KENMARE

2016 AGM & EGM

Dublin, 25 July 2016

London Stock Exchange

LISTED

PREMIUM

KENMARE

Disclaimer

Important: You must read the following before continuing.

This presentation and any oral information based upon such presentation and the question-and-answer session that follows it (collectively hereinafter the "**Presentation**") has been prepared and issued by Kenmare Resources plc (the “**Company**” or “**Kenmare**” and together with its subsidiaries, the "**Group**"). By attending the meeting at which this Presentation is made, or by accepting or reading the slides that follow, you will be deemed to have represented, warranted and undertaken that you have agreed to comply with all of the terms, conditions and restrictions contained herein.

This Presentation has been made available for informational and background purposes only and has been prepared solely for use at a presentation to shareholders at the Company’s Annual General Meeting and Extraordinary General Meeting held on 25 July 2016 at which resolutions will be considered in connection with the proposed placing of new ordinary shares (“**Shares**”) of the Company with a cornerstone investor (“**Cornerstone Placing**”), certain other investors (“**Firm Placing**”) and by way of open offer to existing shareholders of the Company subject to certain restrictions (the “**Open Offer**”) (together the “**Capital Raise**”) and the admission of such Shares to the secondary listing segment of the Official List of the Irish Stock Exchange plc (the “**Irish Stock Exchange**”) and to the premium listing segment of the Official List of the UK Listing Authority and the admission of such Shares to trading on the regulated markets for listed securities of the Irish Stock Exchange and the London Stock Exchange plc (the “**Admission**”). This Presentation is not intended to, constitute or form part of any offer to sell or an offer, inducement, invitation or commitment to purchase or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever or constitute an invitation or inducement to engage in an investment activity or a recommendation to enter into any transaction with the Company or any member of the Group.

The contents of this Presentation may not be copied, distributed, published or reproduced in whole or in part, or otherwise disclosed, directly or indirectly, to any recipient (whether within or outside your organisation or firm). Failure to comply with these restrictions may constitute a violation of applicable securities laws and may constitute a criminal offence. Accordingly, by attending or participating (in person or otherwise) in any oral presentation in which this presentation is made available or by receiving this presentation through any other means, you represent that you are able to receive this presentation without contravention of any legal or regulatory restrictions applicable to you.

This Presentation should not form the basis of any investment decision and the contents do not constitute advice relating to legal, taxation, financial or investment matters. Nothing in this Presentation constitutes investment advice or a recommendation regarding any securities of the Group. The Presentation does not purport to contain all of the information that may be required to evaluate an investment in the Company and/or its financial position.

This Presentation is an advertisement and not a prospectus (or prospectus equivalent document) and investors should not subscribe for or purchase any Shares referred to in this Presentation except solely on the basis of information in the prospectus published by the Company in connection with the Capital Raise and Admission (the “**Prospectus**”). This Presentation does not contain relevant risk factors to be considered before any potential investment decision is made.

This Presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Shares or any other securities, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor. No representation or warranty, express or implied, is given by or on behalf of the Company, any member of its Group, any of Canaccord Genuity Ltd, J&E Davy, Hannam & Partners or Mirabaud Securities (together the “**Joint Bookrunners**”) or any of such persons' directors, officers, employees, agents, representatives or affiliates or any other person (collectively "**Covered Persons**") as to, and no reliance should be placed on, the fairness, accuracy, completeness, sufficiency or correctness of the information or opinions contained or expressed in this Presentation or any information made available orally or in writing at the meeting at which this Presentation is made or the legality of an investment in the Shares by any investor under the laws applicable to such investor. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of any subscription or purchase of Shares. There is no obligation on any person to update this Presentation, correct any inaccuracies which may become apparent or to publicly announce the result of any revision to the statements made herein except to the extent that they would be required to do so under applicable law or regulation. To the extent permitted by law, no duty of care is owed or liability whatsoever is accepted by the Covered Persons for any loss howsoever arising, directly or indirectly, from the use of this Presentation, its contents or otherwise arising in connection therewith. The Joint Bookrunners are acting for the Company and no-one else in connection with the organization of the oral presentation of this Presentation and will not be responsible to any other person for providing the protections afforded to their respective clients, or for providing advice in relation to this Presentation and its contents.

This presentation contains forward-looking statements which can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Such forward-looking statements are based on the beliefs of its management as well as assumptions made and information currently available to the Company. Forward-looking statements speak only as of the date of this Presentation and the Company expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation, including any changes in its expectations or any changes in events, conditions or circumstances on which these forward-looking statements are based. Due to various risks and uncertainties, actual events or results or actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements. No representation or warranty is made as to the achievement or reasonableness of, and no reliance should be placed on, such forward-looking statements. There is no guarantee that the Company will generate a particular rate of return.

Disclaimer

This Presentation also includes track record information regarding the performance of the Company and the Group. Such information is not necessarily comprehensive or complete and prospective investors should not consider such information to be indicative of the possible future performance of the Company, the Group or any investment opportunity to which this Presentation relates. Nothing in this Presentation shall be relied upon as a promise or representation, whether as to the past or the future.

To the extent indicated herein, certain industry, market and competitive position data contained in this Presentation came from third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. While the Company believes that each of these publications, studies and surveys has been prepared by a reputable source, the Company has not independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in this Presentation may come from the Company's own internal research and estimates based on the knowledge and experience of the Company in the Irish and international markets. While the Company believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this Presentation.

