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Kenmare Resources plc
(“Kenmare” or the “Company” or “the Group”)

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Q4 2025 Production Report and 2026 Guidance

Kenmare Resources plc (LSE:KMR, ISE:KMR), one of the leading global producers of titanium minerals and zircon, which operates the Moma Titanium Minerals Mine (the "Mine" or "Moma") in northern Mozambique, is pleased to provide a trading update for the full year 2025 and the fourth quarter ending 31 December 2025 (“Q4 2025”) as well as production and operating cost guidance for 2026.

Statement from Tom Hickey, Managing Director:

“We achieved our revised 2025 production guidance for ilmenite and rutile and achieved and exceeded our original guidance for primary zircon and concentrates respectively. Commissioning of Wet Concentrator Plant (“WCP”) A has continued to advance during the past month, following the challenges reported in Q4, and we continue to target nameplate capacity operations at WCP A on a consistent basis in Q1 2026. Capital expenditure will be significantly reduced in the year ahead, with approximately $30 million expected to be incurred at WCP A and lower sustaining capex than in 2025.

In light of current industry outlook, our primary operating focus for 2026 will be on value over volume, representing a shift from the historical focus on maximising production. Under this approach, we will be producing sufficient volumes to achieve product shipments of at least 1.1 million tonnes, an increase of over 15% year-on-year, which will unlock the value of the working capital contained in our current product inventories. Annual production guidance for 2026 is therefore lower than in recent years and we will also seek to limit operating costs, where possible.

Demand for Kenmare’s products remained stable in 2025 and we have a strong order book for Q1 2026. However, continued uncertainty regarding market conditions in the medium term has led us to further reduce our pricing assumptions. Consequently, we expect to recognise an impairment charge on our assets in 2025 that is not anticipated to exceed $300 million for the year, inclusive of the impairment loss recorded at half-year. This will be a non-cash charge with no anticipated impact on our operations, projects or financing facilities or the Company’s ability to pay dividends.”

Overview

- Lost Time Injury Frequency Rate (“LTIFR”) of 0.07 per 200,000 hours worked to 31 December 2025 (31 December 2024: 0.06), with two Lost Time Injuries (“LTIs”) in Q4 2025
- Heavy Mineral Concentrate (“HMC”) production of 1,233,300 tonnes in 2025, down 15% year-on-year (“YoY”), due primarily to lower excavated ore volumes relating to the upgrade work to Kenmare’s largest mining plant, WCP A
- Ilmenite production of 842,300 tonnes in 2025, down 17% YoY, due to lower volumes of HMC processed
- Shipments of finished products of 947,900 tonnes in 2025, down 13% YoY – two shipments were partially loaded at year-end, meaning they will be reflected in H1 2026 shipping volumes
- Net debt of $158.8 million at 31 December 2025 (2024: $25.0 million), with the increase due primarily to peak capital expenditure spent on the WCP A upgrade project during the year of approximately $156 million
- The Company expects to recognise an impairment charge on its assets in 2025 that is not anticipated to exceed $300 million, inclusive of the impairment charge declared in H1 2025
- Significantly reduced capital expenditure expected to be incurred in 2026, with approximately $30 million planned to be incurred on the WCP A upgrade project and $30 million of sustaining capital–discretionary capital items are being deferred during this period of higher net debt and weaker product markets

- Demand for Kenmare's products was stable in 2025, although prices declined throughout the year due to market oversupply – Kenmare has a strong order book for Q1 2026 but this is likely to reflect weaker market pricing than experienced in 2025
- Total shipments are expected to be in excess of 1.1 million tonnes in 2026 – Kenmare intends to undertake a significant draw down of its finished product stockpiles by adjusting production
- In line with this approach, Kenmare expects ilmenite production in 2026 to be in excess of 800,000 tonnes
- Lower total cash operating costs are expected in 2026, compared to 2025, in the range of $215 million to $225 million (at the minimum production guidance level) due to lower production volumes, the reduced use of dry mining and the implementation of other cost saving opportunities
- Ongoing engagement with the Government of Mozambique regarding the extension of Moma's Implementation Agreement ("IA"), including a second Presidential meeting in November 2025

Operations update

Operational results for the Moma Mine in Q4 and full year 2025 were as follows:

