

SHAREHOLDER UPDATE

Kogi Iron Limited (ASX: KFE) (Kogi, Kogi Iron, or the Company) is pleased to provide an update to shareholders regarding the following:

- **Commencement of the Agbaja Iron and Steel Project feasibility study**
- **Near-term capital raising plans**
- **Changes to the board of KCM**
- **Appointment of a KCM General Manager (Africa)**
- **Confirmation of mining and exploration tenement payments**
- **Consideration of alternatives for the exportation of ore**

FEASIBILITY SCOPING STUDY REVIEW AND COMMENCEMENT

As outlined at the December 2020 Annual General Meeting of shareholders, the Board has reviewed the extensive testwork and studies on the Agbaja Iron and Steel Project (the Project). The Company has commenced the initial steps of Phase 1 of the project feasibility study with the appointment of consultants who have been engaged to provide detailed project operating cost review.

The feasibility study will be completed utilising a phased approach allowing tollgates, progressive assessment and evaluation at each stage. This approach will maximise the flexible options and opportunities that may arise during the course of the feasibility study.

KFE's vision and strategy for the Agbaja project is:

“To construct and operate an integrated production of iron ore to local steel production for import replacement. To build a cast steel plant on the Agbaja Plateau in Kogi State, Nigeria. To utilise the Company's iron ore deposits and supply cast steel feedstock to steel manufacturing and product fabricators in Nigeria”.

In line with this vision and drawing from preliminary studies completed to date, the feasibility study will consider a base-case flowsheet for the project adopting an approach that utilises selective mining methods to recover high grade iron ore from the mine wherever possible and process the material as outlined in conceptual flow sheet as per Figure 1 below.