The distribution of this Presentation and issue of Shares pursuant to the Capital Raise in certain jurisdictions may be restricted by law. No action has been taken by the Company to permit a public offering of Shares or distribution or possession of this Presentation (or any other offering or publicity materials or application form(s) relating to Shares) in any jurisdiction where action for that purpose may be required or doing so is restricted by law. Accordingly, this Presentation may not be distributed or published in any jurisdiction except under circumstances that will not constitute a violation of any applicable laws and regulations. Persons into whose possession this Presentation comes are required by the Company to inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Without limitation to the foregoing, this Presentation does not constitute an offer of securities for sale in the United States of America (including its territories and possessions, any state of the United States of America and the District of Columbia) (the "**United States**"), Australia, Canada, Hong Kong, Japan, Switzerland or any other jurisdictions where the extension of availability of the Capital Raise would breach any applicable law or any one of them as the context requires. This Presentation is not for use in the United States and may not be retransmitted, published or otherwise redistributed in the United States. This Presentation is not for transmission, publication, distribution or release in or into Australia, Canada, Hong Kong, Japan, Switzerland or in or into any other country where such distribution may lead to a breach of any law or regulatory requirement.

The Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold, directly or indirectly, within the United States. There will be no public offer of the Shares in the United States. The Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be qualified institutional buyers as defined in Rule 144A under the US Securities Act in reliance on section 4(a)(2) of the US Securities Act, Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; and (ii) outside of the United States in reliance on Regulation S under the US Securities Act ("**Regulation S**").

The Shares are only suitable for investors: who understand the potential risk of capital loss and there may be limited liquidity in the underlying investments of the Company and in the Shares; for whom an investment in the Shares is part of a diversified investment programme, and; who fully understand and are willing to assume the risks involved in such an investment programme. This Presentation does not constitute a recommendation concerning the Capital Raise. The price and value of securities may go down as well as up. When considering what further action you should take you are recommended to immediately consult if you are a resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 11 to 3) as amended or the Investment Intermediaries Act 1995 (as amended) and, if you are resident in the United Kingdom, a person authorised under the Financial Services and Markets Act 2000 as amended of the United Kingdom, or another appropriately authorised adviser if you are in a territory outside of Ireland or the United Kingdom.

Overview

- Large, long life (+100 years), low cost resource in a favourable location
  - >US$1.1bn of capital invested in the mine including own port and loading facilities
  - Production forecast to increase 24% in 2016 to 950,000[1] tonnes of ilmenite (plus associated by-products)
  - Cash costs falling by 15% to $141/tonne; a result of increased power stability enabling higher plant operating rates

- Capital raising and debt restructuring complete
  - Gross debt reduced to US$100m from US$392m[2]
  - US$75m cash, prior to fees[3]
  - Reduced interest rate, increased term and principal payment holiday

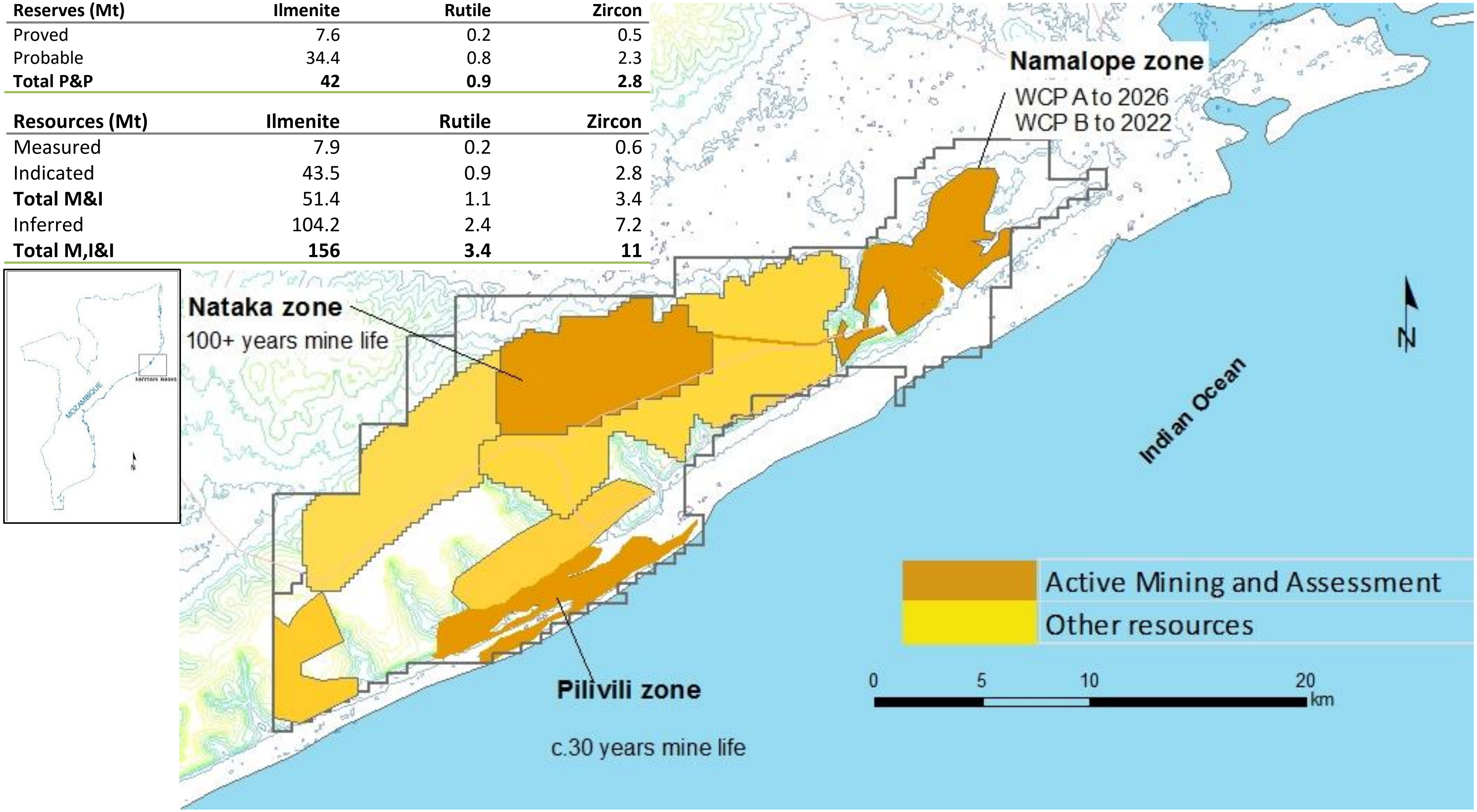
- Favourable product market supply / demand outlook
  - Global pigment demand strong; producers reported increased sales volumes of 5-13% in Q1 2016 vs Q1 2015
  - Chinese titanium feedstock port inventories at lowest level for three years
  - Spot prices of domestic and imported ilmenite increasing in China
  - TZMI analysis shows global sulphate feedstock markets currently in production deficit

