assumes the credit risk. The bank can also discount these letters of credit thereby providing early payment of receivables to the Group. Derecognition of the trade receivables occurs when the customer's invoices are discounted and the Group receives cash from the bank.

These facilities assist the Group in managing its liquidity for funding of operations. Trade receivables which are not factored are initially measured at fair value and subsequently measured at amortised cost as they are held by the Group in order to collect receipts under the credit terms of the sales contracts i.e. solely payment of principal and interest (SPPI). Trade receivables which are factored or letters of credit which are always confirmed and discounted are initially measured at fair value and subsequently measured at fair value through profit or loss (FVTPL). Trade receivables or letters of credit where it is not known at initial recognition if they will be factored or confirmed and discounted as the case may be are classified as fair value through other comprehensive income (FVOCI). This is because their cash flows are generated through a combination of collection and sales (by factoring or confirming and discounting letters of credit).

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. Interest income is recognised in profit or loss and is included in the "finance income" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables that are not measured at fair value through profit or loss. The Group applies the simplified approach permitted by IFRS 9 Financial Instruments to measure expected credit losses for financial assets which requires expected lifetime losses to be recognised from initial recognition of the receivable. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the trade receivable.

When determining whether the credit risk of a trade receivable has increased the Group considers credit risk ratings where available, the Group's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast conditions at the reporting date. Sales to certain customers are undertaken on a letter of credit basis thereby reducing the credit risk of these customers.

The Group considers a trade receivable to be in default when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed in liquidation or has entered into bankruptcy proceedings. The Group considers a trade receivable to be credit impaired when there is evidence that the customer is in significant financial difficulty and the debt is more than 90 days past due.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the "foreign exchange gains and losses" line.

Financial liabilities and equity

The financial liabilities of the Group consist of bank borrowings, leases and trade payables. The equity of the Group consists of share capital issued by the Company and own shares.

Classification of issued debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Issued equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. The only equity instrument of the Company is ordinary shares.

Own Shares

Ordinary shares acquired by the Company or purchased on behalf of the Company by the Kenmare Employee Benefit Trust are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

The financial liabilities of the Group are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in profit or loss.

1. Statement of accounting policies CONTINUED

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

When the Group exchanges with an existing lender one debt instrument for another with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between the carrying amount of the liability before the modification and the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as "IBOR reform"). The Group has exposure to IBORs on its financial instruments that will be reformed as part of these market-wide initiatives. The Group's main IBOR exposure at the reporting date is US LIBOR, which is administered by ICE Benchmark Administration (IBA). The alternative reference rate for US LIBOR is the US Secured Overnight Financing Rate (SOFR).

On 5 March 2021, IBA stated that it will cease the publication of (i) the overnight and one, three, six and twelve months USD LIBOR settings immediately following the LIBOR publication on Friday 30 June 2023, and (ii) all other LIBOR settings, including the one week and two months USD LIBOR settings, immediately following the LIBOR publication on Friday 31 December 2021. The Group plans to modify contractual terms for purposes of migrating from USD LIBOR to SOFR prior to the discontinuance of the administration and publication of the relevant LIBOR rates by IBA.

Derivative financial instruments

The Group has not entered into any derivative financial instruments during the financial year.

Dividends

Dividends are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are recognised when the Group has a possible obligation and the existence of which will only be confirmed by uncertain future events that are not wholly within the control of the Group.

Mine closure provision

The Mine closure provision represents the Directors' best estimate of the Group's liability for close-down, dismantling and restoration of the mining and processing site, excluding reclamation of areas disturbed by mining activities, which is covered under the Mine rehabilitation provision. A corresponding amount equal to the provision is recognised as part of property, plant and equipment and depreciated over its estimated useful life. The costs are estimated on the basis of a formal closure plan and are subject to regular review. The Mine closure provision is determined as the net present value of such estimated costs discounted at a risk-free rate. The Group uses long-term rates as provided by the US Treasury extrapolated to the duration of the Mine life. This is deemed the best estimate to reflect the current market assessment of the time value of money on a risk-free basis. Risks specific to the liability are included in the cost estimate. Changes in the expected costs or estimated timing of costs are recorded by an adjustment to the provision and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the Mine closure provision is recognised as a finance cost.

Mine rehabilitation provision

The Mine rehabilitation provision represents the Directors' best estimate of the liability for reclaiming areas disturbed by mining activities. Reclamation costs are recognised in each period in the statement of comprehensive income based on the area disturbed in such period.

Segmental reporting

Information on the operations of the Moma Titanium Minerals Mine in Mozambique is reported by the Executive Committee to the Group's Board for the purposes of resource allocation and assessment of segment performance. The principal categories for disaggregating revenue are by product type and by country of the customer's location. The product types are ilmenite, zircon, rutile and concentrates. Concentrates includes secondary zircon and mineral sands concentrates.

Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Property, plant and equipment

The recovery of property, plant and equipment is dependent upon the successful operation of the Mine. The realisation of cash flow forecast assumptions would result in the recovery of such amounts. During the financial year, the Group carried out an impairment review of property, plant and equipment. In performing the impairment review, a significant level of judgement is required in determining the key assumptions which have a significant impact on the impairment model. The assumptions are set out in Note 11. As a result of the review, no impairment provision is required in the financial year.

Consolidation of Structured Entities

The Group has established the Kenmare Employee Benefit Trust which facilitates the operation of the Kenmare Restricted Share Plan (KRSP). Whilst the Group does not hold any of the equity of the trust, the Directors have concluded that the Group controls its activities and therefore the financial statements of the trust are included in the Group's Consolidated Financial Statements.

Key sources of estimation uncertainty

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date. The nature of estimation means the actual outcomes could differ from those estimates. The main areas subject to estimation uncertainty are detailed below.

Provisions

MINE CLOSURE AND MINE REHABILITATION PROVISION

The Mine closure provision represents the Directors' best estimate of the Group's liability for close-down, dismantling and restoration of the mining and processing site, excluding reclamation of areas disturbed by mining activities, which is covered under the Mine rehabilitation provision. The costs are estimated on the basis of a formal closure plan and are subject to regular review. The Mine closure provision is estimated based on the net present value at the risk-free rate of estimated future Mine closure costs. Mine closure costs are a normal consequence of mining, and the majority of such costs are incurred at the end of the life of mine.

The Mine rehabilitation provision represents the Directors' best estimate of the Group's liability for reclaiming areas disturbed by mining activities. Reclamation costs are recognised in each period based on the area disturbed in the period and an estimated cost of rehabilitation per hectare, which is reviewed regularly against actual rehabilitation cost per hectare. Actual rehabilitation expenditure is incurred approximately 12 months after the area has been disturbed.

There is significant estimation uncertainty in the calculation of the Mine closure and Mine rehabilitation provision and cost estimates can vary in response to many factors including:

- Changes to the relevant legal or local/national government requirements and any other commitments made to stakeholders;
- Additional remediation requirements identified during the rehabilitation;
- The emergence of new restoration techniques;
- Change in the expected closure date;
- Change in the discount rate; and
- The effects of inflation.

The quantitative inputs and sensitivity information relating to the Mine closure and Mine rehabilitation provision are detailed in Note 21.

1. Statement of accounting policies CONTINUED

Units of production depreciation

Units of production depreciation is calculated using the quantity of heavy mineral concentrates extracted from the Mine for processing in the period as a percentage of the total quantity of heavy mineral concentrates planned to be extracted in current and future periods based on the mining reserve as detailed in the unaudited mineral reserves and resources table on page 42.

The Group estimates its ore reserves and mineral resources based on information compiled by a Competent Person as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition. There are numerous uncertainties inherent in estimating ore reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of final products, production costs or recovery rates may change the economic status of reserves and may ultimately result in the reserves being revised.

2. Revenue

	2022 $'000	2021 $'000
Revenue from contracts with customers		
Revenue derived from the sale of mineral products	498,339	420,550
Revenue derived from freight services	27,649	35,394
Total Revenue	525,988	455,944

Revenue by product

The principal categories for disaggregating mineral products revenue are by product type and by country of the customer's location. The product types are ilmenite, zircon, rutile and concentrates. Concentrates includes secondary zircon and mineral sands concentrates.

During the financial year, the Group sold 1,075,600 tonnes (2021: 1,285,300 tonnes) of finished products to customers at a sales value of $498.3 million (2021: $420.6 million). The Group earned revenue derived from freight services of $27.6 million (2021: $35.4 million).

	2022 $'000	2021 $'000
Revenue derived from sales of mineral products by primary product		
Ilmenite	347,446	334,714
Primary zircon	99,152	62,727
Concentrates	33,057	19,554
Rutile	18,684	3,555
Total revenue from mineral products	498,339	420,550
Revenue derived from freight services	27,649	35,394
Total Revenue	525,988	455,944

Revenue by destination

In the following table, revenue is disaggregated by primary geographical market. The Group allocates revenue from external customers to individual countries and discloses revenues in each country where revenues represent 10% or more of the Group's total revenue. Where total disclosed revenue disaggregated by country constitutes less than 75% of total Group revenue, additional disclosures are made on a regional basis until at least 75% of the Group's disaggregated revenue is disclosed. There were no individual countries within Europe, Asia (excluding China) or the Rest of the World with revenues representing 10% or more of the Group's total revenue during the year.

	2022 $'000	2021 $'000
Revenue derived from sales of mineral product by destination		
China	154,704	192,635
Europe	130,440	77,891
Asia (excluding China)	108,487	74,583
USA	51,600	44,312
Rest of the World	53,108	31,129
Total revenue from mineral products	498,339	420,550
Revenue derived from freight	27,649	35,394
Total Revenue	525,988	455,944

Revenue by major customers

The Group evaluates the concentration of mineral product revenue by major customer. The following table disaggregates mineral product revenue from the Group's four largest customers.

	2022 $'000	2021 $'000
Revenue derived from sale of mineral product by major customers		
Largest customer	74,671	65,500
Second largest customer	62,791	62,285
Third largest customer	58,413	50,642
Fourth largest customer	41,015	42,029
Total	236,890	220,456

All Group revenues from external customers are generated by the Moma Titanium Minerals Mine in Mozambique. Further details on this operating segment can be found in Note 3. Sales to and from Ireland were $nil (2021: $nil) in the year.

3. Segment reporting $'000

Information on the operations of the Moma Titanium Minerals Mine in Mozambique is reported to the Group's Board for the purposes of resource allocation and assessment of segment performance. Information regarding the Group's operating segment is reported below:

	2022			2021 Restated		
	Corporate	Mozambique	Total	Corporate	Mozambique	Total
Revenue & Results						
Revenue*	–	525,988	525,988	–	455,944	455,944
Cost of sales	–	(282,694)	(282,694)	–	(295,010)	(295,010)
Gross profit	–	243,294	243,294	–	160,934	160,934
Administrative expenses	(7,848)	(2,014)	(9,862)	(7,700)	(2,125)	(9,825)
Segment operating profit	(7,848)	241,280	233,432	(7,700)	158,809	151,109
Finance income	23	1,124	1,147	47	218	265
Finance expenses	(83)	(12,389)	(12,472)	(98)	(13,980)	(14,078)
Profit before tax	(7,908)	230,015	222,107	(7,751)	145,047	137,296
Income tax expense	(1,601)	(14,472)	(16,073)	(3,083)	(5,687)	(8,770)
Profit for the financial year	(9,509)	215,543	206,034	(10,834)	139,360	128,526
Segment Assets & Liabilities						
Segment Assets	12,583	1,236,244	1,248,827	6,798	1,153,919	1,160,717
Segment Liabilities	4,722	140,571	145,293	4,221	225,853	230,074
Additions to non-current assets						
Segment Additions to non-current assets	–	59,867	59,867	–	60,342	60,342

* Revenue excludes inter-segment revenue of $24.2m earned by the corporate segment relating to marketing and management services fee income. Inter-segment revenue is not regularly reviewed by the Chief Operating Decision Maker.