	Q4 2025	**vs Q4 2024**	**vs Q3 2025**	**2025**	**vs 2024**
	Tonnes/%THM[1]	% change	% change	Tonnes/%THM	% change
Excavated ore[2]	9,215,000	-11%	3%	36,958,000	-10%
Grade[2]	3.36%	-32%	-17%	4.04%	-3%
Production					
HMC produced	264,300	-39%	-11%	1,233,300	-15%
HMC processed	267,700	-39%	-5%	1,215,300	-16%
Ilmenite	183,400	-40%	-12%	842,300	-17%
Primary zircon	10,600	-28%	-14%	50,000	-1%
Rutile	1,900	-34%	6%	8,600	-12%
Concentrates[3]	62,400	457%	193%	103,100	124%
Shipments	231,600	-25%	2%	947,900	-13%

1. *Total Heavy Mineral*
2. *Excavated ore and grade prior to any floor losses*
3. *Concentrates include secondary zircon, mineral sands concentrate and a new concentrates by-product, ZrTi*

Kenmare's rolling 12-month LTIFR to 31 December 2025 was 0.07 per 200,000 hours worked (31 December 2024: 0.06). While two relatively minor LTIs were incurred in Q4 2025, Kenmare achieved its lowest ever All Injury Frequency Rate of 0.75 (2024: 0.93) to 31 December, supported by its Trabalho Seguro (Safe Work) initiative.

HMC production in Q4 2025 was 264,300 tonnes, down 39% YoY. This was due to a 32% decrease in ore grades following the elimination of dry mining at WCP A, which previously targeted high-grade areas, as a cost management initiative, and a lower than expected contribution from dry mining at WCP B. Excavated ore volumes were also down 11%, largely due to the slower than anticipated production ramp up of WCP A following the upgrade work.

HMC production in 2025 was 1,233,300 tonnes, down 15% YoY, due primarily to lower excavated ore volumes relating to the WCP A upgrade work. Ore grades were down 3% YoY, with higher grades mined at WCP B in Pilivili partially offset by WCP A approaching the end of its mine path in Namalope. Encouragingly, the Selective Mining Operation (SMO) met its expected production rate of 50,000 tonnes in 2025, benefitting from a strong Q4 performance.

Production of finished products was significantly lower in Q4 2025 than in Q4 2024, largely due to lower HMC processed as a result of reduced HMC availability. Ilmenite production was 183,400 tonnes, down 40% YoY, broadly in line with the reduction in HMC processed. Primary zircon production was 10,600 tonnes, down 28% YoY, and rutile production was 1,900 tonnes, down 34% YoY, also largely due to the reduced HMC processed, but offset by significantly improved recoveries and drawdown of some intermediate stocks for processing. Concentrates production in Q4 2025 was 62,400 tonnes, up 457% YoY, due to the reprocessing of historical stockpiles delivering Kenmare's new concentrates product, ZrTi. Kenmare expects to be able to continue to reprocess these stockpiles for the next two years, significantly supplementing ongoing ZrTi production during this time. Following successful trial shipments of ZrTi in 2025, Kenmare now sees it as a valuable by-product. Consequently, ZrTi will be included in the Company's routine production disclosure, instead of only being recognised as production when it is shipped, as was the case during its market trial period.

Kenmare achieved revised 2025 production guidance for ilmenite and rutile and original production guidance for primary zircon. The Company materially exceeded original production guidance for concentrates.

Total production of finished products was 1,004,000 tonnes, down 10% YoY (2024: 1,115,300 tonnes), impacted by a 16% decrease in HMC processed. Ilmenite production was 842,300 tonnes in 2025, down 17% YoY, broadly in line with the reduction in HMC processed. Primary zircon production was 50,000 tonnes, down only 1% YoY, with the lower HMC processed largely offset by the decision to reprocess intermediate stockpiles and attain higher recoveries. Rutile production was 8,600 tonnes, down 12% YoY, with the lower HMC processed also partially offset by reprocessing of intermediate stockpiles. Concentrates production was 103,100 tonnes (including 59,960 tonnes of ZrTi in 2025), up 124% YoY, benefitting from the incorporation of ZrTi in production metrics.