[1] Production and cost guidance is subject to a +/- 10% variance
[2] As at 28 July 2016
[3] Estimated at US$13.4m

Moma Ore Body - 100+ Year Life of Mine

Reserves (Mt)	Ilmenite	Rutile	Zircon
Proved	7.6	0.2	0.5
Probable	34.4	0.8	2.3
Total P&P	**42**	**0.9**	**2.8**

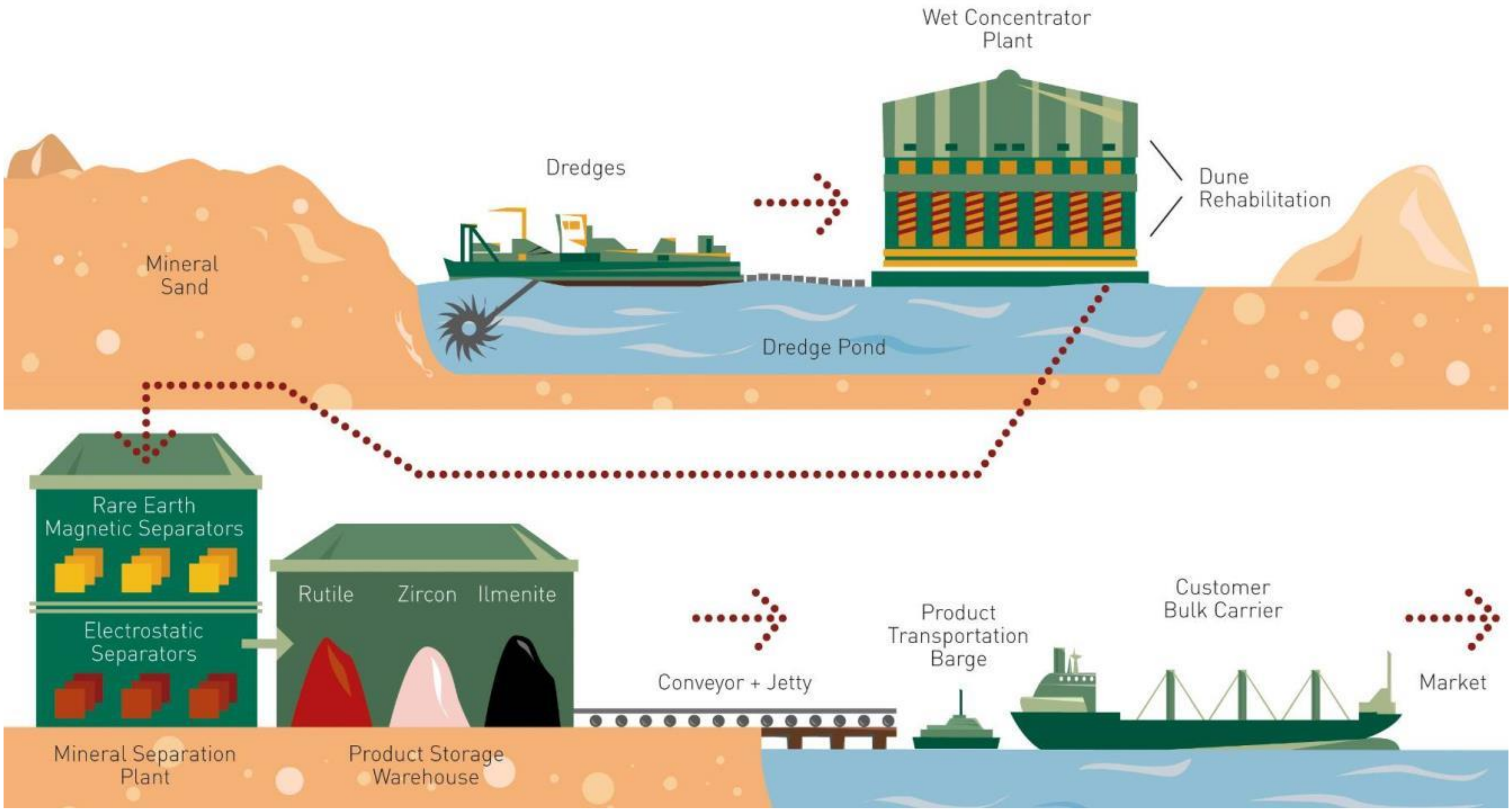
Resources (Mt)	Ilmenite	Rutile	Zircon
Measured	7.9	0.2	0.6
Indicated	43.5	0.9	2.8
Total M&I	51.4	1.1	3.4
Inferred	104.2	2.4	7.2
Total M,I&I	**156**	**3.4**	**11**



