

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document and/or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are resident in Ireland, is an organisation or firm authorised pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 of Ireland (as amended) or the Investment Intermediaries Act 1995 of Ireland or, if you are resident in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 of the United Kingdom or if you are not so resident, from another authorised independent financial adviser.

If you have sold or otherwise transferred some or all of your Warrants, please pass this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This document does not constitute an offer or invitation to any person to subscribe for or purchase any securities in the Company.

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## **KENMARE RESOURCES PLC**

*(Incorporated and registered in Ireland under the Companies Acts 1963 to 2009  
with registered number 37550)*



### **Notice of Extraordinary General Meeting of Warrantholders**

in connection with a proposed amendment to the terms of the Warrants

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A letter from the Chairman of Kenmare Resources plc is set out at pages 3 to 5 of this document.

Notice of an Extraordinary General Meeting of Warrantholders to be held at the Company's offices at Chatham House, Chatham Street, Dublin 2 at 11.00 a.m. on 20 November, 2009 is set out at page 8 of this document.

A Form of Proxy for use at the Extraordinary General Meeting accompanies this document. Forms of Proxy, completed and signed in accordance with the instructions printed thereon, should be returned as soon as possible but in any event so as to be received by the Company at Chatham House, Chatham Street, Dublin 2, Ireland (whether delivered by post or by hand) no later than 11.00 a.m. on 18 November, 2009. Completion and return of a Form of Proxy does not preclude a Warrantholder from attending and voting at the EGM should they so wish.

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## EXPECTED TIMETABLE

	<i>Time and Date</i>
Latest date for return of Form of Proxy in respect of EGM <sup>(1)</sup>	11.00 a.m. on 18 November, 2009
<b>Extraordinary General Meeting<sup>(2)</sup></b>	11.00 a.m. on 20 November, 2009
<b>Period within which Exercise Notices in respect of Warrants must be received in order to obtain New Ordinary Shares<sup>(3)</sup></b>	<b>5.00 p.m. on 31 December, 2009</b>

### Notes:

- (1) Forms of Proxy in respect of the EGM must be returned as soon as possible but in any event so as to be received by the Company at Chatham House, Chatham Street, Dublin 2, Ireland (whether delivered by post or by hand) no later than 11.00 a.m. on 18 November, 2009.
- (2) In the event of an adjournment, an EGM will be reconvened for 11.00 a.m. on 30 November, 2009
- (3) Exercise Notices must also be returned so as to be received by the Company at the address given in note (1) above.

# LETTER FROM THE CHAIRMAN OF KENMARE RESOURCES PLC

## KENMARE RESOURCES PLC

*(Incorporated and registered in Ireland under the Companies Acts 1963 to 2009  
with registered number 37550)*

The logo for Kenmare Resources PLC, featuring the word "KENMARE" in white, uppercase, sans-serif font centered within a solid black rectangular box.

### *Directors:*

Charles Carvill\* – *Chairman*  
Peter McAleer\* – *Deputy Chairman*  
Michael Carvill – *Managing Director*  
Jacob Deysel – *Chief Operations Director*  
Terence Fitzpatrick – *Technical Director*  
Tony McCluskey – *Finance Director*  
Sofia Bianchi\*  
Ian Egan\*  
Simon Farrell\*  
Anthony Lowrie\*

\* denotes non-executive Director

### *Head and Registered Office:*

Chatham House,  
Chatham Street,  
Dublin 2,  
Ireland.

27 October, 2009

Dear Warrantholder,

### **INTRODUCTION**

As you will be aware, the Warrants, which were issued in 2004 in connection with participation in the Placing and Open Offer and the provision of subordinated debt to the Moma Project, have an exercise price of Stg19p per New Ordinary Share and, to the extent they have not been exercised, are due to expire at 17.00 GMT on 31 December 2009.

There are currently a total of 27,536,482 Warrants outstanding, entitling the holders thereof on exercise to 27,536,482 New Ordinary Shares representing approximately 3.13 per cent. of the Existing Issued Share Capital of the Company. As the Company continues to ramp-up production at its Moma mine, the Board is of the view that it is an appropriate time to access the additional funds represented by the Warrants.

The Warrants are due to expire at 17.00 GMT on 31 December 2009. In some cases the current registered holder of Warrant(s) may not wish, and/or be in a position, to exercise his/her Warrant(s) by 17.00 GMT on 31 December 2009. As matters currently stand, this would mean that all unexercised Warrants would come to an end at 17.00 GMT on 31 December 2009 and the potential additional funds represented by such unexercised Warrants would be lost to the Company.