Corporate assets consist of the Company's property, plant and equipment including right-of-use assets, cash and cash equivalents and prepayments at the reporting date. Corporate liabilities consist of trade and other payables at the reporting date.

4. Cost and income analysis

	2022 $'000	Restated 2021 $'000
Expenses by function		
Cost of sales	**282,694**	295,010
Administrative expenses	**9,862**	9,825
Total	**292,556**	304,835

Expenses by nature can be analysed as follows:

	2022 $'000	Restated 2021 $'000
Expenses by nature		
Staff costs	**55,907**	46,712
Repairs and maintenance	**43,151**	43,208
Power and fuel	**43,960**	30,400
Freight	**27,649**	35,394
Distribution costs	**5,699**	5,215
Other production and operating costs	**72,099**	69,552
Movement of mineral products inventory	**(21,628)**	9,346
Depreciation of property, plant and equipment and right-of-use assets	**64,596**	63,136
Foreign exchange loss	**1,123**	1,872
Total	**292,556**	304,835

Mineral products consist of finished products and heavy mineral concentrate as detailed in Note 13. Mineral stock movement in the year was an increase of $21.6 million (2021: $9.3 million decrease). Distribution costs of $5.7 million (2021: $5.2 million) represent the cost of running the Mine's finished product storage, jetty and marine fleet. Freight costs of $27.6 million (2021: $35.4 million) arise from sales to customers on a CIF or CFR basis. There were no exceptional items within operating profit in 2022 (2021 restated: $nil).

The 2021 income statement has been restated in order to reclassify freight costs and distribution costs from other operating costs to cost of sales. In addition, foreign exchange gains and losses have been reclassified to administrative costs and are no longer presented separately on the face of the income statement. Management feel these presentational changes more appropriately reflect the nature of each category of expense.

	As previously reported	Adjustment	As restated $'000
Revenue	455,944	–	455,944
Cost of sales	(244,986)	(50,024)	(295,010)
Other Operating Costs/Administration Expenses	(57,977)	48,152	(9,825)
Net Finance costs	(11,788)	(2,025)	(13,813)
Foreign exchange	(3,897)	3,897	–
Taxation	(8,770)	–	(8,770)
Profit for the financial year and total comprehensive income for the financial year	128,526	–	128,526

5. Employee benefits

The aggregate payroll costs incurred in respect of employees comprised:

	2022 $'000	2021 $'000
Wages and salaries	46,836	40,092
Share-based payments	5,601	3,420
Social insurance costs	2,764	2,597
Retirement benefit costs	706	603
	55,907	46,712

Included in the payroll cost above are Executive and Non-Executive Director emoluments (inclusive of share-based payments) of $4.1 million (2021: $3.5 million).

The Company contributes to a Company pension plan or individual pension schemes on behalf of certain employees. Contributions to the scheme of $0.7 million (2021: $0.6 million) were charged in the period in which they are payable to the scheme.

The average number of persons employed by the Group (including Executive Directors) in 2022 was 1,662 (2021: 1,551) and is analysed below:

	2022 Headcount	2021 Headcount
Management and administration	347	331
Operations	1,315	1,220
	1,662	1,551

6. Share-based payments

Share-based payment expense recognised in the consolidated income statement:

	2022 $'000	2021 $'000
Expense arising from the Kenmare Restricted Share Plan	5,601	3,420

The Group, under its incentive plan known as the Kenmare Restricted Share Plan (KRSP), grants equity-settled share-based payments to employees as part of their remuneration.

In the case of the Executive Directors KRSP awards made prior to 2020 vest, subject to continued employment, 60% on the third anniversary of grant date, 20% on fourth anniversary, and 20% on fifth anniversary.

The Executive Director awards granted from 2020 onwards vest, subject to continued employment and to the Remuneration Committee's assessment against a discretionary underpin, on the third anniversary of grant date. The vested KRSP awards are subject to a two-year holding period which may extend beyond an Executive Director's cessation of employment in accordance with the post-employment holding requirements of the 2020 remuneration policy.

The discretionary underpin contains five core elements which the Remuneration Committee will consider including operational performance, share price performance, ESG performance, major strategic or project decisions, and the long-term strategic vision for the Company. The committee has not set fixed, quantitative underpins in respect of these factors. As such, these elements including share price performance are considered non-market performance conditions and accordingly are not reflected in the grant date fair value. The grant date of awards containing a discretionary underpin is deemed to occur when a shared understanding of the award is obtained by all parties and this generally occurs upon the Remuneration Committee's assessment of the Group's performance in the year of vesting.

In addition, in the case of Executive Directors, where the annual bonus achieved exceeds 50% of base salary, Executive Directors are granted restricted shares under the KRSP in respect of the excess outcome above this level. Such restricted shares would not be subject to forfeiture or the discretionary underpin.

6. Share-based payments CONTINUED

For other Group employees, awards under the KRSP vest, subject to continued employment, on the third anniversary of award.

	Number of shares 2022	Number of shares 2021
Awards outstanding at the beginning of the financial year	**2,284,429**	2,040,151
Awards issued during the financial year	**927,832**	692,879
Awards exercised during the financial year	**(540,973)**	(418,997)
Awards forfeited during the financial year	**(31,530)**	–
Awards cancelled during the financial year	**(77,555)**	–
Awards lapsed during the financial year	**–**	(29,604)
Awards outstanding at the end of the financial year	**2,562,203**	2,284,429
Awards exercisable at the end of the financial year	**22,588**	56,980

In 2022, awards in respect of 724,626 shares were granted to employees under the 2022 KRSP award. The estimated fair value of the shares awarded is $4.1 million. During the year 203,206 shares were granted in the form of dividend equivalents. The fair value is determined using the share price on the date of the award.

In 2022, awards in respect of 540,973 shares were exercised under the KRSP award. 295,443 awards (2021: Nil) were exercised in equity through shares held by the Kenmare Employee Benefit Trust as described in Note 18. 245,443 awards were settled in cash resulting in a cash outflow of $1.6 million (2021: $2.3 million).

7. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2022 $'000	2021 $'000
Audit fees		
Audit of the Company's financial statements	**18**	15
Audit of the Company's subsidiary undertakings	**162**	151
Total audit fee	**180**	166
Non-audit fees		
Other assurance services	**76**	61
Taxation compliance services	**10**	15
Other non-audit services	**11**	16
Total non-audit fees	**97**	92
Total fees	**277**	258

$116,300 (2021: $94,500) of the total fee was paid to KPMG Dublin and $160,900 (2021: $163,500) of the total fee was paid to KPMG Maputo.

8. Net Finance costs

	2022 $'000	Restated 2021 $'000
Finance costs		
Interest on bank borrowings	(8,829)	(9,475)
Interest on lease liabilities	(147)	(239)
Factoring and other trade facility fees	(2,218)	(1,431)
Commitment and other fees	(534)	(161)
Unwinding of discount on Mine closure provision	(744)	(747)
Foreign exchange loss	–	(2,025)
Total Finance Costs	(12,472)	(14,078)
Interest earned on bank deposits	657	265
Foreign exchange gain	490	–
Total Finance Income	1,147	265
Net finance costs recognised in profit or loss	(11,325)	(13,813)

All interest has been expensed in the financial year. The Group has classified factoring and other trade facility fees in net cash from operating activities in the Consolidated Statement of Cashflows.

9. Income tax expense

	2022 $'000	2021 $'000
Corporation tax	16,073	8,770
Deferred tax	–	–
Total	16,073	8,770
Reconciliation of effective tax rate		
Profit before tax	222,107	137,296
Profit before tax multiplied by the applicable tax rate (12.5%)	27,763	17,162
Under provision in respect of prior years	546	–
Non-taxable income	(18,120)	(10,826)
Non-deductible expenses	483	331
Differences in effective tax rates on overseas earnings	5,401	2,103
Total	16,073	8,770

During the year, Kenmare Moma Mining (Mauritius) Limited Mozambique Branch had taxable profits of $39.9 million (2021: $16.2 million), resulting in an income tax expense of $14.5 million (2021: $5.7 million) being recognised. The income tax rate applicable to taxable profits of KMML Mozambique Branch is 35% (2021: 35%).

Kenmare Moma Mining (Mauritius) Limited Mozambique Branch has elected, and the fiscal regime applicable to mining allows for, the option to deduct, as an allowable deduction, depreciation of exploration and development expense and capital expenditure over the life of mine. Tax losses may be carried forward for three years. There are no tax losses carried forward at 31 December 2022.

Kenmare Moma Processing (Mauritius) Limited Mozambique Branch has Industrial Free Zone (IFZ) status. As an IFZ Branch, it is exempted from corporation taxes and hence its income is non-taxable.

During the year, Kenmare Resources plc had taxable profits of $13.3 million (2021: $32.5 million) as a result of management and marketing service fee income earned on services provided to subsidiary undertakings, resulting in a corporate tax expense of $1.6 million (2021: $3.1 million).

10. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2022 $'000	2021 $'000
Profit for the financial year attributable to equity holders of the Company	**206,034**	128,526

	2022 Number of shares	2021 Number of shares
Weighted average number of issued ordinary shares for the purpose of basic earnings per share	**94,919,944**	108,843,459
Effect of dilutive potential ordinary shares:		
Share awards	**2,361,819**	2,185,857
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**97,281,763**	111,029,316

	$ per share	$ per share
Basic earnings per share	**2.17**	1.18
Diluted earnings per share	**2.12**	1.16

The denominator for the purposes of calculating both basic and diluted earnings per share has been adjusted to reflect shares acquired and subsequently cancelled during the year.

11. Property, plant and equipment

	Plant and Equipment $'000	Development Expenditure $'000	Construction In Progress $'000	Other Assets $'000	Total $'000
Cost					
At 1 January 2021	995,856	249,971	52,416	63,114	1,361,357
Additions during the financial year	784	–	59,558	–	60,342
Transfer from construction in progress	29,586	8,201	(50,544)	12,757	–
Disposals	(6,557)	–	–	(11,440)	(17,997)
Adjustment to Mine closure cost	(2,240)	–	–	–	(2,240)
At 31 December 2021	**1,017,429**	**258,172**	**61,430**	**64,431**	**1,401,462**
Additions during the financial year	252	112	59,261	242	59,867
Transfer from construction in progress	48,233	1,767	(69,918)	19,918	–
Disposals	(10,230)	–	–	(7,201)	(17,431)
Adjustment to Mine closure cost	(20,080)	–	–	–	(20,080)
At 31 December 2022	**1,035,604**	**260,051**	**50,773**	**77,390**	**1,423,818**
Accumulated depreciation					
At 1 January 2021	232,441	135,153	–	35,255	402,849
Charge for the financial year	44,229	6,336	–	11,487	62,052
Disposals	(6,557)	–	–	(11,440)	(17,997)
At 31 December 2021	270,113	141,489	–	35,302	446,904
Charge for the financial year	44,435	6,379	–	12,772	63,586
Disposals	(10,230)	–	–	(7,201)	(17,431)
At 31 December 2022	304,318	147,868	–	40,873	493,059
Carrying amount					
At 31 December 2022	**731,286**	**112,183**	**50,773**	**36,517**	**930,759**
At 31 December 2021	747,316	116,683	61,430	29,129	954,558

An adjustment to the Mine closure cost of $20.1 million (2021: $2.2 million) was made during the year as a result of an update in the discount rate as detailed in Note 21.

At each reporting date, the Group assesses whether there is any indication that property, plant and equipment may be impaired. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators for impairment. As at 31 December 2022, the market capitalisation of the Group was below the book value of net assets, which is considered an indicator of impairment. The Group carried out an impairment review of property, plant and equipment as at 31 December 2022. As a result of the review, and given the performance and outlook of the Group, no impairment provision was recognised in the current financial year. No impairment was recognised in the prior financial year. Given the historic volatility in product pricing and sensitivity analysis of forecast product pricing, the discount rate and to a lesser extent operating costs, the impairment loss of $64.8 million, which was recognised in the consolidated statement of comprehensive income in 2014, was not reversed.

