

30 July 2018

Dear Fellow Shareholders,

The purpose of this letter is to give you a brief update on the recent General Meeting held on the 2<sup>nd</sup> July 2018, the steps we have taken to support our Nigerian office and project activities following the resignation of our Country Manager and Executive Director, and a re-statement of the work plan we have set to achieve our objective of developing Kogi Iron's Agbaja Cast Steel Project ("Project").

### **EGM Outcome**

As previously reported, the Requisitioning Parties were unsuccessful in seeking to appoint three new directors and removing three of the current directors. These parties have now disbanded their affiliation and issued the appropriate notices to the ASX.

The board of Kogi Iron will continue to work over the next few months to ensure that all shareholders take comfort in that the board is united in its objective to deliver the Project, and to focus on continuing to progress the considerable work that has been completed to date. This work program and objectives are set out in this letter.

### **Executive Director Resignation and Country Manager Appointment**

As you are probably aware, Mr. Kevin Joseph, our long serving Country Manager and Executive Director has chosen to resign from the Company and return to the United Kingdom. Whilst it is unfortunate to lose such an experienced person, an appointment will be made for an Acting Country Manager from the existing Nigerian staff. This will ensure the necessary relationships built up over the years with the local community, the Mining Cadastre and the State and Federal Governments will continue. Additionally, routine visits to Nigeria will be made by senior Company personnel, including myself, the CEO Martin Wood, and other directors.

### **Project Progress**

Much has been achieved since last October when the Company completed a fund raising. The testwork program has advanced significantly, and shareholders have been advised of the encouraging results. The Company, having appointed financial advisors to secure debt financing, has been able to advise of the significant progress that has been achieved, particularly with the Export Credit Agencies and the Company appointed RFC Ambrian (London) as its equity and structuring advisors to assist with securing the equity that will be required to develop the Project.

To date, testwork activities to deliver a beneficiated iron ore concentrate, pig iron and refined grade iron metal with a composition suitable for making a saleable billet steel product have been progressing positively. Tenova Pyromet, South Africa, expects to issue the final written report of the completed testwork campaign within the next few weeks. We then expect to re-commence work on the Definitive Feasibility Study, and with the knowledge gained from the testwork, to more accurately define the Capital and Operating Costs and to move to the next phase of the DFS. To aid this process, one of the first activities undertaken at the start of the current testwork campaign was to develop a conceptual flow sheet typical to that of the industry upon which the testwork has been based. In addition to beneficiation, smelting and refining steps, the conceptual flow sheet includes a pre-production step.

Pre-production testwork is progressing well and scheduled for completion in late August. Work will also recommence on the expanded Environmental Study for the processing plant, as well as a comprehensive Marketing Study of the steel market in Nigeria. All of this will support our discussions with debt and equity providers to produce a suitable financing structure to reach our ultimate goal of bringing the Agbaja Cast Steel Project to production.

The Company cash position as at the end of June 2018 was \$2.361 million.

In summary, the board remains positive about the Project and achieving the various goals we have set. We look forward to keeping you our shareholders advised on a regular basis.

Shareholders wishing to be kept up to date with the progress of the Project are urged to visit our website - [www.kogiron.com](http://www.kogiron.com). On the home page, click on the "Subscribe to News" link at the top left hand side of the screen.

I thank all our shareholders for their support over many years and request that this continues as we progress the Project in the coming months.

Yours sincerely

**KOGI IRON LIMITED**

**Ian Burston**

Chairman