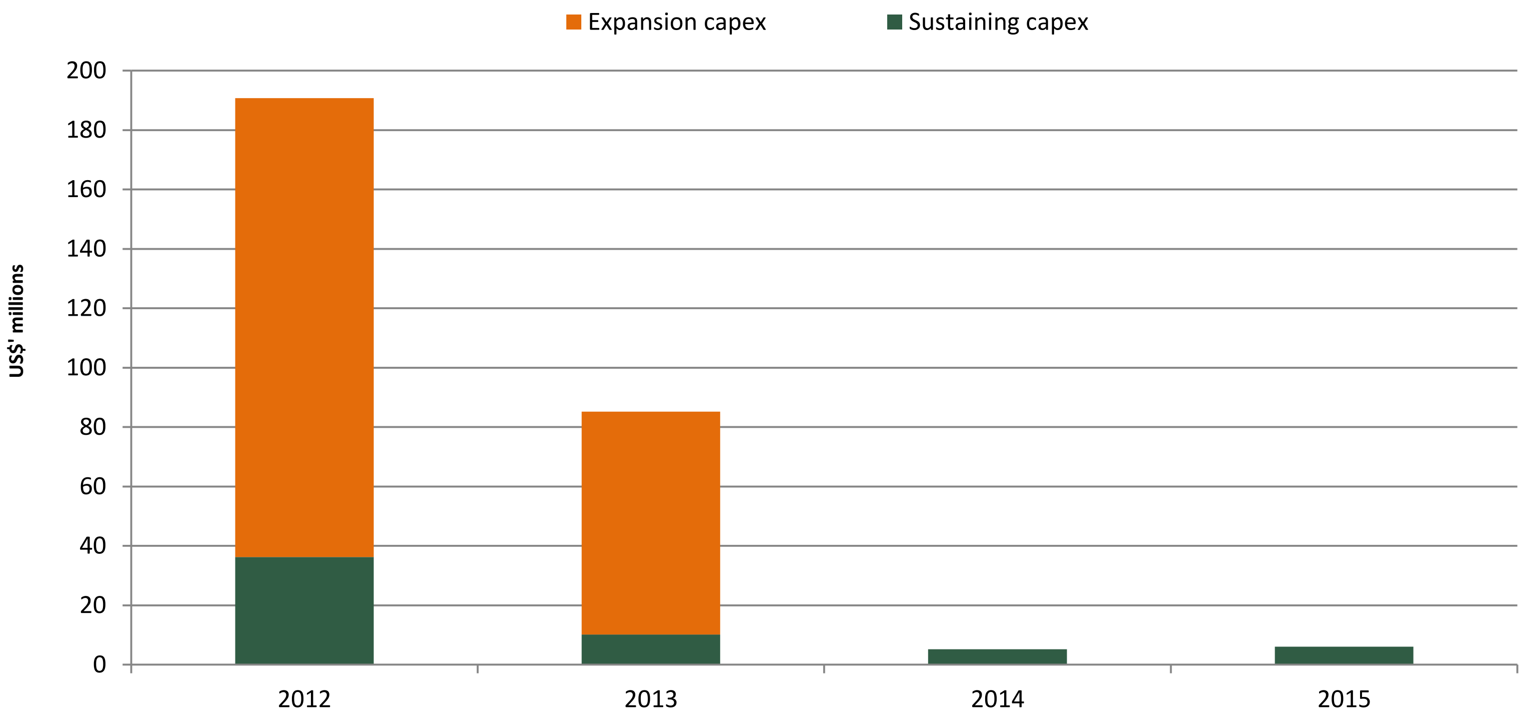
[1] Based on mineral resources and reserves as at 31/12/2015.

KENMARE

Moma Mine Simplified Flow Sheet



Yearly Capex 2012 - 2015



- Long period of investment completed in 2013
- Sustaining capex tightly controlled in 2015 at US$5.6m (2014: US$5.2m)
- Sustaining capital is expected to average ~US$20m per annum in the medium term.

