

The Boards of Kogi Iron Limited (ASX: KFE, 'Kogi' or 'the Company') and KCM Mining Limited (KCM) are pleased to provide this update to all stakeholders, shareholders, interested parties and potential new investors in our advanced Nigerian cast steel project.

"COVID-19: Update & Implications"

Due to the rapid escalation and global impacts of coronavirus, COVID-19, the Company has acted early and strongly to reinforce its operating guidelines to mitigate risks to staff, contractors and community:

- Adhering to Government advice and directives.
- Restricted travel (local, domestic and international).
- Social distancing at meetings and general activities.
- Diligent and increased personal hygiene.
- Self-isolation on showing any illness symptoms.
- Electronic communication wherever possible.

Impacts on operations in Nigeria include closure of the Mines Department and travel limited to Kogi State.

Due to COVID-19 related market volatility, the Company has taken prudent fiscal measures to ensure security of our assets and preserve our cash balance:

- Deferred current fundraising for Feasibility Study.
- Stopped all non-discretionary expenditure.
- Reduced or deferred fees for Directors, contractors, and consultants.
- Moving administration, secretarial functions and registered office to Adelaide from 1st May 2020.

I'm pleased with the ongoing interest by potential new investors in the unique opportunity of our Agbaja Cast Steel Project in Nigeria. We are starting to see global capital flows to the commodity sector, especially to good projects with tangible asset bases or operations. We have received valuable input on political, social and technical advice from our Consultants – Ian Burston, Kevin Joseph and Ian Whiteley.

David Turvey – Managing Director

Resignation of Director – Don Carroll.

Reported to Australian Stock Exchange, 2nd April 2020.

<https://www.asx.com.au/asxpdf/20200402/pdf/44gmz0q651dlsn.pdf>

David Turvey commented:

"Don was a valued, highly-experienced member of the Kogi Iron Board who has contributed significantly in progressing our Agbaja Cast Steel Project. I always enjoyed our discussions and respected his background, knowledge and sage opinions. The Company greatly appreciates Don's offer to remain available and provide support for the Company going forward".

The AGBAJA CAST STEEL PROJECT

"A Project of National Significance"

Subject to COVID-19 guidelines & measures, the Company has continued with activities during March and is pleased to provide this update on our advanced Agbaja Cast Steel Project in Nigeria, west Africa (Project).

Agbaja Plateau Community Development Plan

The KCM Mining team continues to coordinate activities on our Community Development Agreement (CDA). We recently received a visit from KCM Mining Director – Mr Mena Ajakpovi to inspect recent CDA activities, along with ongoing monitoring by Government Departments. We continue to receive positive feedback from the Community and Government – "Well done KCM team".



Site Visit by Mr Mena Ajakpovi (LHS) and officer of the Ministry of Mines and Steel Development (MMSD) (RHS)

The Agbaja Plateau Communities are frequently briefed on our activities and progress, especially related to the Community Development Agreement.

Additional Community programs are planned in 2020 with an ongoing commitment to local education, employment, health & safety, infrastructure and environment.

The next CDA program will relate to our planned small-scale trial iron ore mining in April 2020.



Mr. Alabi Samuel – KCM Country Manager briefing members of the Agbaja Plateau Community

KFE Capital Summary

Ordinary Shares: 774,061,174
Listed Options: 142,328,948
Performance Rights: 26m
Share price: \$0.033
Market capitalisation: \$26m

Board of Directors

Mr Greg Boulton AM – *Non-Executive Chairman*
Mr David Turvey – *Managing Director*
Mr Peter Huljich – *Non-Executive Director*

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Small-Scale Trial Iron Ore Mining

The Company has approved the excavation of a small-scale trial iron mining pit ~30m x 30m x 5m deep. This pit will be located at the site of a previous bulk iron ore sample (pit #6) used for metallurgy and steel tests in 2018. Work will be completed during April 2020.