The cash-generating unit for the purpose of impairment testing is the Moma Titanium Minerals Mine. The basis on which the Mine is assessed is its value in use. The cash flow forecast employed for the value in use computation is from a life of mine financial model. The recoverable amount obtained from the financial model represents the present value of the future discounted pre-tax, pre-finance cash flows discounted at 14.0% (2021: 10.5%).

11. Property, plant and equipment CONTINUED

Key assumptions include the following:

- The discount rate is based on the Group's weighted average cost of capital. This rate is a best estimate of the current market assessment of the time value of money and the risks specific to the Mine, taking into consideration country risk, currency risk and price risk. The factors making up the cost of equity, cost of debt and capital structure have changed from the prior year review, to reflect increases in the risk-free rate, resulting in a discount rate of 14.0% (2021: 10.5%). The Group's estimation of the country risk premium included in the discount rate has remained unchanged from the prior year. The Group does not consider it appropriate to apply the full current country risk premium for Mozambique to the calculation of the Group's weighted average cost of capital as it believes the specific circumstances which have resulted in the risk premium increase over the past number of years are not relevant to the specific circumstances of the Moma Mine. Hence, country risk premium applicable to the calculation of the cost of equity has been adjusted accordingly. Using a discount rate of 14.0%, the recoverable amount is greater than the carrying amount by $86.9 million (2021: $384.0 million). The discount rate is a significant factor in determining the recoverable amount. A 1.5% increase in the discount rate to 15.5% reduces the recoverable amount by $86.9 million to $nil, assuming all other inputs remain unchanged. The decrease in the recoverable amount from the prior year is a result of decreased cash flows over the life of mine as a result of increased forecast capital and operating costs and an increase in the discount rate from 10.5% to 14.0%
- A Mine plan is based on the Namalope, Nataka, Pilivili and Mualadi proved and probable reserves and resources. Specific resource material is included only where there is a high degree of confidence in its economic extraction. The Mine life assumption of 40 years has not changed from the prior year review. Average annual production is approximately 1.2 million tonnes (2021: 1.2 million tonnes) of ilmenite and co-products zircon, rutile and concentrates over the life of the Mine and remains unchanged from the prior year review. This Mine plan does not include investment in additional mining capacity. Certain minimum stocks of final and intermediate products are assumed to be maintained at period ends.
- Product sales prices are based on contract prices as stipulated in marketing agreements with customers, or where contracts are based on market prices or production is not currently contracted, prices are forecast by the Group taking into account independent titanium mineral sands expertise provided by TiPMC Solutions and management expectations including general inflation of 2% per annum. Forecast prices provided by TiPMC Solutions have been reviewed and found to be consistent with other external sources of information. Average forecast product sales prices have increased over the life of mine from the prior year-end review as a result of revised forecast pricing. A 2.5% reduction in average sales prices over the life of mine reduces the recoverable amount by $86.9 million to $nil, assuming all other inputs remain unchanged.
- Operating costs are based on approved budget costs for 2023 taking into account conservative estimated inflation for 2023. From 2024 onwards, operating costs are escalated by 2% per annum as management expects inflation to normalise and average 2% over the life of mine period. Average forecast operating costs have increased from the prior year-end review as a result of increased production and inflation. Increased costs associated with estimated future power consumption and unit prices for mining in Nataka have also been included in the forecast cashflows. A 5.0% increase in operating costs over the life of mine reduces the recoverable amount by $86.9 million to $nil, assuming all other inputs remain unchanged.
- Whilst the Group has set ambitions to be net zero by 2040, the financial impact is still being assessed as the Group considers how it will work towards meeting this target. As such, estimates and judgements within these financial statements do not consider the expenditure (or any related savings) associated with the Company's ambition to become net zero nor the financial impact of the climate risks disclosed within the Group's TCFD reporting as a reliable estimate cannot currently be made.
- Capital costs are based on a life of mine capital plan including inflation at 2% per annum from 2024. Average forecast capital costs have increased and their scheduling has changed from the prior year-end review based on updated sustaining and development capital plans required to maintain the existing plant over the life of mine. A 8.0% increase in capital costs over the life of mine reduces the recoverable amount by $86.9 million to $nil, assuming all other inputs remain unchanged.

12. Right-of-use assets and lease liabilities

	Plant and Equipment $'000	Land and Buildings $'000	Total $'000
Cost			
At 1 January 2022	3,319	2,108	5,427
Additions	–	482	482
At 31 December 2022	**3,319**	**2,590**	**5,909**
Accumulated Depreciation			
At 1 January 2022	2,489	802	3,291
Depreciation expense	830	180	1,010
At 31 December 2022	**3,319**	**982**	**4,301**
Carrying amount			
At 31 December 2022	**–**	**1,608**	**1,608**
At 31 December 2021	830	1,306	2,136

On 1 January 2019, the Group recognised a lease liability of $3.3 million in relation to electricity generators at the Mine. The lease for the electricity generators was renewed in November 2017 for a five-year period and rental payments were fixed for the five years. The lease agreement expired in November 2022 and following negotiations the Group completed the acquisition process of the electricity generators in February 2023.

On 1 January 2019, the Group recognised a lease liability of $1.7 million in respect of the rental of its Irish head office. The lease has a term of 10 years commencing August 2017 and rental payments are fixed for five years. This lease obligation is denominated in Euros.

In February 2019, the Group recognised a lease liability of $0.4 million in respect of its Mozambican country office in Maputo. The lease has a seven-year term commencing February 2019 and rental payments are fixed for seven years. This lease obligation is denominated in US Dollars. The Branch has discounted lease payments using its incremental borrowing rates. The weighted average rate applied is 7%.

In December 2022, the Maputo Office lease was modified and remeasured. The lease term was extended to 10 years commencing 1 December 2022. In addition, additional floor space of 250 square meters was leased as an addendum to the existing contract. The Group has determined that the lease modification should not be accounted for as a separate lease because the lease payments for the new office space are not considered commensurate with market rentals for office space of that size and characteristic. The incremental borrowing rate applied to the remeasured lease is 10.2%.

At each reporting date, the Company assesses whether there is any indication that right-of-use assets may be impaired. No impairment indicators were identified as at 31 December 2022 or 31 December 2021.

The Group has recognised a rental expense of $3.9 million (2021: $9.0 million) in relation to short-term leases of machinery and vehicles which have not been recognised as a right-of-use asset.

Set out below are the carrying amounts of lease liabilities at each reporting date:

	2022 $'000	2021 $'000
Current	**245**	1,207
Non-current	**1,540**	971
Total	**1,785**	2,178

The consolidated income statement includes the following amounts relating to leases:

	2022 $'000	2021 $'000
Depreciation expense	**1,010**	1,084
Interest expense on lease liabilities	**147**	239
Total	**1,157**	1,323

13. Inventories

	2022 $'000	2021 $'000
Mineral products	**43,655**	22,027
Consumable spares	**40,516**	38,192
	84,171	60,219

At 31 December 2022, total final product stock was 213,500 tonnes (2021: 88,700 tonnes). Closing stock of heavy mineral concentrate was 18,800 tonnes (2021: 11,500 tonnes). During the year, inventory amounting to $235.2 million (2021: $246.4 million) was recognised as an expense in cost of sales.

Net realisable value is determined with reference to forecast prices of finished products expected to be achieved. There is no guarantee that these prices will be achieved in the future, particularly in weak product markets. During the financial year, there was a write-down of $nil (2021: $0.5 million) to mineral products charged to cost of sales to value mineral products at net realisable value.

14. Trade and other receivables

	2022 $'000	2021 $'000
Trade receivables	**104,970**	66,204
VAT receivable	**4,527**	790
Prepayments	**14,521**	7,753
	124,018	74,747

Further details on trade receivables can be found in Note 24.

15. Cash and cash equivalents

	2022 $'000	2021 $'000
Bank balances	**108,271**	69,057

Cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of investment.

16. Called-up share capital

	2022 €'000	2021 €'000
Authorised share capital		
181,000,000 ordinary shares of €0.001 each	**181**	181
	181	181

	2022 $'000	2021 $'000
Allotted, called up and fully paid		
Opening balance		
94,921,970 (2021: 109,736,382) ordinary shares of €0.001 each	**104**	120
Acquired and cancelled		
92,419 (2021: 14,814,412) ordinary shares of €0.001 each	**–**	(16)
Closing balance		
94,829,551 (2021: 94,921,970) ordinary shares of €0.001 each	**104**	104
Total called-up share capital	**104**	104

No ordinary shares were issued during the year (2021: $nil).

On 3 October 2022, under the authority granted at the Company's Annual General Meeting held on 26 May 2022, and in accordance with Section 1075 of the Companies Act 2014 and article 147 of the Articles of Association, the Company completed an Odd-lot Offer which involved the acquisition of 92,419 ordinary shares of €0.001 each in the capital of the Company representing 0.1% of the then called-up share capital of the Company for a total cash consideration of $0.5 million. The Odd-lot Offer buyback was funded from distributable reserves and all ordinary shares acquired by the Company were subsequently cancelled. Transaction costs associated with the transaction amounted to $0.1 million and were accounted for as a deduction from retained earnings.

On 10 December 2021, under the authority granted at the Company's extraordinary General Meeting held on 9 December 2021, and in accordance with Section 105(1) and Section 106(1) of the Companies Act 2014 and article 47 and article 48 of the Articles of Association, the Company completed a tender offer buyback of 14,814,412 ordinary shares of €0.001 each in the capital of the Company representing 13.5% of the then called-up share capital of the Company for a total cash consideration of $81.6 million. The tender offer share buyback was funded from distributable reserves and all ordinary shares acquired by the Company were subsequently cancelled. Transaction costs associated with the transaction amounted to $1.5 million and were accounted for as a deduction from retained earnings.

17. Share premium

	2022 $'000	2021 $'000
Opening balance	**545,950**	545,950
Shares issued during the year	**–**	–
Closing balance	**545,950**	545,950

There were no additions to share premium during the year (2021: $nil).

18. Other reserves

	Undenominated Capital $'000	Own Shares $'000	Share-Based Payment Reserve $'000	Total $'000
Balance at 1 January 2021	226,262	–	5,088	231,350
Recognition of share-based payment expense	–	–	3,420	3,420
Exercise of share-based payment awards	–	–	(2,283)	(2,283)
Unvested and expired share-based payments	–	–	(1,964)	(1,964)
Tender offer share buyback (Note 16)	16	81,589	–	81,605
Cancellation of treasury shares	–	(81,589)	–	(81,589)
Balance at 1 January 2022	226,278	–	4,261	230,539
Recognition of share-based payment expense	–	–	5,601	5,601
Exercise of share-based payment awards	–		(3,363)	(3,363)
Odd-lot Offer share buyback (Note 16)	–	515	–	515
Cancellation of treasury shares	–	(515)	–	(515)
Shares acquired by the Kenmare Employee Benefit Trust	–	(1,797)	–	(1,797)
Shares distributed by the Kenmare Employee Benefit Trust	–	1,779	–	1,779
Balance at 31 December 2022	**226,278**	**(18)**	**6,499**	**232,759**

Undenominated capital

Undenominated capital consists of the capital conversion reserve fund and the capital redemption reserve fund. The movement in undenominated capital during the prior year relates to the share buyback as detailed in Note 16.

CAPITAL CONVERSION RESERVE FUND

The capital conversion reserve fund totalling $0.8 million arose from the renominalisation of the Company's share capital from Irish Punts to Euros.

CAPITAL REDEMPTION RESERVE FUND

The capital redemption reserve represents the nominal value of share capital repurchased. At 31 December 2022, the reserve balance stands at $225.5 million (2021: $225.5 million).