### **DETAILS OF THE PROPOSALS**

It is now proposed that, conditional upon the approval of Warrantholders at the EGM, the terms of the outstanding Warrants be amended to permit the Company to transfer those Warrants which have not been exercised by 17.00 GMT on 31 December 2009 to a transferee (nominated by the Company) who may exercise the transferred Warrants during a limited Extended Period following the Original Expiry Deadline. In this way, the right of existing Warrantholders to exercise their Warrants by 17.00 GMT on 31 December 2009 (should they wish to do so) is preserved and, at the same time, a mechanism is put in place whereby the additional funds represented by Warrants which are not exercised by the Original Expiry Deadline will not be lost to the Company in the event the Company can source a transferee for such Warrants who is in a

position to exercise same during the limited Extended Period following the Original Expiry Deadline. No consideration will be paid by the transferee for the Warrants.

In the event of exercise of all of the outstanding Warrants, the proceeds to the Company would be approximately Stg£5.2 million (approximately €5.7 million). These proceeds would be applied for general working capital purposes and provide further financial resources to the Company.

A Transfer Instrument will be required to be executed in order to transfer Warrants representing the Unexercised Subscription Rights to the New Warrantholder. The Transfer Instrument will be signed by the Original Warrantholder (or by the Chairman of the Company, or some other person appointed by the Directors of the Company, on behalf of the Original Warrantholder), the Company in its own right and the New Warrantholder. While the onus to stamp the Transfer Instrument is on the New Warrantholder, on the basis that the transfer takes place for nil consideration, the Original Warrantholder, the Company and the New Warrantholder will be jointly liable for stamping the Transfer Instrument.

In this regard, the New Warrantholder will be obliged to provide, under the terms of the Warrant Instrument (as amended) (1) an undertaking addressed to the Company and Original Warrantholder to duly stamp the Transfer Instrument, (2) a warranty to pay the Original Warrantholder and the Company a sum equal to the amount of any stamp duty, interest or penalties that arise from any failure by the New Warrantholder to comply with such undertaking and (3) an indemnity in favour of the Original Warrantholder and the Company in respect of any other taxes, including capital acquisitions tax, arising in respect of the transfer of the Warrants the Unexercised Subscription Rights to the New Warrantholder.

A meeting of Warrantholders is convened by way of the Notice at the end of this document.

#### **EXTRAORDINARY GENERAL MEETING**

The Warrant Instrument provides that (i) any modification of the Warrant Instrument can be effected only by deed poll executed by the Company and with the prior sanction of a Special Resolution and (ii) the rights attached to the Warrants may from time to time be altered or abrogated only with the consent of the Company (acting by its Board) and the sanction of a Special Resolution of the Warrantholders. 'Special Resolution' means a resolution presented at a duly convened meeting of the Warrantholders and passed by a majority consisting of not less than three-fourths of the votes cast, whether on a show of hands or on a poll.

The necessary quorum for any such meeting of Warrantholders is registered Warrantholders present (in person or by proxy) entitled to subscribe for one-third in the nominal amount of the Ordinary Shares attributable to the outstanding Warrants. If after half an hour after the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned for such period being not less than 7 days nor more than 28 days, and to such time and place as may be directed by the chairman. In the event of such an adjournment, an EGM will be reconvened for 11.00 a.m. on 30 November, 2009. At such adjourned meeting one or more persons present in person holding Warrants and/or being proxies (whatever the number of Warrants so held or represented) shall for all purposes form a quorum and shall have the power to pass any resolution (including a Special Resolution).

The Extraordinary General Meeting of Warrantholders is convened for 11.00 a.m. on 20 November, 2009 at which a Special Resolution will be proposed to amend the terms of the Warrant Instrument in order to permit the Company to transfer those Warrants which have not been exercised by the Original Expiry Deadline to a transferee (nominated by the Company) who may exercise the transferred Warrants during a limited Extended Period following the Original Expiry Deadline. Subject to the passing of the Special Resolution, the Board will also need to extend the term of the Warrant to facilitate the limited Extended Period following the Original Expiry Deadline.

The full terms of the amendments to the Warrant Instrument are detailed in the Notice. A draft of the Amended Warrant Instrument will be available for inspection from the date of this document until the close of the EGM at the registered address of the Company, at Chatham House, Chatham Street, Dublin 2 and at the venue for the EGM for at least fifteen minutes before and during the EGM.

