

# Update on Implementation Agreement

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This announcement contains inside information.

[Kenmare Resources plc](#)

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

9 March 2026

## Update on Implementation Agreement

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, notes that the Tax Authority in Mozambique has unilaterally sought to impose updated terms on Kenmare's processing and export activities.

Statement from Tom Hickey, Managing Director:

"Kenmare's Implementation Agreement is foundational to Moma's long-term success. We are very concerned by the Mozambique Tax Authority's recent attempt to impose terms that have not been mutually agreed with Kenmare. This action contrasts with the outcome of a meeting with various Ministers and other Government representatives last month where it was agreed we would work together to conclude negotiations by 20<sup>th</sup> March. We are seeking urgent clarification from the Government.

Our April 2025 proposal to the Mozambique Government included several concessions significantly beyond our contractual entitlements, reflecting our commitment to an equitable distribution of value from Moma and substantial ongoing investment in our operations and in Moma's host communities. We remain in negotiations with the Government and are hopeful of a positive outcome for both sides in the near term.

After almost four decades of deeply collaborative partnership with local communities and the Government of Mozambique, we would be disappointed to have to resort to arbitration to assert our contractual rights; however, we may be compelled to do so if we can't reach a timely agreement."

## Moma's Implementation Agreement and renewal process

The Implementation Agreement ("IA") grants certain rights and concessions to Kenmare Moma Processing (Mauritius) Limited ("KMPL") in connection with its processing and export activities. It also contains unambiguous renewal rights in relation to those rights and concessions on the same terms. Mining operations at Moma are conducted under a separate regulatory framework that is not impacted in any way by the IA process.

Kenmare applied for renewal of the IA in September 2022 and has been engaged in the renewal process and negotiations with the Government of Mozambique (the "Government") regarding the renewal since then, in which it has been supported by various members of the international diplomatic community. On the basis of ensuring a productive working relationship, when the original rights under the IA expired in December 2024, the Government provided written confirmation to enable Moma to continue operating on historical terms while the parties continued negotiations.

In its 2024 Preliminary Results announcement on 26 March 2025, Kenmare announced that it had proposed

certain modifications to the investment regime applicable to KMPL to obtain the agreement of the Government on the renewal of the IA, notwithstanding its clear right to such an extension. The Company's proposal at that time provided for, inter alia, an increase in the royalty rate from 1% to 2.5%; the application of withholding tax on payments to non-Mozambican suppliers providing services out of country (including inter-company services provided to KMPL by Kenmare Resources plc); and, further capital investments and contributions to community development projects by the Kenmare Moma Development Association during the 20-year extension period. This proposal was subsequently revised in April 2025 to include a phased increase in royalty rate from 2.5% in 2025 to 3.5% over the course of the 20-year agreement.

#### Overview of the Government's Internal Resolution

At a meeting of the Mozambican Council of Ministers in July 2025, the Council adopted an Internal Resolution (the "Internal Resolution") setting out terms for renewal. These terms, which have not been agreed with Kenmare, differ significantly from those to which Kenmare is contractually entitled and from those proposed by Kenmare and would be economically and operationally detrimental to Kenmare's interests.

Upon being made aware of this, Kenmare protested to Government representatives in the strongest terms and understood from continued engagement with the Government since then that the terms of the Internal Resolution would not be imposed while negotiations between the parties were still ongoing.

While granting KMPL a 20-year extension, the terms of the Internal Resolution are as follows:

- They include an accelerated schedule for the increase in the royalty rate from 2.5% to 3.5% (in 0.5% increments, reaching 3.5% in 2031)
- They revoke the Industrial Free Zone ("IFZ") status that has historically applied to KMPL's operations
- They limit exemptions from customs duties and import VAT to certain capital equipment and their accompanying spare parts and accessories

The loss of the IFZ status implies that VAT would be applicable to certain transactions by KMPL that have historically been exempt. These could include the purchase of Heavy Mineral Concentrate by KMPL from Kenmare's mining company, Kenmare Moma Mining (Mauritius) Limited, and other major inputs, including fuel and electricity. While it is expected that this VAT would be recoverable, it would impose working capital requirements to fund a period of uncertain duration between payment and reimbursement of the VAT.

The loss of IFZ status may also restrict KMPL's ability to operate offshore bank accounts and may result in additional taxes being due, including corporation tax on KMPL's profits.

While some or all of these potential implications may not have been intended, or may not ultimately be implemented, no clarity of application or confirmation of intent has to date been provided by the Government to Kenmare. In aggregate, a loss of IFZ status could be materially detrimental to the Group's economic interests or liquidity relative to its rights to renew under its historical terms, or relative to Kenmare's proposal for updated renewal terms.

#### Commencement of imposition of new terms

Kenmare understands that Mozambican customs officials were instructed by the Tax Authority in late January 2026 to restrict exemptions from VAT and customs duties on imports by KMPL, consistent with the Internal Resolution and contrary to the provisions of the IA.

At a meeting with senior Government representatives on 19 February 2026, Kenmare queried the intent and actions of the Tax Authority. In that meeting, it was agreed that the parties would work together to resolve any outstanding issues and to agree final terms for the IA renewal within a 30-day window, running until 20 March 2026. Kenmare welcomed this development and has been actively engaged with these representatives since that meeting, including responding to requests for minor adjustments to its most recent proposal to facilitate an agreement within the agreed timeframe.

However, in early March the Mozambique Tax Authority requested that KMPL pay a royalty rate of 2.5%, in accordance with the Internal Resolution, instead of the 1% currently provided for under the IA. While this rate is consistent with that included in Kenmare's proposal and has been accrued by Kenmare in its financial accounts, KMPL has not paid the higher royalty rate pending formal completion of the IA renewal process with the Government on agreed terms.

Kenmare is seeking to engage urgently with the Government, both on the position regarding implementation of the Internal Resolution and to conclude an agreement for the renewal of the IA terms within the proposed 30-day window. However, while Kenmare has consistently expressed and reconfirms its preference for a negotiated solution, it may have no alternative but to bring international arbitration proceedings to resolve matters.

Kenmare will discuss with its lender group the effects of these developments under its Senior Facilities Agreement and if necessary, request waivers or confirmations at the appropriate time.

Analyst and investor webinar via Investor Meet Company

Kenmare will host a webinar for analysts, institutional investors and private investors via Investor Meet Company at 9:00am UK time today (9 March 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>

Playback of the webinar will be available shortly afterwards.

Further information will be released when available.

For further information, please contact:

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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.

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