KENMARE

Capital raise and debt restructuring

Capital raise - total capital raised of US$275m

- US$154.6m Placing and Open Offer
- US$20.4m Lender Underwriting
- 109.6m shares on issue following 1 for 200 consolidation of shares

Debt restructuring – simplified debt structure and enhanced working capital position

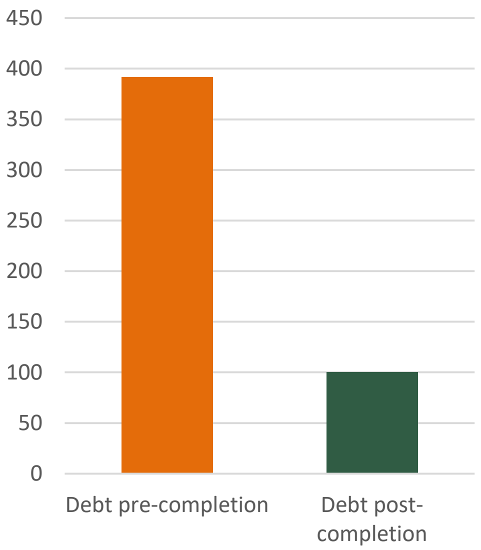
- Gross debt reduced to US$100m from US$392m[1]
- US$75m cash, prior to fees[2]
- Effectively one tranche of debt with increased tenor to February 2022, all denominated in USD
- Interest at 4.75% + 6m US LIBOR until 2020, 5.50% + 6m US LIBOR thereafter
- Principal repayment holiday until February 2018

[1] *Gross debt as at 28 July 2016*
[2] *Estimated at US$13.4m*

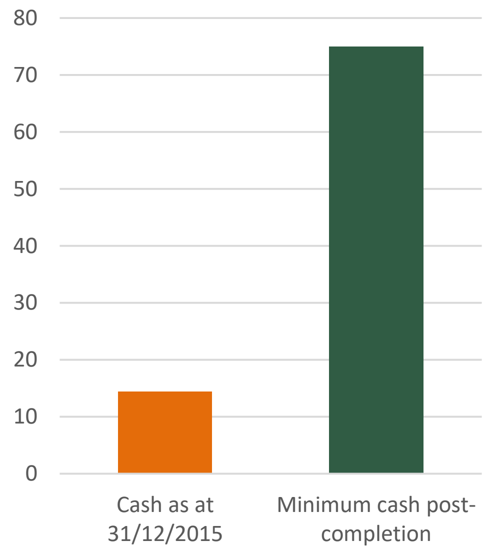
KENMARE

Transformed balance sheet post capital raise

Gross Debt (US$m)[1]



Cash (US$m)[2]



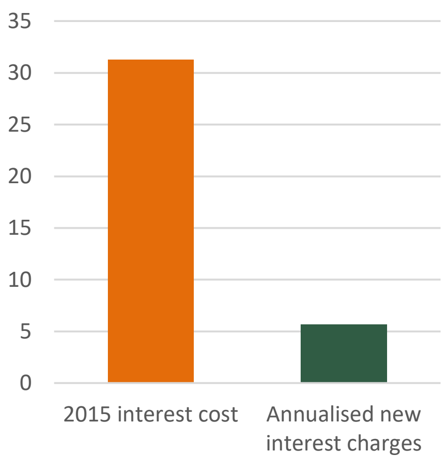
Net Debt (US$m)[3]

- Reduced gross debt to a maximum US$100m
  - Additional capital raised in excess of US$275m will further reduce outstanding debt
- Increased cash available for working capital to US$75m
  - Provides a strong buffer should markets change for any unforeseen circumstances
- Reduced net debt to a maximum US$25m
  - Dramatically reducing financial leverage

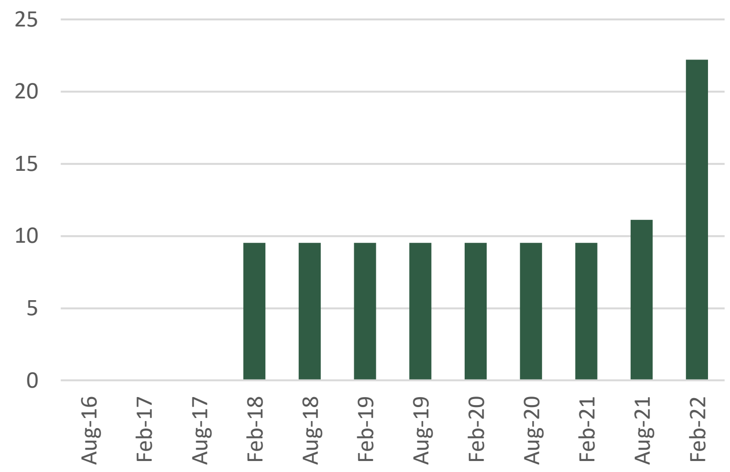
[1] *Gross debt as at 28 July 2016.*
[2] *Before fees and expenses, estimated at US$13.4m. Excluding cash on the balance sheet immediately prior to completion.*
[3] *Net debt pre-completion based on cash as at 31 December 2015 and gross debt at 28 July 2016. Maximum net debt post-completion based on gross debt post-completion and minimum cash post-completion excluding cash on the balance sheet immediately prior to completion*