18. Other reserves CONTINUED

Own Shares

Own shares represent shares acquired by the Kenmare Employee Benefit Trust under the terms of the Kenmare Restricted Share Plan and shares acquired by the Company through odd lot and tender offers.

	2022 No. of shares	2021 No. of shares
At 1 January	**–**	–
Tender offer share buyback	**–**	14,814,412
Odd-lot Offer share buyback	**92,419**	–
Cancellation of treasury shares	**(92,419)**	(14,814,412)
Shares acquired by the Kenmare Employee Benefit Trust	**298,477**	–
Shares distributed by the Kenmare Employee Benefit Trust	**(295,443)**	–
Closing balance	**3,034**	–

As at 31 December 2022, the nominal value of treasury shares held by the Kenmare Employee Benefit Trust was $0.01 million (2020: $nil). During the year, treasury shares were purchased by the Kenmare Employee Benefit Trust at an average price of $5.84. The number of treasury shares held by the Kenmare Employee Benefit Trust represents 0.003% of the total called up share capital of the Company.

Further information on the odd lot buyback and tender offer buyback can be found in Note 16.

Share-based payment reserve

The share-based payment reserve arises on the grant of shares under the Group share-based payment schemes as detailed in Note 6.

19. Retained earnings

	2022 $'000	2021 $'000
Opening balance	**154,050**	123,083
Profit for the financial year attributable to equity holders of the Parent	**206,034**	128,526
Tender offer share buyback (Note 16)	**–**	(81,589)
Tender offer share buyback transaction costs (Note 16)	**–**	(1,540)
Odd lot offer share buyback (Note 16)	**(515)**	–
Odd lot offer share buyback transaction costs (Note 16)	**(122)**	–
Unvested and expired share-based payments	**–**	1,964
Dividends paid	**(34,726)**	(16,394)
Closing balance	**324,721**	154,050

Retained earnings comprise the accumulated profit and losses in the current and prior financial years net of dividends, share buybacks and related costs, and adjustments relating to the share-based payment reserve.

In May 2022, the Company paid a final 2021 dividend of $24.1 million representing USc25.42 per share (2021: USc7.69). In October 2022, the Company paid a 2022 interim dividend of USc10.98 (H1 2021: USc7.29) per ordinary share, totalling $10.6 million.

20. Bank loans

	2022 $'000	2021 $'000
Borrowings	**78,578**	148,099
The borrowings are repayable as follows:		
Less than one year	**33,653**	73,342
Between two and five years	**47,142**	78,572
	80,795	151,914
Transaction costs	**(2,217)**	(3,815)
Total carrying amount	**78,578**	148,099

Borrowings

On 11 December 2019, the Group entered into debt facilities with Absa Bank Limited (acting through its Corporate and Investment Banking Division) ("Absa"), The Emerging Africa Infrastructure Fund (part of the Private Infrastructure Development Group) ("EAIF"), Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division) ("Nedbank"), Rand Merchant Bank and Standard Bank Group ("Standard Bank").

The debt facilities comprise a $110 million Term Loan Facility and a $40 million Revolving Credit Facility that share common terms and a common security package. The finance documentation also accommodates for a Mine Closure Guarantee Facility (provided by either the existing Lenders or other finance providers) of up to $40 million, with the provider(s) of such a facility sharing in the common security package. The potential total aggregate principal amount of indebtedness secured under the finance documentation is therefore $190 million. The transaction costs for arrangement of the debt facilities amounted to $6.5 million.

The Term Loan Facility has a final maturity date of 11 March 2025. As at year end, interest is at LIBOR plus 5.40% per annum. Repayment is in seven equal semi-annual instalments, beginning 11 March 2022.

On 21 July 2022 the Revolving Credit Facility was extended by 12 months and now has a final maturity date of 11 December 2023, which is extendable by a further 12 months subject to lender consent. As at year end, interest is at LIBOR plus 4.25% per annum (5.0% up to 11 December 2022).

The Group entered into a Mine closure guarantee facility with Absa Bank Moçambique SA effective from 1 July 2022 for an amount of $18.9 million. This guarantee shares the security package with the Term Loan Facility and Revolving Credit Facility on a pro rata and pari passu basis.

The security package consists of (a) security over the Group's bank accounts (subject to certain exceptions), (b) pledges of the shares of Kenmare Moma Processing (Mauritius) Limited and Kenmare Moma Mining (Mauritius) Limited (the "Project Companies"), (c) security over intercompany loans, and (d) Mozambican law security interests over certain rights and agreements with Mozambican authorities, including over the Implementation Agreement, the Mineral Licensing Contract and the Mining Licence.

The carrying amount of the secured bank accounts of the Group was $102.9 million as at 31 December 2022 (2021: $66.9 million). The shares of the Project Companies and intercompany loans are not included in the consolidated statement of financial position as they are eliminated on consolidation. They, therefore, do not have a carrying amount but, upon enforcement of the pledges on behalf of the lender group, the shares in the Project Companies would cease to be owned or controlled by the Group. The secured rights and agreements do not have a carrying amount. They are, however, necessary for the Project Companies to operate the Mine in Mozambique.

At 31 December 2022, total debt of $78.6 million (2021: $148.1 million) was recognised by the Group. The $40 million revolving credit facility was repaid in full in February 2022 and a further $20 million was drawn down in September 2022 and subsequently repaid in November 2022. $31.4 million of principal repayments were made against the term loan over the course of the year. Unamortised transaction costs of $2.2 million (2021: $3.8 million) plus interest amortised of $2.2 million (2021: $2.0 million) were recognised by the Group at 31 December 2022.

20. Bank loans CONTINUED

Reconciliation of movements of debt to cash flows arising from financing activities (excluding leases)	2022 $'000	2021 $'000
Bank loans		
Balance at 1 January	**148,099**	145,771
Cash movements		
Loan interest paid	**(6,921)**	(7,147)
Principal paid	**(91,429)**	(20,000)
Loan drawn down	**20,000**	20,000
Non-cash movements		
Loan interest accrued	**8,829**	9,475
Balance at 31 December	**78,578**	148,099

Covenants

The finance documents contain a number of representations, covenants and events of default on customary terms, the breach of which could lead to the secured parties under the finance documentation accelerating the outstanding loans and taking other enforcement steps, such as the enforcement of some or all of the security interests, which could lead to, in extremis, the Group losing its interest in the Mine. The most salient of the relevant terms that could lead to acceleration of the loans and/or enforcement of security are the financial covenants.

All covenants have been complied with during the year. The key financial covenants are detailed below:

	As at 31 December 2022	As at 31 December 2021		Covenant
Interest Coverage Ratio	**34.96:1**	21.8:1	Not less than	4.00:1
Net Debt to EBITDA	**(0.09):1**	0.38:1	Not greater than	2.00:1
Debt Service Coverage Ratio	**3.11:1**	22.3:1	Not less than	1.20:1
Liquidity	**$148,271,000**	$69,057,000	Not less than	$15,000,000
Reserve Tail Ratio	**81%**	78%	Not less than	30%

The definition of the covenants under the debt facilities are set out below:

- Interest Coverage Ratio is defined as the ratio of EBITDA to Net Interest Cost.
- Net Debt is defined as total financial indebtedness excluding leases less consolidated cash and cash equivalents.
- The Debt Service Coverage Ratio is the ratio of cash and cash equivalents at the beginning of a reporting period plus available facilities plus cash generated in the period to debt repayments in the period.
- Liquidity is defined as consolidated cash and cash equivalents plus undrawn amounts of the Revolving Credit Facility.
- Reserve Tail Ratio means the reserve tail ratio, expressed as a percentage of the termination date reserves (estimated remaining reserves in March 2025) divided by the initial reserves (estimated reserves in December 2019).

21. Provisions

	2022 $'000	2021 $'000
Mine closure provision	**16,623**	35,959
Mine rehabilitation provision	**4,121**	3,998
Other provisions	**–**	2,264
	20,744	42,221
Current	**998**	3,222
Non-current	**19,746**	38,999
	20,744	42,221

	Mine Closure Provision $'000	Mine Rehabilitation Provision $'000	Other Provisions $'000	Total $'000
At 1 January 2021	37,451	3,893	–	41,344
(Decrease)/increase in provision during the financial year	(2,239)	470	2,264	495
Provision utilised during the financial year	–	(365)	–	(365)
Unwinding of the discount	747	–	–	747
At 1 January 2022	35,959	3,998	2,264	42,221
(Decrease)/Increase in provision during the financial year	(20,080)	4,131	948	(15,001)
Provision utilised during the financial year	–	(4,008)	(3,212)	(7,220)
Unwinding of the discount	744	–	–	744
At 31 December 2022	**16,623**	**4,121**	**–**	**20,744**

The Mine closure provision represents the Directors' best estimate of the Project Companies' liability for close-down, dismantling and restoration of the mining and processing site. A corresponding amount equal to the provision is recognised as part of property, plant and equipment. The costs are estimated on the basis of a formal closure plan, are subject to regular review and are estimated based on the net present value of estimated future costs. Mine closure costs are a normal consequence of mining, and the majority of close-down and restoration expenditure is incurred at the end of the life of the Mine. The unwinding of the discount is recognised as a finance cost and $0.7 million (2021: $0.7 million) has been recognised in the statement of comprehensive income for the financial year.

The main assumptions used in the calculation of the estimated future costs include:

- A discount rate of 4.0% (2021: 2.1%);
- An inflation rate of 2% (2021: 2%);
- An estimated life of mine of 40 years (2021: 40 years). It is assumed that all licences and permits required to operate will be renewed or extended during the life of mine; and
- An estimated closure cost of $34.1 million (2021: $34.1 million) and an estimated post-closure monitoring provision of $3.9 million (2021: $3.9 million).

The life of mine plan is based on the Namalope, Nataka, Pilivili and Mualadi reserves and resources as set out in the reserve and resources table. Specific resource material is included only where there is a high degree of confidence in its economic extraction. The Mine closure provision has decreased by $20.1 million as a result of a change in the discount rate from 2.1% to 4.0%.

The discount rate is a significant factor in determining the Mine closure provision. The discount rate increased to 4.0% (2021: 2.1%) as a result of movements in the US Treasury rates. 30-year US Treasury yields are the longest period for which yields are quoted. A 40-year rate to align with the estimated life of mine has been calculated by taking the average of the increase in yield from 10 to 20 years and the increase in yield from 20 to 30 years and adding this average to the 30-year treasury rate to arrive at an estimated extrapolated rate for 40 years. This discount rate is deemed to provide the best estimate of the current market assessment of the risk-free time value of money. Risks specific to the liability are included in the cost estimate. A reasonable possible increase of 1% in the estimated discount rate results in the Mine closure provision decreasing to $11.2 million. A 1% decrease in the estimated discount rate results in the Mine closure provision increasing to $24.7 million.

The Mine rehabilitation provision represents the Directors' best estimate of the Company's liability for rehabilitating areas disturbed by mining activities. Rehabilitation costs are recognised based on the area disturbed and estimated cost of rehabilitation per hectare, which is reviewed regularly against actual rehabilitation cost per hectare. Actual rehabilitation expenditure is incurred approximately 12 months after the area has been disturbed. During the financial year, there was a release of $4.0 million (2021: $0.4 million) to reflect the actual Mine rehabilitation costs incurred, and an addition to the provision of $4.1 million (2021: $0.5 million) for areas newly disturbed.

Other provisions comprise an amount of $nil (2021: $2.3 million) in relation to a potential indirect tax liability. The matter was resolved following a final settlement of $3.2 million with the Mozambican Tax Authority during the year.

22. Trade and other payables

	2022 $'000	2021 $'000
Trade payables	7,305	7,186
Deferred income	2,740	–
Accruals	25,248	25,582
	35,293	32,768

Included in accruals at the financial year end is an amount of $1.6 million (2021: $1.6 million) for payroll and social insurance taxes.