## **RISKS AND BENEFITS**

The exercise period for the Warrants from a Warrantholder's perspective remains the same. Warrantholders are not disadvantaged by the proposed amendment to the terms of the Warrant Instrument.

The Warrants are currently in the money (based on the Closing Price per Ordinary Share of Stg27.25p on the London Stock Exchange on 26 October, 2009 (the latest practicable date prior to the issue of this Circular), and should therefore be expected to be exercised. The existing make up of the Warrant register and the fact that the Warrants have now been in issue for more than five years may mean that a proportion of the outstanding Warrants will not be exercised. In the event that the Resolution is not passed, the Company's proposed flexibility with respect to unexercised Warrants would be foregone and it would be unable to avail on any investment interest that may have been available in the Warrants.

## **ACTION TO BE TAKEN**

A Form of Proxy for use by Warrantholders accompanies this document. Whether or not you intend to be present at the EGM, please complete sign and return the Form of Proxy to the Company at Chatham House, Chatham Street, Dublin 2, Ireland (whether delivered by post or by hand) in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received no later than 11.00 a.m. on 18 November, 2009. Completion and return of a Form of Proxy will not preclude you from attending and voting in person at the EGM should you so wish.

## **RECOMMENDATION**

**The Directors believe the amendment to the terms of the Warrant Instrument to be proposed at the EGM is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommend that Warrantholders vote in favour of the Resolution at the EGM.**

Yours faithfully,  
**CHARLES CARVILL**  
*Chairman*

## DEFINITIONS

The following terms have the following meaning in this EGM Circular unless otherwise stated:

“Acts” or “Companies Acts”	the Companies Act 1963 to 2009 of Ireland;
“Amended Warrant Instrument”	the instrument which sets out the terms and conditions of the Warrants, as amended pursuant to the approval of the Resolution;
“Board” or “Directors”	the board of directors of the Company;
“Existing Issued Share Capital”	878,560,664 Ordinary Shares in issue as of 26 October, 2009 (being the latest practicable date prior to the issue of this document);
“EGM Circular”	this document (including the Notice);
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Warrantholders to be held the Company’s offices at Chatham House, Chatham Street, Dublin 2 at 11.00 a.m. on 20 November, 2009, including any adjournment thereof, notice of which set out on page 8 of this document;
“Extended Period”	the period from the Original Expiry Deadline to 17.00 GMT on 8 January 2010;
“Form of Proxy”	the form of proxy for use by Warrantholders at the EGM, which accompanies this document;
“Ireland”	the island of Ireland, excluding Northern Ireland, and the word “Irish” shall be construed accordingly;
“Irish Stock Exchange”	The Irish Stock Exchange Limited;
“Kenmare” or “the Company”	Kenmare Resources plc;
“Kenmare Group” or “the Group”	Kenmare and its subsidiaries;
“London Stock Exchange”	London Stock Exchange plc;
“Moma Project” or “Moma”	the heavy mineral sands project which is located in the north of Mozambique under licence to the Kenmare Group;
“Mozambique”	the Republic of Mozambique;
“New Ordinary Shares”	the new Ordinary Shares to be issued on exercise of the Warrants;
“New Warrantholder”	the holder of the Warrants after the Original Expiry Deadline;
“Notice”	the notice of Extraordinary General Meeting set out at the end of this document;
“Official Lists”	the official list of the Irish Stock Exchange and/or, as appropriate, the official list maintained by the UK Listing Authority;
“Ordinary Shares”	Ordinary Shares in the capital of the Company of nominal value €0.06 each;
“Original Expiry Deadline”	17.00 GMT on 31 December 2009;
“Original Warrantholder”	the holder of the Warrants up to 31 December 2009;