Debt repayment profile

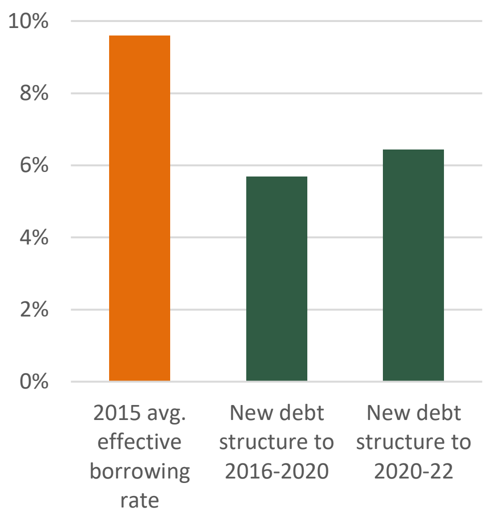
Annual Interest (US$m)[1,2]



Repayment Profile (US$m)[2]



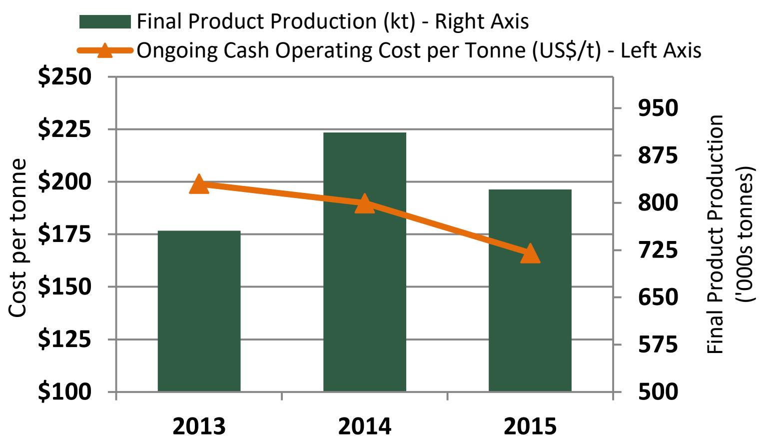
Interest Rates (%)[1]

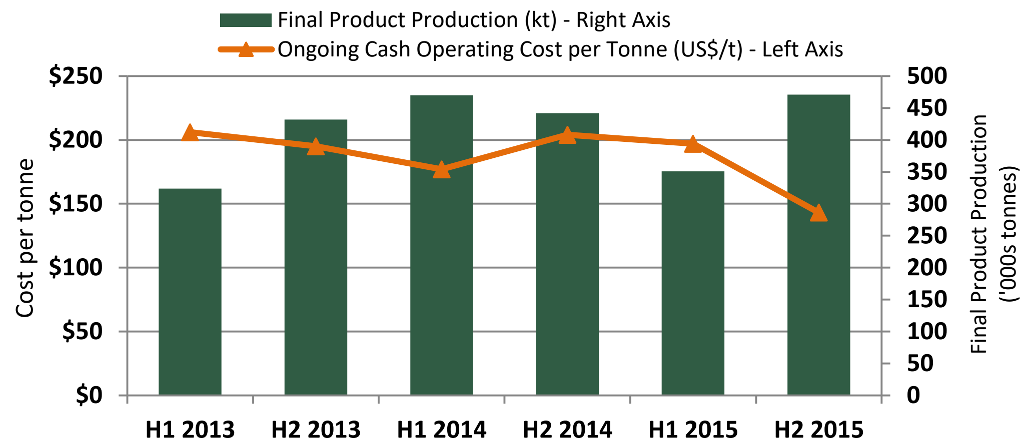


- Minimum US$68.6m of debt write down as part of deal agreed with lenders
- 25% discount to par on any monies raised in excess of $275m
- Simplified debt structure - debt servicing costs reduced by c.84%
- Repayment holiday until February 2018, providing enhanced financial flexibility
- Reduced interest rates from an average 9.6% in 2015 to 5.68%[1] until 2020, 6.43%[1] thereafter

[1] Assumes LIBOR rate of 0.9339% as at 14/06/2016
[2] Assumes 4.75% + 6 month LIBOR until 2020

Cash Operating Costs





- Cost per tonne continued to fall in 2015, as expected from peak in 2013, due to:
  - Focus on driving cost efficiencies
  - Retrenchment programme
  - Increasing production, outside of Q1 2015 prolonged power outage
  - Favourable foreign exchange trends

- 2015 cost per tonne impacted by significant power related downtime in Q1 2015
  - Final product production up 34% in H2 2015 from H1 2015
  - Ongoing cash operating costs down 3% in H2 2015 from H1 2015
  - Cost per tonne down 27% in H2 2015 (US$143/t) from H1 2015 (US$197/t)
  - Trend forecast to continue in 2016