KOGI IRON CONCEPTUAL PROCESS FLOW SHEET

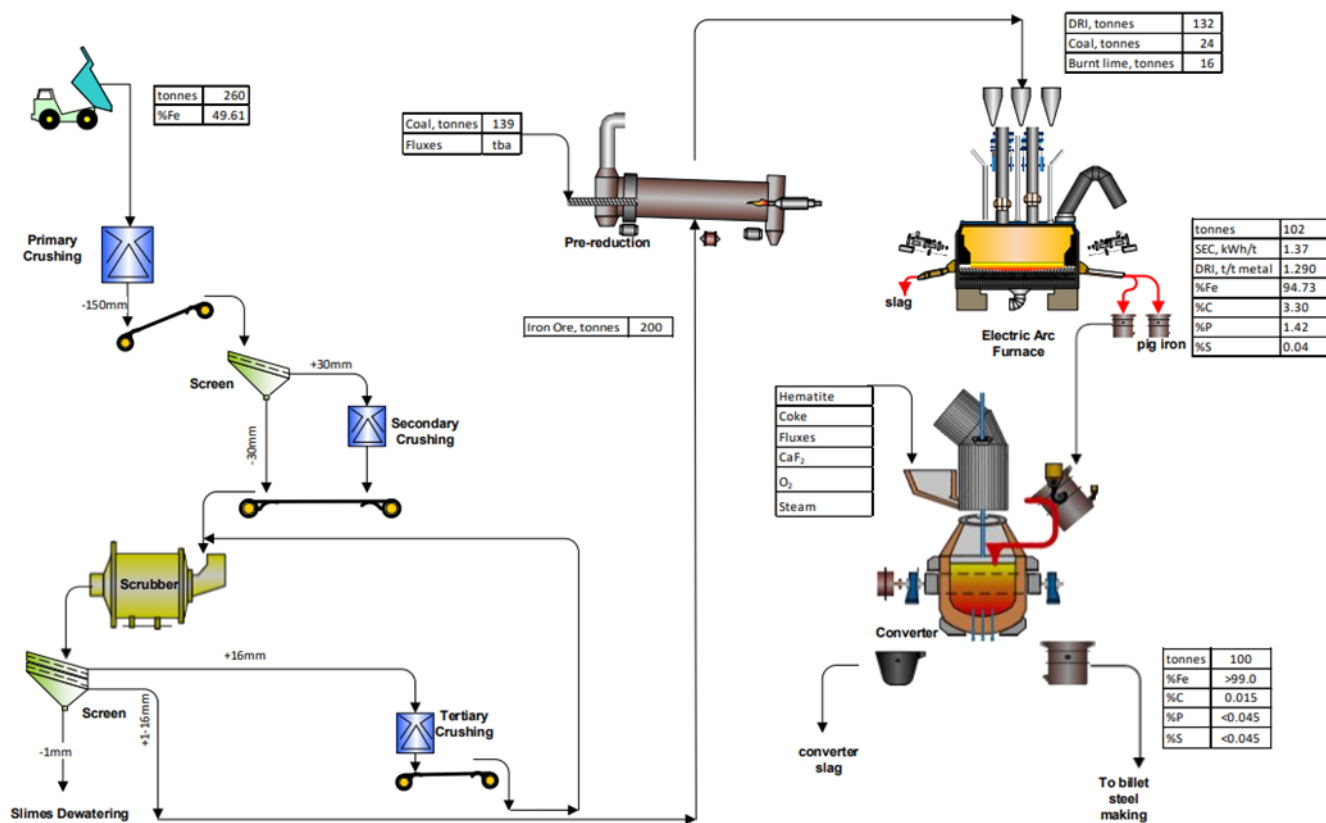


Figure 1 - Agbaja Iron and Steel Project process flow sheet.

KFE's preliminary studies have indicated the technical viability of the above process utilising a 10 tonne sample for beneficiation, 4.2 tonne sample for pre-reduction, and has manufactured 50 kilograms of on spec crude steel ingots (refer ASX Announcement 25/9/2018).

Phase 1 of the feasibility study will include a detailed operating cost estimate to augment the Company's working model for the economics of the Project. The operating cost estimate will include the build-up of a full mass and energy balance for the Project with input from leading engineering consultants. The likely revenue model for the Project is based on the 'fastmarkets metal bulletin study' as announced to the ASX on 6 June 2019 will also be considered.

The scope of phase 1 work has been agreed and these activities are being funded from existing cash balances. Consultants have been selected and will be appointed to commence this stage in the week commencing 22 February 2021.

Phase 2 of the feasibility study will undertake further testwork utilising the 50 tonne bulk sample presently stored in South Africa. The testwork will include beneficiation* testwork to manufacture bulk-scale samples for pre-reduction and refining testwork. Proposals have been received and are currently being evaluated.

**(Beneficiation is a process of grinding and concentration that removes unwanted elements from iron-ore before the ore is used to produce steel.)*

Phase 3 of the feasibility study will overlap with the second phase and will be the detailed engineering to design the final flowsheet and estimate the capital and operating costs to a +/-15% level of accuracy, or sufficient to support the financing of the Project.

Numerous ancillary studies will run in parallel in areas such as mineral resources, mine planning, mining costs, infrastructure, geotechnical, hydrology, hydrogeology, environmental impact and economic analysis.

Critical success factors that will be addressed as a priority as the feasibility study progresses include:

- Technical – refining tests including removal of phosphorous;
- Infrastructure – the provision of the most appropriate and affordable power source to deliver project viability and sustainability; and
- Government Foreign Investment Policy – facilitation of market entry for replacement of steel imports, and a possible support and subsidisation of the option for competitive gas supply.

The timetable for the above key assessments, subject to the raising of capital is consistent with that previously advised and is summarised below:

Q1 2021	<ul style="list-style-type: none"> • Phase 1 operating cost estimate - commenced • Complete capital raising • Planning for Phase 2 and 3 of the feasibility study • Appointment of key project management personnel • Review of potential strategic partnerships
Q2 2021	<ul style="list-style-type: none"> • Phase 2 testwork commences with bulk beneficiation, pre-reduction and refining tests. • Tendering and award of revised feasibility study scope
Q3 2021	<ul style="list-style-type: none"> • Phase 3 commences with detailed engineering studies including build-up of the capital and operating cost estimates for the Project. • Ancillary technical studies scoped and awarded.

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CAPITAL RAISING PLAN

At the time of the capital placement last November, the Board advised that there would be a requirement for a further and more substantial capital raising in the first quarter of 2021, following the scoping of the proposed feasibility study.