Deferred income relates to sales contracts which contain separate performance obligations for the sale of mineral products and the provision of freight services. The portion of the revenue representing the obligation to perform the freight service is deferred and recognised over time as the obligation is fulfilled, along with the associated costs.

23. Current tax liabilities

	2022 $'000	2021 $'000
Current tax liabilities	8,893	4,808

Refer to Note 9 for further information on the Group's tax expense.

24. Financial instruments

	2022			2021		
	Carrying amount $'000	Fair value $'000		Carrying amount $'000	Fair value $'000	
Financial assets at fair value through profit and loss						
Trade receivables[1]	31,188	31,188	Level 2	37,086	37,086	Level 2
Financial assets at fair value through OCI						
Trade receivables[2]	43,065	43,065	Level 2	14,539	14,539	Level 2
Financial assets not measured at fair value						
Trade receivables[3]	30,717	30,717	Level 2	14,579	14,579	Level 2
Cash and cash equivalents	108,271	108,271	Level 2	69,057	69,057	Level 2
	213,241	213,241		135,261	135,261	
Financial liabilities not measured at fair value						
Bank loans	78,578	80,795	Level 2	148,099	148,827	Level 2

1 Relates to trade receivables which will be discounted through the Barclay's Bank facility.

2 Relates to trade receivables which may be factored through the Absa facility.

3 Relates to trade receivables which will not be discounted or factored.

The carrying amounts and fair values of financial assets and financial liabilities including their levels in fair value hierarchy are detailed above. The table does not include fair value information for other receivables, prepayments, trade payables and accruals as these are not measured at fair value as the carrying amount is a reasonable approximation of their fair value.

Trade receivables which are factored through the Absa Bank facility or letters of credit which are discounted through the Barclays Bank facility are initially measured at fair value and subsequently measured at fair value through profit or loss (FVTPL). Trade receivables or letters of credit where it is not known at initial recognition if they will be factored are classified as fair value through other comprehensive income (FVOCI). Trade receivables which will not be factored and for which balances will be recovered under the sale contract credit terms are classified and subsequently measured at amortised cost.

In the case of factored receivables, the Group derecognises the discounted receivable to which the arrangement applies when payment is received from the bank as the terms of the arrangement are non-recourse. The payment to the bank by the Group's customers are considered non-cash transactions for the purposes of the consolidated statement of cashflows

The valuation technique used in measuring Level 2 fair values is discounted cash flows, which considers the expected receipts or payments discounted using adjusted market discount rates or where these rates are not available estimated discount rates.

The Group has exposure to credit risk, liquidity risk and market risk arising from financial instruments.

Risk management framework

The Board is ultimately responsible for risk management within the Group. It has delegated responsibility for the monitoring of the effectiveness of the Group's risk management and internal control systems to the Audit & Risk Committee. The Board and Audit & Risk Committee receive reports from Executive management on the key risks to the business and the steps being taken to mitigate such risks. The Audit & Risk Committee is assisted in its role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit & Risk Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

The Group's exposure to credit risk is influenced by the individual circumstances of each customer. The Group also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Group reduces its exposure to customers perceived to have a higher credit risk through a letter of credit trade facility. Under this facility, Barclays Bank confirms the letter of credit from the issuing bank and therefore assumes the credit risk.

The Group's customers have been transacting with the Group for a significant number of years, and no customers' balances have been written off or are credit impaired at the financial year end. In monitoring customer credit risk, customers are regularly reviewed individually and the Group has not identified any factors that would merit reducing exposure to any particular customer. The Group does not require collateral in respect of trade receivables.

The gross exposure to credit risk for trade receivables by geographic region was as follows:

	2022 $'000	2021 $'000
China	19,009	37,120
Asia (excluding China)	17,243	5,127
Europe	45,806	15,410
USA	22,776	8,547
Africa	136	–
Total	104,970	66,204

At 31 December 2022, $35.4 million (2021: $41.3 million) is due from the Group's three largest customers.

A summary of the Group's exposure to credit risk for trade receivables is as follows:

	2022 $'000	2021 $'000
External credit ratings at least Baa3 (Moody's)	31,188	37,535
External credit ratings Ba3 to Ba1 (Moody's)	–	19,051
Other	75,316	10,042
Total gross carrying amount	106,504	66,628
Loss allowance	(1,534)	(424)
Total	104,970	66,204

The following table provides ageing information relevant to the exposure to credit risk for trade receivables from individual customers. No balances were considered credit impaired at 31 December 2022 or 31 December 2021.

	Current $'000	More than 30 days past due $'000	More than 60 days past due $'000	More than 90 days past due $'000	Total $'000
2022	**104,962**	**–**	**–**	**8**	**104,970**
2021	66,133	–	–	71	66,204

24. Financial instruments CONTINUED

Expected credit loss assessment of trade receivables

For trade receivables measured at fair value through OCI and trade receivables measured at amortised cost, the Group allocates to each customer a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, financial statements and available market information about customers) and applying experienced credit judgement.

The following table provides information about the exposure to credit risk and expected credit losses as at 31 December 2022.

Equivalent to Moody's credit rating	Weight average loss rate	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Other	2.0%	75,316	1,534	No

The following table provides information about the exposure to credit risk and expected credit losses as at 31 December 2021.

Equivalent to Moody's credit rating	Weight average loss rate	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Baa3 to AAA	0.30%	25	–	No
Ba3 to Ba1	1.30%	19,051	248	No
Other	1.75%	10,042	176	No
		29,118	424	

The movement in expected credit losses in respect of trade receivables where measured at amortised cost or fair value through other comprehensive income during the year was as follows:

	2022 $'000	2021 $'000
Balance at 1 January	**424**	199
Net remeasurement of loss allowance	**1,110**	225
Balance at 31 December	**1,534**	424

The credit risk on cash and cash equivalents is limited because funds are deposited with banks with high credit ratings assigned by international credit rating agencies. For deposits in excess of $75 million the Group requires that the institution has an A- (S&P)/A3 (Moody's) long-term rating. For deposits in excess of $50 million, the Group requires that the institution has a BB- (S&P)/Ba3 (Moody's) long-term rating.

At 31 December 2022 and 2021 cash was deposited with the following banks:

	2022 Long-term credit rating			2021 Long-term credit rating		
	$ million	S&P	Moody's	$ million	S&P	Moody's
Barclays Bank Plc	**81.4**	**A Positive**	**A–1 Stable**	60.8	A Positive	A–1 Stable
FirstRand Bank Limited	**–**	**BBB – Positive**	**Ba2 Stable**	5.1	BBB– Stable	Ba2 Negative
HSBC Bank Plc	**1**	**AA – Stable**	**A1 – Stable**	0.8	A+ Stable	A1 Stable
Absa Bank Limited	**20.5**	**BB – Stable**	**Ba2 Negative**	2.0	BBB– Stable	Ba2 Negative

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled in cash payments. The Group's objective when managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due.

The Group monitors Mine payment forecasts, both operating and capital, which assist it in monitoring cash flow requirements and optimising its cash return on investments. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Group monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade and other payables.

The Group has a trade finance facility with Absa Bank for three of the Group's largest customers. In accordance with this facility, the bank purchases certain customers' receivables without recourse. The facility is for a maximum amount of $30 million with limits on the maximum amount that can be factored for each of the customers named in the facility. During the period, no trade receivables were factored under this agreement. At the year end, trade receivables amounting to $43.1 million (2021: $14.5 million) may be factored under this facility and are therefore included in trade receivables measured at fair value through OCI as at 31 December 2022. The cost of this facility for the period, which amounted to $0.2 million (2021: $0.2 million), is included in finance costs in the statement of comprehensive income and in net cash from operating activities in the statement of consolidated cash flows.

The Group has a trade facility with Barclays Bank for customers which it sells to under letter of credit terms. Under this facility, Barclays Bank confirms the letter of credit from the issuing bank and therefore assumes the credit risk. Barclays Bank can also discount these letters of credit thereby providing early payment of receivables to the Group. There is no limit under the Barclays Bank facility. During the period, trade receivables of $201.4 million (2021: $224.4 million) were discounted under this facility. At the year end, there were $31.2 million (2021: $37.1 million) of trade receivables which will be discounted under this facility. The cost of this facility for the period, which amounted to $2.0 million (2021: $1.2 million), is included in finance costs in the statement of comprehensive income and in net cash from operating activities in the statement of consolidated cash flows.

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2022 based on the gross contractual undiscounted payments:

Financial liabilities	Total $'000	Less than one year $'000	Between two and five years $'000	More than five years $'000
Bank loans	89,536	38,005	51,531	–
Lease liabilities	2,409	390	1,447	572
Trade and other payables	32,553	32,553	–	–
	124,498	70,948	52,978	572

The table below summarises the maturity profile of the Group's financial liabilities at 31 December 2021 based on the gross contractual undiscounted payments:

Financial liabilities	Total $'000	Less than one year $'000	Between two and five years $'000	More than five years $'000
Bank loans	151,914	73,342	78,572	–
Lease liabilities	2,684	1,207	1,317	160
Trade and other payables	32,768	32,768	–	–
	187,366	107,317	79,889	160

As disclosed in Note 20, the Group has bank loans that contain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table. Under the loan agreement, the covenants are monitored on a regular basis by Group finance and regularly reported to management and the Lenders to ensure compliance with the agreement.

Furthermore, the Group has authorised and committed expenditure on operations-related capital projects amounting to $11.5 million (2021: $18.9 million) as disclosed in Note 26.

24. Financial instruments CONTINUED

Risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Details of concentration of revenue are included in Note 2.

Market risk

Market risk is risk that changes in market prices, foreign exchange rates and interest rates will affect the Group's income statement. The objective of market risk management is to manage and control market risk exposures while optimising returns.

Currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and the respective functional currencies of Group companies. The functional currency of all Group entities is US Dollars. The presentational currency of the Group is US Dollars. Sales and bank loans are denominated in US Dollars, which significantly reduces the exposure of the Group to foreign currency risk. Payable transactions are denominated in Mozambican Metical, South African Rand, Euro, Sterling, Australian Dollar and Renminbi.

Exposure to currency risk

The Group's gross exposure to currency risk as at 31 December 2022 is as follows.

	Mozambican Metical $'000	South African Rand $'000	Euro $'000	Sterling $'000	Australian Dollar $'000	Renminbi $'000
Trade and other receivables	12,172	756	489	72	88	–
Cash and cash equivalents	1,397	12,894	892	1,129	17	34
Bank loans	–	–	–	–	–	–
Leases	–	–	(1,255)	–	–	–
Trade and other payables	(20,367)	(2,178)	(502)	(10)	–	–
Net exposure	(6,798)	11,472	(376)	1,191	105	34

The Group's exposure to currency risk as at 31 December 2021 is as follows.

	Mozambican Metical $'000	South African Rand $'000	Euro $'000	Sterling $'000	Australian Dollar $'000	Renminbi $'000
Trade and other receivables	2,717	1,275	928	55	364	–
Cash and cash equivalents	1,030	2,337	479	338	6	36
Bank loans	–	–	–	–	–	–
Leases	–	–	(1,528)	–	–	–
Trade and other payables	(14,082)	(1,905)	(2,395)	(35)	(68)	–
Net exposure	(10,335)	1,707	(2,516)	358	302	36

Sensitivity analysis

A reasonably possible strengthening or weakening of the Mozambique Metical, South African Rand, Euro, Sterling, Australian Dollar and Renminbi by 10% against the US Dollar would have affected profit or loss by the amounts shown below. The analysis assumes that all other variables remain constant.

