

## QUARTERLY REPORT – March 2016

Australian based iron ore development company, Kogi Iron Limited (ASX: KFE) (“Kogi”, “Kogi Iron”, or the “Company”) and its 100% owned Nigerian operating company, KCM Mining Limited (“KCM”) presents the quarterly activity report for the three months ended 31 March 2016.

Key activities by the Company during the quarter were:

### Successful Share Purchase Plan

Subsequent to quarter end, the Company announced the completion and strong take up in the Company’s announced Share Purchase Plan (“SPP”). The highly successful capital raising allows Kogi to progress the Bankable Feasibility studies.

A total of seventy-five shareholders applied for 38,999,979 shares under the SPP at an issue price of 1.3c/share.

The Board were pleased with the result of the SPP, which represents a strong endorsement of the Company’s development strategy towards the Company becoming an African steel producer through the development of its 100% owned Agbaja iron ore project located on the Agbaja Plateau in Kogi State, Republic of Nigeria.

### Agbaja Project

Subsequent to quarter end, the results of work completed to determine the smelting characteristics of ore from the Company’s Agbaja iron ore project in Nigeria were received.

Mintek, a leading South African facility involved in minerals processing and metallurgical test work, has determined that the Company has an ability to produce three steel products at an on-site plant at Agbaja, including a finished product with iron content of more than 95% Fe.

As noted, the key findings of the test work were:

- Confirmation of the ability to successfully use Agbaja ore to produce three distinct products with high Fe content.
- Confirmation of the ability to reduce impurities to levels acceptable for steel production.
- The opportunity to supply a product for more than one type of steel production, broadening the range of potential customers.

The results are significant because they confirm to the Company that its planned iron processing plant at Agbaja can produce the intended products – sponge iron, pig iron and the more valuable product - steel.

Nigeria has a substantial domestic demand for steel products, which is currently met largely through imports. The Agbaja project, located about 200km south of Nigerian capital Abuja, opens the opportunity for domestic production of pig iron products.

The Company also believes there are significant market opportunities in the European market for the style of product that can be produced at Agbaja.

**Testing**

The consultants’ brief was to test the viability of the Company’s four-step plan for processing ore from Agbaja (see illustration below) and to ensure that the anticipated product outcomes could be substantiated, notably the high Fe content steel product after stage four.