KENMARE

Guidance

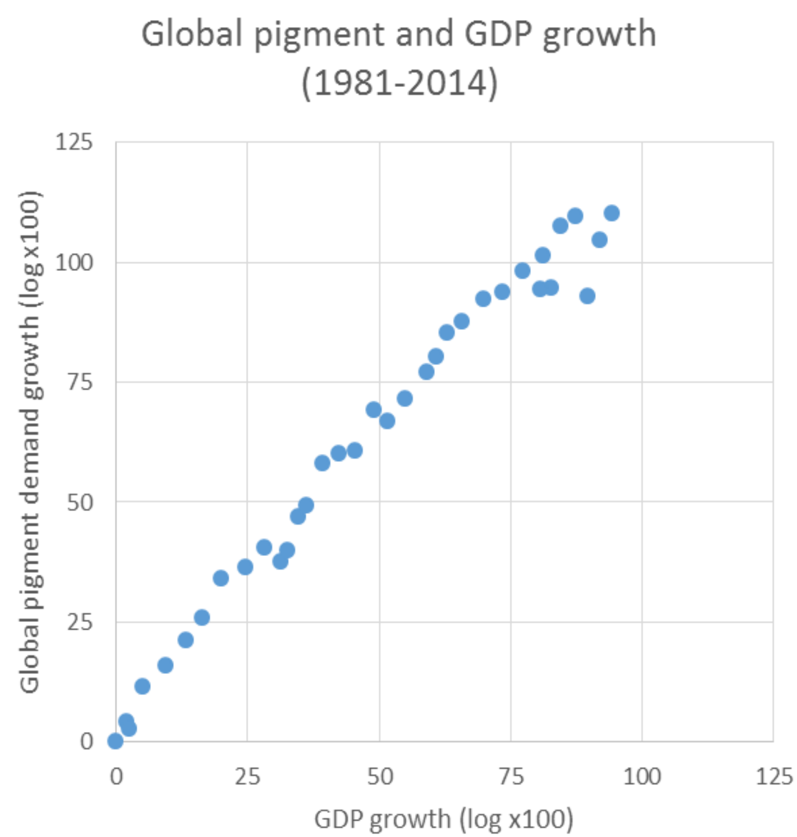
Production		2016 Guidance	2015 Actual	Variance
Ilmenite	kt	950	764	24%
Zircon	kt	70	52	35%
of which primary	kt	50	39	27%
of which secondary	kt	20	12	61%
Rutile	kt	8	6	33%
Costs				
Total cash operating costs	US$m	145	136	6%
Cash operating costs per tonne of finished product	US$/t	141	166	-15%

- Ilmenite production expected to increase to 950kt, up 24% on 2015
- Total zircon production expected to increase to 70kt, up 35% on 2015
- Mining to benefit from a significantly more stable power supply, with HMC also benefitting from an increase in grade from the latter part of Q2 2016
- We are continuing to reduce costs and expect that as volume increases through 2016, unit cost per tonne will continue to reduce

** Production and cost guidance is subject to a +/- 10% variance.*
** Sustaining capital is expected to average ~US$20m per annum in the medium term.*

TiO_2 market overview

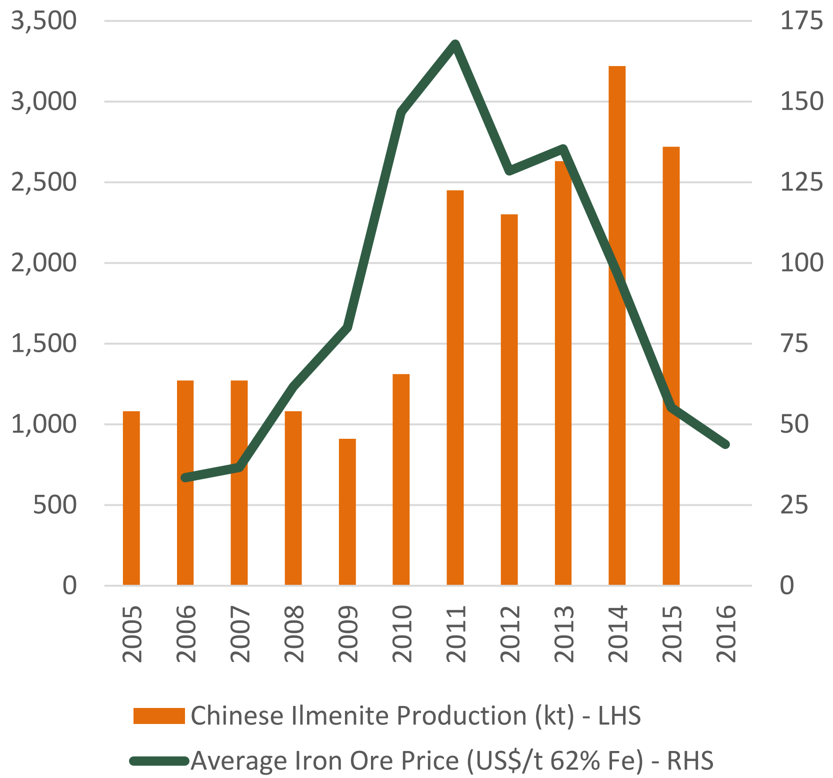
- Demand for titanium dioxide closely tracks growth in global GDP
- Titanium feedstocks are used for the production of titanium pigment (~90%), welding rods (~5%) and titanium metal (~5%)
- Titanium pigment is used in the production of paints (~60%), plastics (~26%) and paper (~14%)
- No recycling of titanium dioxide
- Geared to demand growth in later stages of economic development – China consumption level still only c. 50% of US/Western Europe