A local Lokoja-based civil engineering company was awarded the contract to ensure local content, align with the Community Development Agreement and mitigate COVID-19 risks. Community members will be contracted by KCM Mining for security and logistics functions and potentially as labour by the operator.

These works provide an early opportunity to reinforce Environmental, Social and Governance (ESG) procedures with the Communities, especially occupational health and safety practices (OH&S). It will support our relationship with the World Bank-MMSD MinDiver Project regarding the positive benefits of mining to local Communities.

The trial pit and stockpiles of overburden and iron ore will be used to support reserve estimates and for ore characterisation tests, water studies, building material and agriculture studies in the Feasibility Study.

Government of Nigeria - Ministry of Mines and Steel Development (MMSD)

Following from the Indaba Mining Conference Cape Town in February, the Company received positive feedback from several Government, semi-Government and private sector groups on our commitment and professionalism in evaluation of the Agbaja Cast Steel Project.



Honourable Minister MMSD - Arc. Olamilekan Adegbite presenting on Nigeria Mining Day at Indaba Cape Town, February 2020

Ongoing, regular dialogue with the Ministry of Mines and Steel Development, Nigeria has been quite positive and focussed on obtaining tangible Government support and facilitation of the Agbaja Cast Steel Project.

David Turvey commented:

"The Company has established close working relationships with the Ministry of Mines and Steel Development, Nigeria. These relationships are based on mutual recognition of the importance of the Agbaja Steel Project to the future economy of Nigeria. This bodes well for ongoing support of Government and growing interest from industrial parties – suggest we all stay tuned".

MMSD – World Bank MinDiver Project (MinDiver)

The objective of the World Bank's Mineral Sector Support for Economic Diversification Project (MinDiver) is to enhance the mining sector's contribution to the economy of Nigeria by:

- strengthening key government institutions,
- improving information infrastructure and knowledge,
- fostering domestic investment in the sector.

Refer to MinDiver Project weblink:

<https://projects.worldbank.org/en/projects-operations/project-detail/P159761?lang=en>

In support of the Agbaja Cast Steel Project, The Honourable Minister - Arc. Olamilekan Adegbite MMSD, requested the Company to submit a revised application for MinDiver Project funding to focus on ESG projects related to the Company's Feasibility Study activities and current Community Development Agreement.

Discussion and consideration of the Company's revised MinDiver application are ongoing, including synergy with the recently commissioned small-scale trial mining.



Honourable Minister MMSD - Arc. Olamilekan Adegbite (RHS), Mr Christopher Sheldon – Energy & Extractives Practice Manager, World Bank Group (centre) and Mr Edet S. Akpan – Permanent Secretary MMSD (LHS centre)

As advised in the Company Update – February 2020, an interview by David Turvey with MinDiver Project officers conducted at Indaba is posted on the Company's website: <https://www.kogiron.com/sites/default/files/MinDiver%20KFE%20article.pdf> as extract from MinDiver Newsletter: <https://www.kogiron.com/sites/default/files/MinDiver%20news.pdf>

David Turvey comments: *"Reckon its worthwhile reading"*.

Bankable Feasibility Study (BFS)

Due to impacts of COVID-19, physical work on key aspects of the Feasibility Study has been delayed or deferred until sufficient funding is secured and workforces return.

Importantly, the scopes of work, completion schedules, costs and decision trees for key consultant groups have been revised and/or staged to enable progress on the Feasibility Study as early as possible.

- Tenova (study manager), Mintek and SGS Bateman: Steel Process Optimisation Tests and Plant Design.

Staged proposal considered for ore beneficiation test work (Mintek RSA) and to providing a bulk coal sample from Nigeria to FLSmidth for DRI tests.

- Lantosman: Environmental Impact Study – Steel Plant.

Summary information of process wastes and waste management systems was sourced from Tenova's proposed steel tests to include for completion of the EIS Steel Plant (pending).

- Infrastructure & Power Options Study.

Discussions held with various international engineering groups currently involved in Nigerian projects, including infrastructure projects with Government and World Bank.