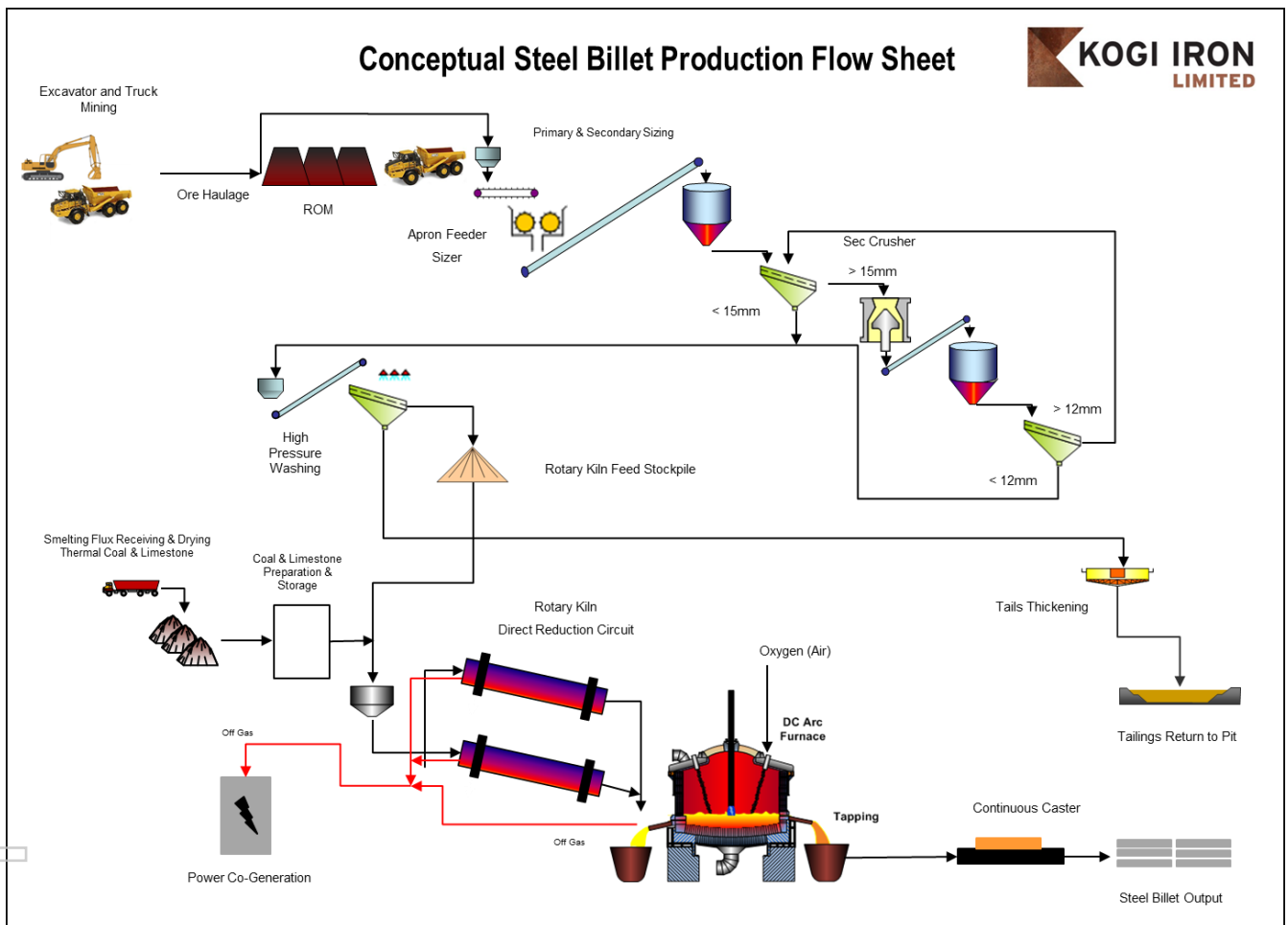


Illustration 1 – Conceptual Production Flow Sheet

The process involves washing the iron ore product, followed by a reduction process, melting in an electric arc furnace, and finally blasting with oxygen to produce the final product. In metallurgical and engineering terms, the process is relatively simple and straightforward.

However, in combination with the unique blend of oolitic ore from Agbaja it produces a high value product.

The Company’s current cost estimates (subject to confirmation in the Definitive Feasibility Study) are that steel products can be produced at Agbaja with a healthy operating margin.

## Significance

With the positive outcome of the Mintek testwork, the Company will now progress negotiations with a range of parties to bring the Agbaja project forward.

This includes:

- Completion of a Definitive Feasibility Study.
- The addition of skilled, experienced personnel at Board and senior management levels.
- Finalise the transition of exploration licences to mining permits.
- Investigation of funding options for Agbaja with a number of parties that have previously expressed interest
- Negotiations with suitable providers of engineering and construction services
- Negotiations with potential customers, in Nigeria and in Europe.

## Corporate

At the end of the quarter, the Company had cash at bank of approximately \$0.035 million. Subsequent to quarter end, the Company received the proceeds of \$507,000 from the abovementioned SPP.

As at 31 March 2016, the Company has 377,669,836 fully paid ordinary shares on issue and 102,704,606 ASX quoted options (exercise price \$0.08, expiry date 31 May 2017).

## Mineral Tenements

As at 31 March 2016, the following mineral tenements were held by KCM. All of the mineral tenements are located in the Federal Republic of Nigeria and KCM has a 100% interest in each tenement:

Exploration Licence 6350	Exploration Licence 9797
Exploration Licence 8583	Exploration Licence 12124
Exploration Licence 8886	Exploration Licence 12847
Exploration Licence 16998	

For more information, please contact:

Kogi Iron Limited  
Tel (office): +61 8 9200 3456  
Email: [info@kogiiron.com](mailto:info@kogiiron.com)

## About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a Perth-based company with the objective of becoming an African iron ore producer through the development of its 100% owned Agbaja iron ore project located in Kogi State, Republic of Nigeria, West Africa ("Agbaja" or "Agbaja Project"). The Company has completed a Preliminary Feasibility Study which determined that the development and operation of a mine and processing plant at Agbaja to produce 5 Mtpa of iron ore concentrate is technically feasible, economically viable and socially and environmentally acceptable. Concentrate from Agbaja will initially be transported via river barge along the Niger River to the Gulf of Guinea and world export markets. The Company will continue to advance access and usage agreements for an existing under-utilised heavy haulage railway that runs from near the Agbaja Project to Port Warri. This existing railway remains an important part of a longer term transport solution for an expanded production profile.

In recent years Nigeria has sought to diversify its economy, which is dominated by hydrocarbons, into minerals and related industries. Nigeria is the largest country by population in Africa with a GDP growth rate of 7.2% in 2014. The country has very transparent and consistent mining regulations and very favourable fiscal terms for foreign investment in mining.

The Company holds a land position which covers a large part of the Agbaja Plateau. The Agbaja Plateau hosts an extensive, shallow, flat-lying channel iron deposit with an Indicated and Inferred Mineral Resource of 586 million tonnes with an in-situ iron grade of 41.3% reported in accordance with the JORC Code (2012). This mineral resource covers approximately 20% of the prospective plateau area within EL12124.

## Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or

performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

#### Competent Persons' Statements

The information in this announcement that relates to Mineral Resources at Agbaja is extracted from the ASX announcement entitled "Mineral Resources at Agbaja Increase 20% to 586MT" and is available to view on [www.kogiron.com](http://www.kogiron.com). The Company confirms that it is not aware of any information or data that materially affects the information included in the original market announcement and, in the case of estimated Mineral Resources or Ore Reserves, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

For personal use only