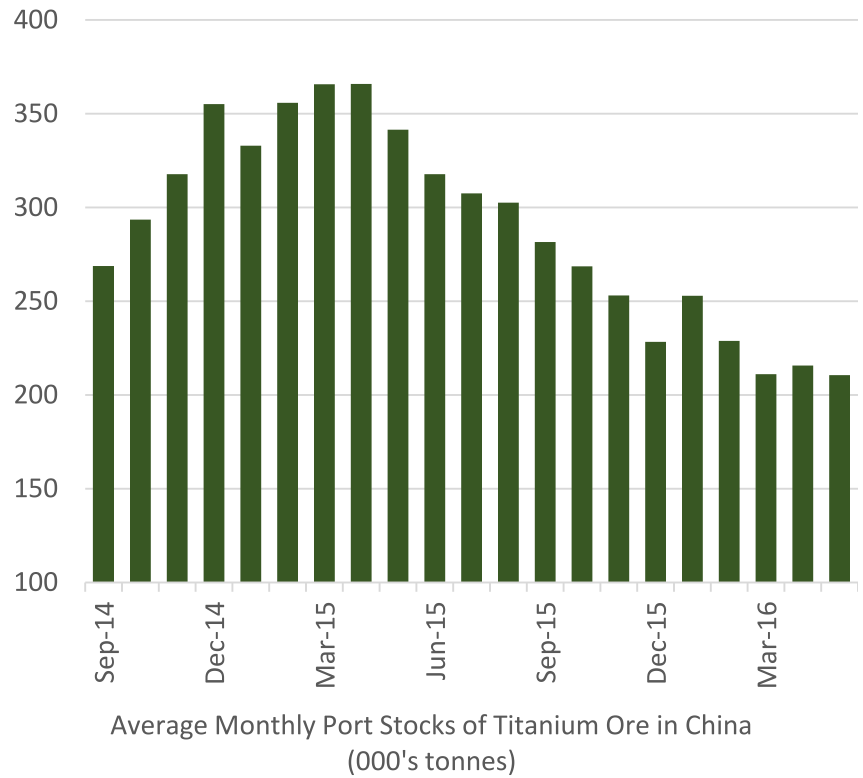
Source: *World Bank & TZMI data, Kenmare Resources, June 2016*

Tightening Chinese market conditions

Domestic Ilmenite Production



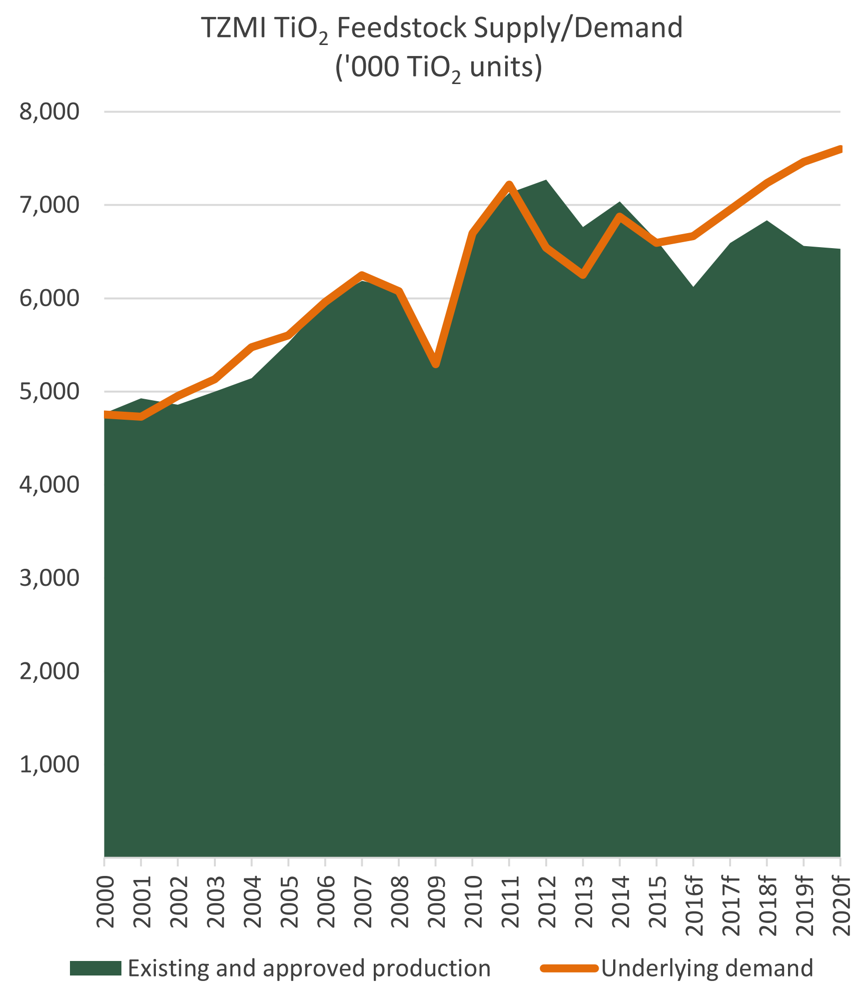
Chinese Port Stocks



- Domestic Chinese ilmenite production has been in decline, as a result of the falling iron ore price
- Chinese port stocks of titanium ores are at the lowest level in three years, inventories have been drawn down to supplement lower production
- Higher volumes of imported feedstocks will be required to meet growing demand

Supply/demand outlook

- Demand is expected to continue to trend upwards with global GDP
- Supported by increasing per capita incomes in emerging economies - expanding Chinese urban middle class fuelling consumer-driven growth
- Primary supply demand deficit emerges in 2015 offset by inventory drawdown
- Evidence in Q2 2016 that ilmenite inventories have depleted and supply/demand is tightening



Source: TZMI, Kenmare Resources, 2016

Kenmare Resources plc
Chatham House | Chatham Street | Dublin 2 | Ireland
www.kenmareresources.com