Profit or loss	Mozambican Metical $'000	South African Rand $'000	Euro $'000	Sterling $'000	Australian Dollar $'000	Renminbi $'000
31 December 2022						
Strengthening	**(680)**	**1,147**	**(38)**	**119**	**11**	**3**
Weakening	**680**	**(1,147)**	**38**	**(119)**	**(11)**	**(3)**
31 December 2021						
Strengthening	(1,030)	170	(250)	40	30	4
Weakening	1,030	(170)	250	(40)	(30)	(4)

Interest rate risk

The loan facilities are arranged at variable rates and expose the Group to cash flow interest rate risk. Variable rates are based on six-month LIBOR. The borrowing rate at financial year end was 9.2% (2021: 5.8%). The interest rate profile of the Group's loan balances at the financial year end was as follows:

	2022 $'000	2021 $'000
Variable rate debt	**80,795**	151,914

Under the assumption that all other variables remain constant, a reasonable possible change of 1% in the six-month LIBOR rate results in a $0.8 million (2021: $1.5 million) change in finance costs for the financial year.

The above sensitivity analyses are estimates of the impact of market risks assuming the specified change occurs. Actual results in the future may differ materially from these results due to developments in the global financial markets, which may cause fluctuations in interest rates to vary from the assumptions made above and therefore should not be considered a projection of likely future events.

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as "IBOR reform"), including LIBOR (the London Interbank Offered Rate). The Group had, at the reporting date, exposure to US LIBOR on its debt facilities.

Pursuant to an Amendment and Restatement Agreement entered into on 9 March 2023 in respect of the Group's debt facilities, the basis on which interest is calculated in respect of those facilities were amended with effect from 11 March 2023. As a result of the amendment, interest rates for interest periods commencing from 11 March 2023 onwards are no longer determined by reference to US LIBOR; instead they are determined on the basis of the applicable Term SOFR Rate. While US LIBOR represented an inter-bank lending rate, Term SOFR is a published screen rate derived from SOFR, being the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York. As SOFR represents a risk-free rate, a credit adjustment spread is applied in addition, which spread varies according to the length of the relevant interest period.

The six-month SOFR rate set on 11 March 2023 relating to the next interest period to 11 September 2023 was 5.4%. The credit adjustment spread of 0.4% plus the margin of 5.4% results in an interest rate of 11.2% on the Term Loan. The Group has concluded that the new basis for determining cashflows is economically equivalent to the previous basis.

25. Capital management

The Group's capital management objective is to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances.

The principal activity of the Group is the operation of the Mine. The Group therefore manages its capital to ensure existing operations are adequately funded and, based on planned mine production levels, that the Mine will continue to achieve positive cash flows allowing returns to shareholders.

At 31 December 2022, the Group had total debt facilities in place of $150 million (2021: $150 million), details of which are set out in Note 20.

The Board periodically reviews the capital structure of the Group, including the cost of capital and the risks associated with each class of capital. The Group manages and, if necessary, adjusts its capital structure taking account of the underlying economic conditions. Any material adjustments to the Group's capital structure in terms of the relative proportions of debt and equity are approved by the Board. The Group is not subject to any externally imposed capital requirements.

The definition of capital/capital structure of the Group consists of debt (which includes bank borrowings as disclosed in Note 20 and leases as disclosed in Note 12) and equity attributable to equity holders of the Company, comprising issued capital, reserves, retained profits and other reserves as disclosed in Notes 16 to 19.

26. Capital commitments

	2022 $'000	2021 $'000
Contracts for future expenditure authorised by the Board:		
Capital authorised and contracted	**11,535**	18,921
Capital authorised and not contracted	**12,439**	6,370

Capital authorised and contracted represents the amount authorised and contracted at 31 December of the relevant financial year to be spent on Mine operations-related approved capital projects.

Capital authorised not contracted represents the amount not contracted but authorised at 31 December of the relevant financial year to be spent on Mine operations-related approved capital projects.

27. Related party transactions

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2022 $'000	2021 $'000
Short-term employee benefits	**2,295**	2,571
Post-employment benefits	**104**	110
Share-based payments	**778**	–
Total benefits	**3,177**	2,681

Further information about the remuneration of individual Directors and payments to former Directors is provided in the Directors' Annual Report on remuneration on pages 122-134 and is deemed to be incorporated in this Note to the financial statements.

28. Kenmare Resources plc

Kenmare Resources Public Company Limited is a public limited company. The place of registration is Ireland and the registered office address is Styne House, Hatch Street Upper, Dublin 2. The registered number is 37550.

29. Events after the statement of financial position date

On 21 March 2023, the Board proposed a final dividend of USc43.33 per share. This proposed dividend is subject to approval by the shareholders at the Annual General Meeting. These financial statements do not reflect this dividend.

In February 2023, power lines nearby the Mine were subject to a direct lightning strike of unusually high intensity resulting in severe disruption to mining operations. The Group is working to establish and mitigate the capital and operating cost impacts of the disruptions and a reliable estimate cannot be made at this time. Insurance cover is in place and the Group is liaising with its insurers to process claims in relation to the lightning strike.

30. Approval of financial statements

The financial statements were approved by the Board on 6 April 2023.

COMPANY FINANCIAL STATEMENTS

We plant a variety of vegetation and food crops as part of our rehabilitation programme.

ELISIDIO COSSA
ENVIRONMENTAL SUPERVISOR

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 $'000	2021 $'000
Assets			
Non-current assets			
Property, plant and equipment	2	492	599
Right-of-use asset	3	891	1,086
Investments in subsidiaries	4	802,909	801,098
		804,292	802,783
Current assets			
Amounts due from subsidiary undertakings	5	47,781	79,302
Trade and other receivables	6	418	583
Cash and cash equivalents	7	9,812	7,284
		58,011	87,169
Total assets		862,303	889,952
Equity			
Capital and reserves attributable to the Company's equity holders			
Called-up share capital	8	104	104
Share premium	8	545,950	545,950
Other reserves	8	232,759	230,539
Retained earnings		24,976	51,716
Total equity		803,789	828,309
Non-current liabilities			
Lease liabilities	3	840	882
Amounts due to subsidiary undertakings	9	54,116	54,106
		54,956	54,988
Current liabilities			
Amounts due to subsidiary undertakings	9	1,048	1,169
Lease liabilities	3	220	274
Current tax liabilities	11	1	2,752
Trade and other payables	10	2,289	2,460
		3,558	6,655
Total liabilities		58,514	61,643
Total equity and liabilities		862,303	889,952

The accompanying notes form part of these financial statements.

On behalf of the Board:

M. CARVILL
DIRECTOR

6 April 2023

T. HICKEY
DIRECTOR

6 April 2023

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Called-Up Share Capital $'000	Share Premium $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2021	120	545,950	231,350	27,028	804,448
Total comprehensive income for the year					
Profit for the financial year	–	–	–	122,247	122,247
Total comprehensive income for the year	–	–	–	122,247	122,247
Transactions with owners of the Company					
Recognition of share-based payment expense	–	–	3,420	–	3,420
Exercise of share-based payment awards			(2,283)		(2,283)
Unvested and expired share-based payments	–	–	(1,964)	1,964	–
Tender offer share buyback	(16)	–	16	(81,589)	(81,589)
Tender offer share buyback transaction costs	–	–	–	(1,540)	(1,540)
Dividends paid	–	–	–	(16,394)	(16,394)
Total contributions and distributions	(16)	–	(811)	(97,559)	(98,386)
Balance at 1 January 2022	**104**	**545,950**	**230,539**	**51,716**	**828,309**
Total comprehensive income for the year					
Profit for the financial year	–	–	–	8,623	8,623
Total comprehensive income for the year	–	–	–	8,623	8,623
Transactions with owners of the Company					
Odd-lot Offer share buyback	–	–	–	(515)	(515)
Odd-lot Offer share buyback transaction costs	–	–	–	(122)	(122)
Recognition of share-based payment expense	–	–	5,601	–	5,601
Exercise of share-based payment awards			(3,363)		(3,363)
Shares acquired by the Kenmare Employee Benefit Trust			(1,797)		(1,797)
Shares distributed by the Kenmare Employee Benefit Trust			1,779		1,779
Dividends paid	–	–	–	(34,726)	(34,726)
Total contributions and distributions	–	–	2,220	(35,363)	(33,143)
Balance at 31 December 2022	**104**	**545,950**	**232,759**	**24,976**	**803,789**

1. Statement of accounting policies

The Company Financial Statements of Kenmare Resources plc (the "Company") are prepared on a going concern basis under the historical cost convention, in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and the Companies Act 2014.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (Adopted IFRSs), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- A cash flow statement and related notes;
- Comparative period reconciliations for tangible fixed assets and share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRS; and
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of the Group are prepared in accordance with IFRS as adopted by the EU and include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 2 Share-Based Payments;
- Certain disclosures required by IFRS 13 Fair Value Measurement;
- The disclosures required by IFRS 7 Financial Instruments: Disclosures; and
- Certain disclosures required by IFRS 16 Leases.

In accordance with Section 304(2) of the Companies Act 2014, the Company is availing of the exemption from presenting its individual statement of comprehensive income to the Annual General Meeting and from filing it with the Companies Registration Office. The Company's profit for the financial year determined in accordance with IFRS is $8.6 million (2021: $122.2 million). The profit consists of income from shares in Group undertakings, marketing and management services fee income less administration and other costs.

The financial statements have been prepared in US Dollars and are rounded to the nearest thousand.

The principal accounting policies adopted are the same as those set out for the Group financial statements except as noted below. The accounting policies have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Accounting policies applying only to the Company financial statements

Investments in subsidiaries

Investments in subsidiary undertakings are accounted for under IAS 27 Separate Financial Statements. Investments in subsidiaries are recognised at cost less impairment.

Equity-settled share-based payments granted by the Company to employees of subsidiary companies are accounted for as an increase in the carrying value of the investment in subsidiary companies and the share-based payment reserve.

Impairment of investments in subsidiaries

At each reporting date, the Company reviews the carrying amounts of its investments in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior financial years. A reversal of an impairment loss is recognised as income immediately.

Amounts due from subsidiary undertakings

Amounts due from subsidiaries comprise of loans and borrowings and other receivables. All loans and borrowings are initially recorded at fair value, net of transaction costs and allowances for expected credit losses. Loans and borrowings are subsequently stated at amortised cost. Interest income is recognised using the effective interest method calculated by applying the effective interest rate to the gross carrying amount of a financial asset. Interest income is recognised in profit or loss and is included in the "finance income" line item.

Other receivables due from subsidiaries are initially recognised at their transaction value and subsequently carried at amortised cost, net of allowance for expected credit loss.

Impairment of amounts due from subsidiary undertakings

The Company recognises a loss allowance for expected credit losses on financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. When determining whether the credit risk of a financial asset has increased the Company considers credit risk ratings where available, the Company's historical credit loss experience, adjusted for factors that are specific to the counterparts, general economic conditions and an assessment of both the current as well as the forecast conditions at the reporting date.

The Company considers a financial asset to be in default when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed in liquidation or has entered into bankruptcy proceedings. The Company considers a financial asset to be credit-impaired when there is evidence that the debtor is in significant financial difficulty and the debt is more than 90 days past due.

Amounts due to subsidiary undertakings

Amounts due to subsidiary undertakings are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Critical judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Impairment of non-current assets

Where there are indicators of impairment of non-current assets, the Company performs impairment tests based on fair value less costs to sell or a value-in-use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget and do not include restructuring activities that are not yet committed to or significant future financial assets that will enhance performance of the financial assets being tested. The value-in-use calculation is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. Additionally, in some instances the Company obtains a third-party valuation of a financial asset and relies on this source if the valuation is current.