Shipments in Q4 2025 were 231,600 tonnes, down 25% YoY, due primarily to slower loading rates on initial ZrTi shipments. Shipment volumes in Q4 2025 comprised 158,600 tonnes of ilmenite, 28,500 tonnes of primary zircon, 6,900 tonnes of rutile and 37,600 tonnes of concentrates.

Total shipments in 2025 were 947,900 tonnes, down 13% YoY, due primarily to poor weather conditions in H1 and the Peg transshipment vessel going into its five-yearly dry dock for maintenance work between June and September. Although shipment volumes in H1 were slightly stronger than in H2, the product mix was higher value in the second half of the year, as expected, with 35,500 tonnes of primary zircon shipped in H2 (H1: 14,700 tonnes) and 10,600 tonnes of rutile (H1: Nil). Kenmare also shipped 23,900 tonnes of ZrTi in 2025, which is included in concentrates production, and has identified significant ongoing demand for this product. Shipments during the year comprised 820,600 tonnes of ilmenite, 50,200 tonnes of primary zircon, 10,600 tonnes of rutile, and 66,600 tonnes of concentrates.

Closing stock of HMC at the end of 2025 was 29,200 tonnes, compared with 14,100 tonnes at the start of the year. Closing stock of finished products at the end of 2025 was 344,000 tonnes, compared with 287,200 tonnes at the end of 2024. This includes approximately 30,000 tonnes of ilmenite partially loaded at year-end. Kenmare had higher than usual levels of finished product stock at year-end and shipments are expected to materially exceed production in 2026, driving a significant reduction in finished product inventories.

Post period-end, several southern provinces of Mozambique have been impacted by severe flooding. Kenmare's operations are located in northern Mozambique and have not been materially affected to date, with electricity provision from the grid network remaining stable. The Moma area has experienced heavy rains, which are not unusual at this time of year, and some local roads have been impacted. Kenmare has adjusted its regular supply and logistics arrangements where necessary to address this. Similarly, there has been minimal impact on local communities to date, with no damage to homes or other infrastructure.

Capital projects update

Kenmare has completed all major construction and installation work associated with the upgrade of its largest mining plant, WCP A, ahead of its transition to the Nataka ore zone. The Company is now in the final stages of the commissioning and ramp up process. WCP A's transition to Nataka is essential to securing Kenmare's production for decades to come. WCP A will mine in Nataka for the remainder of its economic life, which is expected to exceed 20 years.

The capital cost estimate for the WCP A upgrade, transition to Nataka and associated infrastructure remains unchanged at $341 million, with unallocated contingency remaining within that figure. Project capital spend in 2025 was approximately $156 million, with an additional $12 million incurred that will be paid in 2026. At year-end, approximately $280 million of the project capital for the WCP A upgrade had been incurred, representing approximately 82% of the estimated total spend, in line with expectations. Capital expenditure on the WCP A project is scheduled to reduce significantly from 2026 onwards, with approximately $30m expected to be spent in 2026 (including the $12 million mentioned above). The remaining approximately $40 million of project capital largely relates to infrastructure within the Nataka area and is planned to be invested between 2027 and 2032.

While overall progress on the commissioning of WCP A in Q4 2025 was positive, some elements of the commissioning process have taken longer than anticipated, which impacted 2025 production. The ramp up of WCP A is continuing and remedial measures implemented in Q4 are working well. As the commissioning process has progressed, additional bottlenecks have been identified and the Company is undertaking a range of low-cost rectification measures in Q1 to achieve a sustainable nameplate capacity of 3,500 tonnes per hour. The extended ramp up of WCP A is not expected to impact 2026 ilmenite sales due to Kenmare's relatively high product inventories.

Market update

Demand for all of Kenmare's products remained stable in Q4 2025, although pricing continued to decline. This is due to the global titanium feedstocks and zircon markets remaining over-supplied, despite some reduction in supply during the year.

Globally, demand for titanium feedstocks softened in 2025, as weak housing markets and low consumer confidence led to a reduction in pigment production in Europe and China, with sales of paint and coatings remaining subdued.