“Placing and Open Offer”	the placing and open offer conducted by the Company in June, 2004 to raise funds for the Moma Project, in connection with which the Warrants were issued;
“Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996);
“Resolution” or “Special Resolution”	the resolution to be proposed at the EGM, as set out in the Notice;
“Stock Exchanges”	the Irish Stock Exchange and the London Stock Exchange;
“Subscription Price”	the price at which Warranholders can presently subscribe for New Ordinary Shares, being Stg19p per Ordinary Share;
“Transfer Instrument”	an instrument of transfer in any usual or common form or in any other form which may be approved by the Directors of the Company;
“UK Listing Authority”	the United Kingdom Listing Authority;
“Warranholder(s)”	holders of Warrants;
“Warrant Instrument”	the warrant instrument which sets out the terms and conditions under which Warrants may be exercised; and
“Warrants”	27,536,482 warrants (with ISIN IE00B01GTM11) over Ordinary Shares, each entitling the holder thereof to 1 New Ordinary Share, at an exercise price of Stg19p each, outstanding as of 26 October 2009 (being the latest practicable date prior to the publication of this document), being the Warrants issued by Kenmare in 2004 in connection, <i>inter alia</i> , with the Placing and Open Offer and listed on the Irish and London Stock Exchanges.

**Notes:**

- (i) Unless otherwise stated in this document, all reference to statutes or other forms of legislation shall refer to statutes or forms of legislation of Ireland. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.
- (ii) Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include the feminine or neutral gender.
- (iii) All market prices referred to in this EGM Circular are, unless otherwise stated, the closing market price on the London Stock Exchange on the date stated.
- (iv) The terms “Stg£” and “Stgp” refer to sterling pounds and sterling pence respectively, the lawful currency of the United Kingdom.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Warrantheolders in Kenmare Resources plc will be held at 11.00 a.m. on 20 November, 2009 at the Company's offices at Chatham House, Chatham Street, Dublin 2 for the purpose of considering and, if appropriate, passing the following resolution as a special resolution:**

- (1) That the Warrant Instrument (as defined in this EGM Circular) be and is hereby amended by the insertion of the following new paragraph 2.4 in Schedule 2 of the Warrant Instrument (as defined in this EGM Circular):

“2.4 To the extent Subscription Rights conferred by Warrants held by an Original Warrantheolder have not been duly exercised by that Original Warrantheolder by 17.00 GMT on 31 December 2009 then the following provisions shall apply:

- (a) that Original Warrantheolder shall, with effect from 17.00 GMT on 31 December 2009, cease to be entitled to exercise all Unexercised Subscription Rights;
- (b) at any time after 17.00 GMT on 31 December 2009, the Company shall (at its sole discretion and acting by its Board) be entitled to transfer, on behalf of that Original Warrantheolder, all or any part of those Warrants representing the Unexercised Subscription Rights to the New Warrantheolder for nil consideration, on condition that the New Warrantheolder first provides (1) an undertaking addressed to the Company and Original Warrantheolder to duly stamp any instrument of transfer transferring the relevant Warrants to the New Warrantheolder, (2) a warranty to pay the Original Warrantheolder and the Company a sum equal to the amount of any stamp duty, interest or penalties that arise from any failure by the New Warrantheolder to comply with such undertaking and (3) an indemnity in favour of the Original Warrantheolder and the Company in respect of any other taxes, including capital acquisitions tax, arising in respect of the transfer of the Warrant to the New Warrantheolder. An instrument of transfer of a Warrant signed by the Chairman of the Company, or some other person appointed by the Directors of the Company, shall be deemed to have been signed by such person on behalf of the Original Warrantheolder for the purposes of paragraph 2.1 of this Schedule 2;
- (c) upon the transfer of Warrants to the New Warrantheolder pursuant to this paragraph 2.4, the New Warrantheolder shall be entered into the Register as the holder of the Transferred Warrants in substitution for that Original Warrantheolder. The New Warrantheolder shall be the “Warrantheolder” for the purposes of the Transferred Warrants; and
- (d) For the avoidance of doubt, notwithstanding anything else contained in this Instrument, the Directors shall be entitled to (i) register the transfer of a Warrant to the New Warrantheolder without the production of the Warrant Certificate issued to the Original Warrantheolder (the “Original Warrant Certificate”), (ii) cancel the Original Warrant Certificate to the extent the Original Warrant Certificate relates to the Warrants transferred to the New Warrantheolder and (iii) issue a new Warrant Certificate in respect of the Warrants transferred to the New Warrantheolder.

In this paragraph 2.4:

“New Warrantheolder” means such person as the Directors may nominate;

“Original Warrantheolder” means the person or persons in whose name the relevant Warrant is registered as at 17.00 GMT on 31 December 2009;

“Transferred Warrants” means the Warrants transferred to the New Warrantheolder pursuant to paragraph 2.4(b) of this Schedule 2; and

“Unexercised Subscription Rights” means in respect of an Original Warranholder, all and/or any Subscription Rights conferred by Warrants held by that Original Warranholder and which have not been duly exercised by that Original Warranholder by 17.00 GMT on 31 December 2009.”

and that all Warrants (as defined in this EGM Circular (of which this Notice forms part)) be and are hereby amended accordingly.