2. Property, plant and equipment

	Fixtures and Fittings $'000	Motor Vehicles $'000	Total $'000
Cost			
At 1 January 2022	934	131	1,065
At 31 December 2022	**934**	**131**	**1,065**
Accumulated depreciation			
At 1 January 2022	335	131	466
Charge for the financial year	107	–	107
At 31 December 2022	442	131	573
Carrying amount			
At 31 December 2022	**492**	**–**	**492**
At 31 December 2021	599	–	599

At each reporting date, the Company assesses whether there is any indication that property, plant and equipment may be impaired. No impairment indicators were identified as at 31 December 2022 or 31 December 2021.

3. Right-of-use assets

	Land & Buildings $'000
At 1 January 2021	1,284
Depreciation expense	(198)
At 31 December 2021	1,086
Depreciation expense	(195)
At 31 December 2022	891

On 1 January 2019, the Group recognised lease liabilities of $3.3 million in respect of right-of-use assets being its head office at Styne House, Dublin. The Styne House lease has a term of 10 years commencing August 2017 and rental payments are fixed for five years. This lease obligation is denominated in Euros.

At each reporting date, the Company assesses whether there is any indication that right of use assets may be impaired. No impairment indicators were identified as at 31 December 2022 or 31 December 2021.

Set out below are the carrying amounts of lease liabilities at each reporting date:

	2022 $'000	2021 $'000
Current	220	274
Non-current	840	882
Total	1,060	1,156

The income statement includes the following amounts relating to leases:

	2022 $'000	2021 $'000
Depreciation expense	195	198
Interest expense on lease liabilities	83	99
Total	278	297

4. Investments in subsidiaries

	2022 $'000	2021 $'000
Opening balance	**801,098**	798,370
Capital contribution	**1,811**	2,728
Closing balance	**802,909**	801,098

The investment balance of $802.9 million (2021: $801.1 million) comprises an investment in Kenmare Moma Mining (Mauritius) Limited and Kenmare Moma Processing (Mauritius) Limited, collectively known as "the Project Companies", in the amount of $792.7 million (2021: $792.7 million), initial investments of less than $500 in the other subsidiary undertakings of the Company and capital contributions of $10.2 million (2021: $8.3 million).

The Company has provided loans to the subsidiaries at rates considered favourable to the borrowers. As a result, the Company recognised a total capital contribution amounting to $3.2 million (2021: $2.3 million) representing the difference between the loan amounts and their fair value discounted at a market rate of interest of 5%. The total amount recognised as an addition during the year was $1.0 million (2021: $2.3 million).

The Company is involved in a Group share-based payment scheme whereby the Company has an obligation to settle awards relating to employees of subsidiaries and is therefore considered the settling entity. The Company accounts for the arrangement in accordance with IAS 27 Separate Financial Statements and recognises an addition to the cost of its investment in the relevant subsidiary undertakings. The capital contribution relating to share awards of the Project Companies amounts to $7.0 million (2021: $6.0 million). The total amount recognised as an addition under Group share-based payment schemes during the year was $0.8 million (2021: $0.4 million).

The subsidiary undertakings of the Company as at 31 December 2022 are as follows:

	Place of Incorporation	Place of Operation	Percentage Ownership
Kenmare C.I. Limited	Jersey	Jersey	100%
Congolone Heavy Minerals Limited	Jersey	Mozambique	100%
Kenmare Moma Mining (Mauritius) Limited	Mauritius	Mozambique	100%
Kenmare Moma Processing (Mauritius) Limited	Mauritius	Mozambique	100%
Mozambique Minerals Limited	Jersey	Mozambique	100%

Each of the subsidiary undertakings has issued ordinary shares only. The activities of the above subsidiary undertakings are mining, mineral exploration, management and development.

The registered office of the Irish company is Styne House, Hatch Street Upper, Dublin 2, D02 DY27. The registered office of the Jersey companies is Zedra Trust Company (Jersey) Limited, 50 La Colomberie, St. Helier, Jersey. The registered office of the Mauritian companies is 10th Floor, Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius.

The Company carried out an impairment review of investments in subsidiary undertakings as at 31 December 2022. As a result of the review, an indicator of impairment was identified in the Company's investment in Kenmare Moma Processing (Mauritius) Limited and Kenmare Moma Mining (Mauritius) Limited as a result of the carrying value of the Company's investment in subsidiaries being in excess of the Group's market capitalisation.

In accordance with IAS 36, management calculated the recoverable amount of both investments, which, for the purposes of the impairment test were considered collectively to form part of a cash-generating unit, namely the Moma Titanium Minerals Mine. As a result of the impairment review, management concluded that the recoverable amount of the cash-generating unit exceeded the carrying amount and as such no impairment loss was recorded. Further information on the assumptions used in the impairment test can be found in Note 11 to the Group Consolidated Financial Statements.

5. Amounts due from subsidiary undertakings

	2022 $'000	2021 $'000
Loans and borrowings	**45,363**	76,289
Other payables	**2,418**	3,013
Closing balance	**47,781**	79,302

Under the terms of a management services agreement and marketing services agreement between the Company and the Project Companies, the Company earned $9.2 million (2021: $7.5 million) in respect of management services provided during the year to both Project Companies and $15.0 million (2021: $12.6 million) in respect of marketing services provided during the year to Kenmare Moma Processing (Mauritius) Limited. The collective amount outstanding at the year-end date in relation to these services is $2.4 million (2021: $3.0 million).

During the year, the Project Companies drew down one unsecured loan, repaid two unsecured loans and refinanced three loans as set out below. Interest accrued amounted to $0.3 million at 31 December 2022 (2021: $0.3 million). The carrying amount due from subsidiary undertakings represents the maximum credit exposure. Amounts due from subsidiary undertakings are current (i.e. not overdue). The expected credit losses provided against amounts due from subsidiary undertakings is $0.6 million (2021: $1.1 million).

	2022 $'000	2021 $'000
Interest at 0.61%, refinanced on 6 May 2022*	**–**	8,022
Interest at 0.61%, refinanced on 4 June 2022*	**–**	10,031
Interest at 0.61%, refinanced on 8 June 2022*	**–**	10,031
Interest at 0.36%, repaid on 8 April 2022	**–**	49,298
Interest at 5.02%, repayable on 20 April 2023	**25,457**	–
Interest at 5.02%, repayable on 4 June 2023	**10,250**	–
Interest at 5.02% repayable on 8 June 2023	**10,250**	–
Net amount due for settlement	**45,957**	77,382
Expected credit losses	**(594)**	(1,093)
Closing balance	**45,363**	76,289

* These loans were refinanced during the year and the original repayment dates were extended by six months.

6. Trade and other receivables

	2022 $'000	2021 $'000
Prepayments	**418**	583

7. Cash and cash equivalents

	2022 $'000	2021 $'000
Cash at bank and in hand	**9,812**	7,284

8. Share capital, share premium and other reserves

Relevant disclosures on the Company's share capital, share premium and other reserves are given in Notes 16 to 19 in the consolidated financial statements.

9. Amounts due to subsidiary undertakings

	2022 $'000	2021 $'000
Loans and borrowings	36,636	36,636
Other payables	18,528	18,639
Closing balance	55,164	55,275
Non-current	54,116	54,106
Current	1,048	1,169
Closing balance	55,164	55,275

Loan amounts owed to subsidiary undertakings consist of an amount due to Kenmare C.I. Limited of $36.6 million (2021: $36.6 million) at the year end as a result of a Novation and Subscription Deed entered into in 2019. In addition, other payables include an amount of $17.4 million (2021: $17.4 million) due to Kenmare C.I. Limited as a result of subsequent inter-Group funding. The amounts due to Kenmare C.I. Limited are interest free and unsecured. Kenmare C.I. Limited does not intend to demand repayment of the amounts due within one year from the year end.

During the year, costs of $1.8 million (2021: U$1.5 million) were recharged to the Company by Kenmare C.I. Limited under a Group cost agreement. The amount due to Kenmare C.I. Limited under the Group cost agreement is $0.7 million (2021: $0.8 million) at the year end.

During the year costs of $0.5 million (2021: $0.4 million) were recharged to the Company by its subsidiary, Mozambique Minerals Limited under a Group cost agreement. The amount due to Mozambique Minerals Limited is $0.4 million (2021: $0.4 million) at the year end.

10. Trade and other payables

	2022 $'000	2021 $'000
Trade payables	6	99
Accruals	2,283	2,361
	2,289	2,460

11. Tax liabilities

	2022 $'000	2021 $'000
Tax liabilities	1	2,752

12. Financial risk management

	2022			2021		
	Carrying amount $'000	Fair value $'000		Carrying amount $'000	Fair value $'000	
Financial assets not measured at fair value						
Loans & borrowings	45,363	45,363	Level 2	76,289	76,289	Level 2
Cash and cash equivalents	9,812	9,812	Level 2	7,284	7,284	Level 2
	55,175	55,175		83,573	83,573	
Financial liabilities not measured at fair value						
Loans & borrowings	36,636	36,636	Level 2	36,636	36,636	Level 2

The carrying amounts and fair values of financial assets and financial liabilities including their levels in fair value hierarchy are detailed above. The table does not include fair value information for other receivables, prepayments, trade payables and accruals as these are not measured at fair value as the carrying amount is a reasonable approximation of their fair value.

Credit risk management

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's loans to subsidiary undertakings. The carrying amount of financial assets represents the maximum credit exposure. The expected credit losses provided against amounts due from subsidiary undertakings is $0.6 million (2021: $1.1 million).

Foreign exchange risk management

The Company does not have any material assets or liabilities denominated in any currency other than USD at 31 December 2022 or at 31 December 2021 which would give rise to a significant transactional currency exposure.

13. Dividends

The dividends paid in respect of ordinary share capital were as follows:

	2022 $'000	2021 $'000
Dividends	34,726	16,394

In May 2022, the Company paid a final 2021 dividend of $24.1 million representing USc25.42 per share (2021: USc7.69). In October 2022, the Company paid a 2022 interim dividend of USc10.98 (H1 2021: USc7.29) per ordinary share, totalling $10.6 million.

14. Events after the statement of financial position

Proposed dividend

On 21 March 2023, the Board proposed a final dividend of USc43.33 per share. This proposed dividend is subject to approval by the shareholders at the Annual General Meeting. These financial statements do not reflect this dividend.

15. Approval of financial statements

The financial statements were approved by the Board on 6 April 2023.

OTHER INFORMATION

We work hard to ensure the Bronagh J is well-maintained at all times, in order to deliver a steady supply of finished product.

MARTHINUS ROELOFSE
BRONAGH J CAPTAIN

SHAREHOLDER PROFILE

BASED ON THE REGISTER AS AT 31 MARCH 2023

Size of holdings

	No. of shareholders	No. of shares held
1–1,000	631	111,628
1,001–5,000	59	114,089
5,001–25,000	15	161,017
25,001–100,000	2	76,361
100,001–250,000	0	0
250,001–500,000	0	0
500,001–750,000	0	0
Over 750,000	1	94,366,456
Total	**708**	**94,829,551**

Geographic distribution of holdings

	No. of shareholders	No. of shares held
Republic of Ireland	211	139,519
Northern Ireland and Great Britain	377	94,661,608
Other	120	28,424
Total	708	94,829,551

GLOSSARY – ALTERNATIVE PERFORMANCE MEASURES

Certain financial measures set out in the Annual Report to 31 December 2022 are not defined under International Financial Reporting Standards (IFRS), but represent additional measures used by the Board to assess performance and for reporting both internally and to shareholders and other external users. Presentation of these Alternative Performance Measures (APMs) provides useful supplemental information which, when viewed in conjunction with the Group's IFRS financial information, allows for a more meaningful understanding of the underlying financial and operating performance of the Group.

These non-IFRS measures should not be considered as an alternative to financial measures as defined under IFRS. Descriptions of the APMs included in this report, as well as their relevance for the Group, are disclosed below.