Focus on cost-effective, sustainable new generation power technologies including gas-fired, solar and hydro-electricity +/- battery storage hybrids.

- FastMarkets: Nigeria and regional steel market study.

Discussions held with key target customers of steel billet products.

- Iron Ore Reserve Estimate, Mine & Beneficiation Plan. Contract pending agreed scope of work.

Fundraising

The Company received unanimous, positive responses from potential new investors on its decision to defer capital raising until market volatility had reduced and on renewed investment activity. They gave strong support and appreciated the Company's prompt measures to minimise expenditure and maintain a healthy cash balance.

Recent, positive news has been received from several independent fund managers and corporate advisors in North America, Japan and Germany of an emerging

trend of global capital flows to the commodity sector, especially to under-valued projects with quality, tangible asset bases or operations.

As such, the Company plans to proceed with capital raising ~US\$8 million funds (~A\$12M) for the Feasibility Study over the next few months or when equity markets show signs of recovery. Targeted new investors include "high net worth individuals or family offices and specialist resource funds" that have expressed interest following the late January to early February roadshow in Europe, London and North America.

In conjunction, the Company has assessed and will trial a couple of e-funding platforms, including a specialist African project platform.

Preliminary discussions were held with several potential joint venture investors and cornerstone equity partners, including large industrial groups and steel industry companies. All parties showed interest relative to positive progress on the Feasibility Study and a clearer understanding of business structures and financial model.

Planned Future Activities (subject to COVID-19)

- Complete small-scale trial mining relative to the Community Development Agreement and Mining Lease conditions.
- Finalise staged scopes of work and initiate steel optimisation test work and plant design engineering.
- Progress relationships and agreements with MMSD and World Bank's MinDiver Project.
- Increase and improve Public Relations and Investor Relations communications (PR/IR) to promote investor interest and support momentum in the Company.
- Completion of staged fundraising ~US\$8M.
- Initiate staged market studies and progress conditional offtake agreements.
- Visit Nigeria when international travel resumes and borders open for meetings in Lagos and Abuja and, importantly, a site visit to Agbaja / Lokoja to meet the Community and the Olu (paramount ruler).
- Attend and present the "Kogi Iron Story" at Africa Down Under Conference, Perth.
- Attend and present at Nigeria Mining Week, Abuja on 26-28 October 2020 with Chairman / Directors.

What you may not know about “our current Managing Director”, Mr David Turvey



1. The newest member of the Executive Board (just 8 months) being attracted to the unique opportunity of the Agbaja Steel Project.
2. He has both big company corporate experience and founded several private & public mining companies.
3. He is a certified gemmologist with technical interests in the cause of colour and useful physical properties.
4. Is a pioneer of industrial mineral “value in use” studies and technical marketing.
5. Spent 8 years living and working in Indonesia and Malaysia and travelling to parts less known.
6. He enjoys jungles, waterfalls and tigers in preference to deserts, dust and flies.
7. He has a passion for good food & extraordinary wine with an inquisitive palate (snake, scorpion, pinot)
8. He enjoys the humbling experience of karaoke bars and participation with gusto.

Chairman of Kogi Iron Limited, Greg Boulton commented:

“COVID-19 has challenged our global markets, business practices and way of life. It has made us all reassess what matters most – our family, friends and Community.

I am confident that the Company has taken appropriate measures to weather the COVID-19 storm and is well positioned to grow our asset base and the business in Nigeria.

We will continue to be prudent with our expenditure during these times of volatile markets and restricted activities, then look to emerge with renewed momentum and clear priority on commercial drivers and an ESG approach to business”.

“It’s pleasing that our Agbaja Cast Steel Project is receiving recognition and interest by potential new “cornerstone shareholders”. We remain confident of funding at fair value to complete our Feasibility Studies.

Shareholder understanding and support is essential during this time of hiatus.

We look forward to updating all stakeholders with details of progress for the Company”.

For and on behalf of the Board
David Turvey
Managing Director

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