Dated: 27 October, 2009

By Order of the Board  
**DEIRDRE CORCORAN**  
*Company Secretary*

*Registered Office:*

Chatham House,  
Chatham Street,  
Dublin 2,  
Ireland.

**NOTES:**

- (1) A Warranholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a Warranholder or member of the Company.
- (2) A Form of Proxy for use at the EGM is enclosed. To be effective, the Form of Proxy (if executed by an Attorney together with any Power of Attorney or other authority under which it is executed, or a notarially certified copy thereof) must be completed and reach the Company at Chatham House, Chatham Street, Dublin 2, Ireland (whether delivered by post or hand), so as to be received as soon as possible but, in any event, no later than 11.00 a.m. on 18 November, 2009. The return of a Form of Proxy will not preclude you from attending the EGM and voting in person if you wish to do so.
- (3) The Form of Proxy must (i) in the case of an individual Warranholder be signed by the individual Warranholder or his/her attorney duly authorised in writing; or (ii) in the case of a body corporate be given either under its common seal or signed on its behalf by its duly authorised officer or attorney.
- (4) In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of Warranholders in respect of the joint holding.
- (5) Only those Warranholders on the register of Warranholders of the Company as at 6.00 p.m. on 18 November, 2009 will be entitled to attend and vote at the Extraordinary General Meeting, or any adjournment thereof, and may also only vote in respect of the number of Warrants registered in their name at that time. A Warranholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a Warranholder of the Company.

Completed Proxy Forms should be returned to:  
**Kenmare Resources plc, Chatham House,  
 Chatham Street, Dublin 2, Ireland.**



**Kenmare Resources plc  
 Form of Proxy**

For use at the Extraordinary General Meeting of Warranholders to be held at Chatham House, Chatham Street, Dublin 2, Ireland on 20 November 2009 at 11.00 a.m. and at any adjournment thereof.

I/We (see note (a) below) .....

of.....  
 being a holder of Warrants in respect of Ordinary Shares of the above named company hereby appoint the Chairman of the Meeting or (see note (d) below)

..... OR .....

of.....  
 as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Warranholders to be held at 11.00 a.m. on 20 November 2009 at the Company's offices at Chatham House, Chatham Street, Dublin 2, Ireland and at any adjournment thereof.

Please indicate with an X in the box below how you wish your vote to be cast in respect of the resolution, details of which are set out in the Notice convening the meeting.

<b>Resolution</b>	<i>For</i>	<i>Against</i>	<i>Withheld</i>
That the Company be entitled to transfer, at any time after the Original Expiry Deadline of 17.00 GMT on 31 December 2009, any Unexercised Warrants to a New Warranholder for nil consideration			

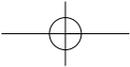
*If no specific direction as to voting is given the proxy will vote or abstain at his/her discretion*

Dated this ..... day of .....2009

Signatures: .....

**NOTES:**

- (a) To be effective, the Form of Proxy, together with any Power of Attorney or other authority under which it is executed, or a notarially certified copy thereof, must be completed and reach the Company's Registered Office (Kenmare Resources plc., Chatham House, Chatham Street, Dublin 2, Ireland) so as to be received as soon as possible but, in any event, no later than 11.00 a.m. on 18 November 2009.
- (b) This Proxy Form must (i) in the case of an individual Warranholder be signed by the Warranholder or his/her attorney; or (ii) in the case of a body corporate be given either under its common seal or be signed on its behalf by its duly authorised officer or attorney.
- (c) In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of Warranholders in respect of the joint holding.
- (d) If you desire to appoint a proxy other than the Chairman of the Meeting, please insert the proxy's name in block letters in the space provided and delete the words "the Chairman of the Meeting or".
- (e) A proxy need not be a Warranholder of the Company but must attend the meeting in person to represent you.
- (f) If no specific directions are given, the proxy will vote or abstain from voting at his/her discretion.
- (g) The completion and return of this Proxy Form will not preclude a Warranholders from attending and voting in person.



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Stamp  
Here

**Kenmare Resources plc**  
**Chatham House**  
**Chatham Street**  
**Dublin 2**  
**Ireland**

1st Fold

2nd Fold

