

9 July 2024

KEFI Gold and Copper plc

("KEFI" or the "Company")

Modifications to STI Bonus Plan

KEFI (AIM: KEFI), a gold and copper exploration and development company focused on the Arabian-Nubian Shield with a pipeline of projects in the Federal Democratic Republic of Ethiopia, and the Kingdom of Saudi Arabia, announces that following the results for the year ended 31 December 2023 announcement made on 17 June 2024 detailing, *inter alia*, cash bonuses to be paid to the Company's Executive Chairman and Finance Director, on the achievement of defined and specific milestones in relation to the Company's Tulu Kapi project, the Directors have received feedback from certain shareholders that they wish to see the payment of the bonuses more explicitly aligned to the achievement of shareholder value.

The Company's Remuneration Committee, comprising KEFI Non-Executive Directors: Alistair Clark (Chairman), Mark Tyler and Richard Robinson have considered the feedback received from shareholders and have agreed to modify the milestones for the payment of the cash bonuses to the Executive Chairman and the Finance Director to include a minimum KEFI share price criteria. Mr Anagnostaras-Adams, Executive Chairman, and Mr Leach, Finance Director, have agreed to these additional terms to the Company's Short Term Incentive ("STI") bonus plan.

The other recipient of the Company's STI bonus plan is KEFI's Chief Operating Officer. The Chief Operating Officer's cost to the Company is, and in the future is intended to remain, rechargeable to the Company's operating subsidiaries. The Company's Remuneration Committee consider his current remuneration to be at a below normal market level and his performance should solely be measured by operational performance and the achievement of specific operational targets, so no modifications to the milestones for the payment of his cash bonuses are considered appropriate.

The Remuneration Committee and the Board appreciate shareholder feedback on these matters and will continue to consider shareholder representations alongside the independent market benchmarking undertaken in determining the appropriate remuneration packages for the Company's executives.

The milestones for the payment of the cash bonuses to the Executive Chairman and Finance Director therefore now include defined minimum share price criteria before they become payable, in addition to the previously agreed criteria. The additional criteria have been highlighted below.

Directors	STI 1	STI 2	STI 3	Retention
	£'000	£'000	£'000	£'000
Executive Chairman	400	400	400	185
Finance Director	400	200	200	100

STI Bonus 1: This bonus is awarded upon the granting of credit approvals by the lenders to the Tulu Kapi Gold Project. Additionally, STI Bonus 1 will only be paid when the closing mid-price of the Company's shares is above 1.5p for five consecutive trading days¹.

STI Bonus 2: Upon project finance lenders having permitted debt disbursement to commence for Tulu Kapi and not earlier than 12 months after STI Bonus 1 was earned. Additionally, STI Bonus 2 will only be paid when the closing mid-price of the Company's shares is above 2.5p for five consecutive trading days¹.

STI Bonus 3: Upon Tulu Kapi having commenced production and not earlier than 12 months after STI Bonus 2 was earned. Additionally, STI Bonus 3 will only be paid when the closing mid-price of the Company's shares is above 3.0p for five consecutive trading days¹.

¹The recipient can elect to take the STI Bonus in shares or in cash. If in shares, the issue price will be the VWAP for the month following the achievement of the relevant Key Milestone. If in cash, the timing of the cash payment will be subject to cash availability as determined by the Board but in any event no later than 6 months after the achievement of the relevant Key Milestone. Other than in the circumstances of a change of control or cessation of employment, any shares paid out for the STI Bonus will be subject to a 12 month lock-in and any cash-paid STI bonus would need to be covered by the Tulu Kapi project finance package.

Retention Bonus: A Retention Bonus has been approved by the Board. The disbursement of this bonus will be at the Board's discretion, with the latest trigger being upon the grant of final credit approvals by the lenders to the TKGM project and when sufficient Tulu Kapi development proceeds (either debt or equity) become available.

This plan supersedes any previously communicated incentives.

Related Party Transaction

The agreements for the Executive Chairman and Finance Director relating to the STI cash bonuses and retention bonus are considered related-party transactions for the purposes of Rule 13 of the AIM Rules for Companies. The Directors independent of the STI bonus and retention bonus consider, having consulted with SP Angel Corporate Finance LLP, the Company's nominated adviser, that the STI bonus and retention bonus are fair and reasonable in so far as KEFI's shareholders are concerned.

Enquiries

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