APM	Description	Relevance
EBITDA	Operating profit/loss before depreciation and amortisation	Eliminates the effects of financing, tax and depreciation to allow assessment of the earnings and performance of the Group
EBITDA margin	Percentage of EBITDA to Revenue (FOB)	Provides a Group margin for the earnings and performance of the Group
Capital costs	Additions to property, plant and equipment in the period	Provides the amount spent by the Company on additions to property, plant and equipment in the period
Cash operating cost per tonne of finished product produced	Total costs less freight and other non-cash costs, including depreciation and amortisation, inventory movements and the indirect tax provision, divided by final product production (tonnes)	Eliminates the non-cash impact on costs to identify the actual cash outlay for production and, as production levels increase or decrease, highlights operational performance by providing a comparable cash cost per tonne of product produced over time
Cash operating cost per tonne of ilmenite net of co-products	Cash operating costs less FOB revenue of zircon, rutile and mineral sands concentrates, divided by ilmenite production (tonnes)	Eliminates the non-cash impact on costs to identify the actual cash outlay for production and, as production levels increase or decrease, highlights operational performance by providing a comparable cash cost per tonne of ilmenite produced over time
Net cash/debt	Bank loans before transaction costs, loan amendment fees and expenses net of cash and cash equivalents	Measures the amount the Group would have to raise through refinancing, asset sale or equity issue if its debt were to fall due immediately, and aids in developing an understanding of the leveraging of the Group
Finished products produced	Finished products produced at the Mine during the year	Provides a measure of production from the Mine and is defined as finished products produced by the mineral separation process (in tonnes)
Finished products shipped	Finished products shipped from the Mine during the year	Provides a measure of finished product volumes shipped to customers during the period (in tonnes)
Carbon intensity/GHG emissions	Scope 1 and 2 Greenhouse gas emissions	Measures total Scope 1 and 2 GHG emissions.
LTIFR	Lost time injury frequency rate	Measures the number of injuries per 200,000 hours worked at the Mine which results in time lost from work
ROCE	Return on capital employed	ROCE measures how efficiently we generate profits from investment in our portfolio of assets.
Shareholder returns	Dividends and share buybacks	Shareholder returns comprise the interim dividend, the proposed final dividend to be approved by shareholders at the AGM and any share buybacks

Mineral product revenue

	2018 $m	2019 $m	2020 $m	2021 $m	2022 $m
Revenue	262.2	270.9	243.7	455.9	**526.0**
Freight	(16.3)	(15.4)	(12.2)	(35.4)	**(27.6)**
Mineral product revenue	245.9	255.5	231.5	420.5	**498.4**

EBITDA

	2018 Restated $m	2019 Restated $m	2020 Restated $m	2021 Restated $m	2022 $m
Operating profit	62.9	57.3	33.4	151.1	**233.4**
Depreciation	30.4	33.4	42.3	63.1	**64.6**
EBITDA	93.3	90.7	75.7	214.2	**298.0**

EBITDA margin

	2018 Restated $m	2019 Restated $m	2020 Restated $m	2021 Restated $m	2022 $'m
EBITDA	93.3	90.7	75.7	214.2	**298.0**
Revenue derived from the sale of mineral product	245.9	255.5	231.5	420.5	**498.4**
EBITDA margin (%)	38%	35%	33%	51%	**60%**

Cash operating cost per tonne of finished product

	2018 Restated $m	2019 Restated $m	2020 Restated $m	2021 Restated $m	2022 $m
Cost of sales	184.6	195.7	192.3	295.0	**282.7**
Freight	(16.3)	(15.4)	(12.2)	(35.4)	**(27.6)**
Foreign exchange included in cost of sales	–	(1.9)	(1.0)	(1.9)	**(1.1)**
Cost of sales excluding freight and foreign exchange	168.3	178.4	179.1	257.7	**254.0**
Administrative expenses	14.7	17.9	18.1	9.8	**9.9**
Total operating costs less freight and foreign exchange	183.0	196.3	197.2	267.5	**263.9**
Non-cash costs					
Depreciation and amortisation	(30.4)	(33.4)	(42.3)	(63.1)	**(64.6)**
Expected credit losses	–	–	–	(0.2)	**(1.1)**
Share-based payments	(1.4)	(1.8)	(0.5)	(1.1)	**(2.2)**
Mineral product inventory movements	0.1	(4.5)	4.9	(9.3)	**21.6**
Indirect tax provision	0.0	0.0	0.0	(2.0)	**(0.9)**
Total cash operating costs	151.3	156.6	159.3	191.8	**216.7**
Final product production tonnes	1,043,300	988,300	840,500	1,228,500	**1,200,800**
Cash operating cost per tonne of finished product	$145	$158	$190	$156	**$180**

Cash operating cost per tonne of ilmenite

	2018 Restated $m	2019 Restated $m	2020 Restated $m	2021 Restated $m	**2022 $m**
Total cash operating costs	151.3	156.6	159.3	191.8	**216.7**
Less revenue from co-products zircon, rutile and mineral sands concentrate	(75.1)	(84.5)	(63.2)	(85.8)	**(150.9)**
Total cash costs less co-product revenue	76.2	72.1	96.1	106	**65.8**
Ilmenite product production tonnes	958,500	892,900	756,000	1,119,400	**1,088,300**
Cash operating cost per tonne of ilmenite	$79	$81	$127	$95	**$60**

Net cash/debt

	2018 $'m	2019 $'m	2020 $'m	2021 $'m	**2022 $'m**
Bank debt	(83.5)	(60.9)	(145.8)	(148.1)	**(78.6)**
Transaction costs	–	(6.6)	(5.4)	(3.8)	**(2.2)**
Gross debt	(83.5)	(67.5)	(151.2)	(151.9)	**(80.8)**
Cash and cash equivalents	97.0	81.2	87.2	69.1	**108.3**
Net cash/(debt)	13.5	13.7	(64.0)	(82.8)	**27.5**

Return on Capital Employed

	2018 Restated $m	2019 Restated $m	2020 Restated $m	2021 Restated $m	**2022 $m**
Operating profit	62.9	57.3	33.4	151.1	**233.4**
Total Equity and Non-Current Liabilities	932.7	984.0	1,087.5	1,045.4	**1,171.0**
ROCE	7%	6%	3%	15%	**20%**

GLOSSARY – TERMS

Term	Description
AGM	Annual General Meeting.
CIF	The seller delivers when the goods pass the ship's rail in the port of shipment. Seller must pay the cost and freight necessary to bring goods to named port of destination. Risk of loss and damage are the same as CFR. Seller also has to procure marine insurance against buyer's risk of loss/damage during the carriage. Seller must clear the goods for export. This term can only be used for sea transport.
CFR	This term means the seller delivers when the goods pass the ship's rail in port of shipment. Seller must pay the costs and freight necessary to bring the goods to the named port of destination, but the risks of loss or damage, as well as any additional costs due to events occurring after the time of delivery, are transferred from seller to buyer. Seller must clear goods for export. This term can only be used for sea transport.
The Company or Parent Company	Kenmare Resources plc.
DFS	Definitive feasibility studies are the most detailed and will determine definitively whether to proceed with the project. A definitive feasibility study will be the basis for capital appropriation, and will provide the budget figures for the project. Detailed feasibility studies require a significant amount of formal engineering work and are accurate to within approximately 10–15%.
EdM	Electricidade de Moçambique.
FOB	Free on Board means that the seller delivers when the goods pass the ship's rail at the named port of shipment. This means the buyer has to bear all costs and risks to the goods from that point. The seller must clear the goods for export. This term can only be used for sea transport.
Free Cash Flow	Free Cash Flow is the cash generated by the Group in a reporting period before distributions to shareholders.
Gender diversity	Percentage of females in the workforce at the Moma Mine. We recognise the benefits to our business of supporting diversity, equity and inclusion for long-term sustainable success. Increased gender diversity has been an important metric at the Mine.
GHG emissions	Scope 1 & 2 Greenhouse Gas emissions. We acknowledge the human contribution to climate change and aim to reduce emissions from our already low carbon intensity operations.
Group or Kenmare	Kenmare Resources plc and its subsidiary undertakings.
HMC	Heavy mineral concentrate extracted from mineral sands deposits and which include ilmenite, zircon, rutile and other heavy minerals and silica.
KMML Mozambique Branch	Mozambique branch of Kenmare Moma Mining (Mauritius) Limited (KMML).
KMPL Mozambique Branch	Mozambique branch of Kenmare Moma Processing (Mauritius) Limited (KMPL).
KRSP	Kenmare Resources plc Restricted Share Plan
Lenders	Absa Bank Limited (acting through its Corporate and Investment Banking Division) ("Absa"), The Emerging Africa Infrastructure Fund (part of the Private Infrastructure Development Group ("PIDG")) ("EAIF"), Nedbank Limited (acting through its Nedbank Corporate and Investment Banking division) ("Nedbank"), Rand Merchant Bank and Standard Bank Group ("Standard Bank").
LTI	Lost time injury. Measures the number of injuries at the Mine that result in time lost from work.
LTIFR	Lost time injury frequency rate. Measures the number of injuries causing lost time per 200,000 man hours worked on site.
Marketing – finished products shipped	Finished products shipped to customers during the period. Provides a measure of finished products shipped to customers.
Mining – HMC produced	Heavy mineral concentrate extracted from mineral sands deposits and which includes ilmenite, zircon, rutile, concentrates and other heavy minerals and silica. Provides a measure of heavy mineral concentrate extracted from the Mine.

Term	Description
Moma, Moma Mine or the Mine	The Moma Titanium Minerals Mine consisting of a heavy mineral sands mine, processing facilities and associated infrastructure, which is located in the north-east coast of Mozambique under licence to the Project Companies.
Mine Closure Guarantee Facility	$40 million debt facility dated 11 December 2019 between the Lenders and KMML Mozambique Branch and KMPL Mozambique Branch.
MSP	Mineral Separation Plant.
Mtpa	Million tonnes per annum.
NOSA	National Occupational Safety Association.
OIA	Oman Investment Authority, formerly the State General Reserve Fund of the Sultanate of Oman.
Odd-lot Offer	The offer made by the Company to members in the UK and Ireland who held certificated holdings of less than 200 ordinary shares as described in the circular to shareholders dated 21 April 2022.
Ordinary shares	Ordinary shares of €0.001 each in the capital of the Company.
PFS	A feasibility study is an evaluation of a proposed mining project to determine whether the mineral resource can be mined economically. Pre-feasibility study is used to determine whether to proceed with a detailed feasibility study and to determine areas within the project that require more attention. Pre-feasibility studies are done by factoring known unit costs and by estimating gross dimensions or quantities once conceptual or preliminary engineering and mine design has been completed.
Processing – finished products produced	Finished products produced by the mineral separation process. Provides a measure of finished products produced from the processing plants.
Project Companies	Kenmare Moma Mining (Mauritius) Limited and Kenmare Moma Processing (Mauritius) Limited, wholly owned subsidiary undertakings of Kenmare Resources plc, which are incorporated in Mauritius.
Revolving Credit Facility	$40 million debt facility dated 11 December 2019 between the Lenders and KMML Mozambique Branch and KMPL Mozambique Branch.
RUPS	Rotary uninterruptible power supply.
TCFD	Task Force on Climate-Related Financial Disclosures.
Tender Offer	The invitation by the Company to eligible shareholders to tender ordinary shares for purchase on-market by Peel Hunt LLP on the terms and subject to the conditions set out in the circular dated 16 November 2021.
Term Loan Facility	$110 million debt facility dated 11 December 2019 between the Lenders and KMML Mozambique Branch and KMPL Mozambique Branch.
THM	Total heavy minerals in the ore of which ilmenite (typically 82%), rutile (typically 2.0%) and zircon (typically 5.5%) total approximately 90%.
UK	United Kingdom.
WCP	Wet Concentrator Plant.
WCP A	The original WCP which started production in 2007.
WCP B	The second WCP which started production in 2013.
WCP C	The third WCP which started production in 2020.
WHIMS	Wet High-Intensity Magnetic Separation Plant.

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