Chinese pigment production in 2025 remained broadly in line with 2024. Elevated sulphuric acid prices in China supported the shift towards chloride pigment production, which reached record output levels in Q4. This supports demand for ilmenite suitable for beneficiation, which includes all of Kenmare's ilmenite products. Some western pigment producers reduced production capacity during 2025, with closure and idling of several pigment plants.

Increasing production of domestically-mined ilmenite in China, together with higher production of ilmenite from concentrates from outside China, continued to negatively impact feedstock prices. In response to this surplus supply, some mining companies have suspended or reduced production.

The zircon market remained subdued in Q4 2025, although demand for all of Kenmare's zircon products continued to exceed the Company's ability to supply and Kenmare finished the year with near-zero inventories. Global zircon prices declined during Q4, due to increased supply and acceptance from customers of lower-quality zircon contained in concentrates. Encouragingly, however, prices in China appeared to have stabilised towards the end of Q4 due to reduced supply.

Kenmare has a strong order book for Q1 2026 and the Company continues to see robust demand for its products, despite continued market softness. However, elevated feedstock inventories held by both western and Chinese pigment producers are expected continue to impact demand and pricing in 2026. These factors have led Kenmare and external commentators to take a more conservative view on the likely timing and scale of pricing recovery and market growth in the medium term, however adjustments to long-term assumptions are more modest.

Finance and corporate update

Financial position

Kenmare had cash and cash equivalents of $48.6 million at year-end (2024: $56.7 million). Gross bank loans, including accrued interest, were $206.4 million (2024: $80.4 million) and lease liabilities were $1.0 million (2024: $1.3 million). As a result, the Company had net debt of $158.8 million at year-end (2024: $25.0 million).

The increase in net debt is due primarily to peak capital expenditure on the WCP A upgrade project during the year of approximately $156 million of cash spent, and the Company also made dividend payments of $24.1 million. Net debt is expected to remain elevated through 2026.

Unfortunately, invoices totalling $9.3 million for shipments made to a customer in Q3 remain unpaid and Kenmare is pursuing all avenues for recovery, primarily on the basis of its retention of title. The shipments in question were delivered to two separate customer operations, which are subject to individual restructuring and sales processes. Kenmare understands that these sales processes are ongoing, with one at an advanced stage.

Kenmare is meeting its funding obligations through operating cash flows, available current assets and its $200 million Revolving Credit Facility ("RCF"). In late 2025, following a request by the Company, Kenmare's lenders granted a reset of the net debt to EBITDA covenant under its RCF, including adjusting the full year 2025 covenant to a level of 3.0x. These adjustments are intended to maintain ongoing covenant compliance through this period of elevated net debt.

Impairment charge and inventory valuation in 2025 Preliminary Results

Lower revenue assumptions associated with the continued uncertain pricing outlook outlined above are expected to result in a lower estimated recoverable value attributable to Kenmare's mining and processing assets as at 31 December 2025. Accordingly, as this value is less than the carrying value of property, plant and equipment, an impairment will be recognised in Kenmare's 2025 Preliminary Results. This impairment, which also reflects the latest amendments to the IA proposed by the Company (but not yet ratified by the Government), and includes amounts recognised at the half year ($100.3 million), is not expected to exceed $300 million at the consolidated Group level. This is non-cash charge and does not impact Kenmare's continuing operations, development programmes, ability to pay creditors or dividends, or debt covenant compliance.

Should circumstances permit, there is scope for this impairment to be reversed in future periods. Further details will be provided in the 2025 Preliminary Results.

The expected realisable market value of Kenmare's ilmenite stocks is also impacted by the weaker pricing outlook, and in certain cases is now estimated to be below its cost of production. Accordingly, the carrying value of the stocks will be reduced to its net realisable value in the 2025 Preliminary Results, leading to an adjustment of approximately $15 million.

Implementation Agreement

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

Moma's IA continues to be a key focus and Kenmare's Managing Director, Tom Hickey, met with the President of Mozambique twice in 2025, first in June and then in late November. On both occasions the President emphasised Moma's importance to Mozambique and stressed the Government's intention to renew the IA, however the ongoing delay and uncertainty remains a significant concern.

Kenmare continues to engage with the Government, while reserving the right to safeguard its contractual entitlements, up to and including arbitration, if an agreement cannot be reached.