Discussions and planning with the Company's strategic capital advisors, Canaccord Genuity are well advanced and the Company aims to have the capital raising completed prior to the end of March 2021.

ACTIVITIES IN NIGERIA

KCM Mining Limited

KCM is a wholly owned subsidiary of KFE, incorporated in Nigeria, and is the licence holder of the mining and exploration tenements. Key management of KCM are responsible for the liaison with key Nigerian stakeholders, government and regulatory authorities.

To reflect recent changes to the KFE board, and to ensure KCM is adequately resourced, the Company is in the process of updating the KCM Board as follows:

Mr Craig Hart	Chairperson
Mr Mena Ajakpovi	Executive Director
Ms Lolade Ososami	Company Secretary
Mr Peter Huljich	Non-Executive Director
Mr Richard Little	Non-executive Director

Mr Ian Burston has resigned as a Director of KCM but remains available and willing to advise the Board of KCM and KFE and is committed to assist ongoing and as required.

Appointment of General Manager (Africa)

The KCM Board is also pleased to announce the appointment of Mr Kevin Joseph as General Manager (Africa) for KCM.

Mr Joseph is an experienced chemical engineer with significant African resource and mining operational experience. Mr Joseph has previously been an executive director of KCM and a consultant to KFE. Mr Joseph's appointment as General Manager, his in-country experience together with his background knowledge of the Project will be invaluable to the Company.

Mr Joseph will play an integral role as the Company embarks on the planned feasibility study to assist with the management of in-country government, community and environment relationships. Mr Joseph will augment the current team led by Mr Alabi Sam Oiu as Country Manager.

Mining Tenement Payments

Following the recent capital raising, the Company reports that licence fees due and pertaining to the Company's mining and exploration tenements have been paid in full and that all tenements are in good standing.

All the mining and exploration tenements are located in the Federal Republic of Nigeria and KCM has a 100% interest in each tenement:

Mining Lease 24606

Mining Lease 24607

Mining Lease 25376

Mining Lease 29796

Exploration Licence 28784

EXPORT OF ORE.

While the Company is progressing with its base case feasibility study it remains responsive to a range of opportunities that may result in outcomes consistent with the best interest of shareholders.

Such opportunities considered include the ability for the exporting of iron ore. The Nigerian Government has at times announced* its active discouragement of the export of raw iron ore. We are continuing to monitor the progression of the policy regarding any requirements to first beneficiate ore prior to being granted an export licence or indeed any broader ban on mineral exportation. We will continue to liaise with local advisors on this issue.

**[Article entitled "Nigeria to ban mineral resources export" as reported in Guardian Newspaper 26 July 2017]*

It should be noted that the present strategy of KFE is to deliver a steel importation replacement option to Nigeria as outlined above. That current strategy is expected to deliver the best outcome for all stakeholders and incremental shareholder value. This strategy is also less likely to be impacted by the possible changes in government policy, if any, under development.

The feasibility study will of course provide another level of evaluation for these plans and any viable option in terms of the permissible exportation of beneficiated ore.

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SUMMARY

The objectives and priorities of the Company were outlined at the December 2020 AGM and are namely to define the feasibility scope, commence the feasibility study as early as possible and this is scheduled to start next week and proceed to raise the capital required to expedite this formative stage in the Company's strategic plans.

The board is pleased to confirm that the company is on track to achieving the key milestones it has set for 2021.

Authorised for release by the Board

For further information, please contact:

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About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a company with the objective of becoming a producer of cast steel billet product that can be sold to fabricators of finished steel products through the development of its 100% owned Agbaja Cast Steel project located in Kogi State, Republic of Nigeria, West Africa ("Agbaja" or "Agbaja Project").

Nigeria has substantial domestic demand for steel products, which is currently met largely through imports of scrap steel raw materials. The Agbaja project, located on the Agbaja plateau approximately 15km northwest of Lokoja city in Kogi State and 200km southwest of Abuja, the capital city of Nigeria, opens the opportunity for domestic production of steel.

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) – Refer ASX announcement 10 December 2013. This mineral resource covers approximately 20% of the prospective plateau area within ML24606 and ML24607.