Appointment of Katia Ray to Board of Directors

Kenmare appointed Ekaterina (Katia) Ray as an independent Non-Executive Director in October 2025, as previously announced. Katia has over 25 years of senior-level experience in the mining sector, including with FTSE 100 companies in Europe, Africa, North America and Asia. Her experience covers a range of commodities, such as industrial minerals, diamonds and platinum group metals.

2026 guidance

2026 guidance for production and operating costs is as follows:

	Unit	2026 Guidance	2025 Actual
Shipments	tonnes	In excess of 1,100,000	947,900
Production			
Ilmenite	tonnes	In excess of 800,000	842,300
Primary zircon	tonnes	In excess of 41,000	50,000
Rutile	tonnes	In excess of 7,500	8,600
Concentrates[1]	tonnes	In excess of 81,000	106,200
Costs			
Total cash operating costs	$m	215-225[2]	N/R[3]
Cash costs per tonne of finished product	$/t	240-250[2]	N/R[3]

1. *Concentrates include secondary zircon, mineral sands concentrate and ZrTi*
2. *Based on minimum 2026 production guidance*
3. *To be reported in full year financial statements*

Kenmare's focus in 2026 will be to deliver shipment volumes in excess of 1,100,000 tonnes, which represents more than a 15% uplift compared to 2025. Shipments are planned to include a significant draw down of finished product inventories.

The Company intends to produce lower volumes of finished products in 2026 than it has in recent years to minimise operating costs and accelerate the drawdown of finished product stocks. Consequently, ilmenite production is expected to be a minimum of 800,000 tonnes, with corresponding reductions in the production of primary zircon and rutile. Production will be flexed upwards from this minimum guidance level to meet market demand once inventory levels have normalised. The reprocessing of tailings to produce ZrTi is expected to supplement concentrates production and as such, concentrates production is expected to be in excess of 81,000 tonnes in 2026.

Constraining production in 2026 will allow the Company to target a reduction in operating costs compared to 2025, in line with its value over volume approach. Kenmare's guidance for total cash operating costs in 2025 was $228 million to $252 million; operating costs for 2025 will be within this range and full details will be provided in the 2025 Preliminary Results. Kenmare has also conducted a thorough assessment of its cost structure and identified some opportunities to further decrease operating costs in 2026, including minimising the use of dry mining. A retrenchment process in respect of approximately 15% of its workforce was also initiated in Q4 2025; while regretted, this is a necessary and proportionate response to the challenges currently being experienced by Kenmare and the wider industry. Total cash operating costs in 2026 are therefore expected to be from $215 million to $225 million, with cash costs per tonne of finished product of $240 to $250, at the minimum production guidance.

Expenditure on the WCP A upgrade project is expected to be $30 million in 2026; this includes approximately $12 million that was incurred in 2025 and that will be paid in 2026. The WCP A project remains on budget, with a total cost estimate of $341 million. Sustaining capital costs in 2026 are expected to be approximately $30 million, which is lower than in 2025. Kenmare is committed to maintaining a strong and flexible balance sheet and ensuring it is well-positioned for a recovery in its product markets, therefore will seek to defer discretionary capital cost items wherever practicable and safe to do so.

Private investor webinar via Investor Meet Company

Kenmare will host a webinar for private investors via Investor Meet Company at 2:00pm UK time today (21 January 2026).

Questions can be submitted via the Investor Meet Company dashboard at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and register for the Kenmare webinar at:
https://www.investormeetcompany.com/kenmare-resources-plc/register-investor

Investors who already follow Kenmare on the Investor Meet Company platform will automatically be invited.

Notice of 2025 Preliminary Results

Kenmare plans to release its 2025 Preliminary Results on 25 March 2026.

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About Kenmare Resources

Kenmare Resources plc is one of the world's largest producers of titanium minerals. Listed on the London Stock Exchange and the Euronext Dublin, Kenmare operates the Moma Titanium Minerals Mine in Mozambique. Moma's production accounts for approximately 6% of global titanium feedstocks and the Company supplies to customers operating in more than 15 countries. Kenmare produces raw materials that are ultimately consumed in everyday quality-of life items such as paints, plastics and ceramic tiles.

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

Forward Looking Statements

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

The financial information provided in this announcement is unaudited.