

SHAREHOLDER UPDATE

Kogi Iron Limited (ASX: KFE) (the Company) included in its ASX release on 18 February 2021, an outline of the general company and project strategies going forward, including a process for the completion of certain key milestones. The Company is pleased to provide the following update.

Since the last Shareholder update provided on 18 February 2021, the Company has released its half yearly report. We recommend that shareholders read that half yearly report in conjunction with this ASX release.

Capital Raising

The Company has evaluated a number of options regarding fund raising. Key factors considered include use of a staged capital raising to best manage the potential dilutionary impact of capital raising, capital requirements to best match the timing for the various components of the feasibility studies, the status of current share price, and the ability to attract suitable investors. We also recognise the need to demonstrate the achievement of key objectives and thereby both progressively de-risking the Company's only project and unlocking the potential value at the satisfactory completion of each key milestone.

The Company is pleased to advise that discussion with a potential investor is now at an advanced stage. While negotiations are continuing, no binding agreement has been entered into as yet. The Company expects that if a binding investment agreement is entered into, it will be reached in mid-April. The Company will update the market if and when a binding agreement is reached.

The scheduled feasibility study activities are continuing as planned as previously outlined utilising the existing cash on hand. Following this, the next steps of the feasibility study will commence upon approval of the planned capital raising.

Feasibility Study

As reported in the release on 18 February 2021 the initial feasibility work has commenced with the appointment of Tenova Pyromet, a company based in South Africa that will undertake an operating cost validation process. This work is progressing according to plan. Information from this work will provide up to date data to be built into the Company's technical and commercial models.

A substantial number of technical reports have been prepared over the years and this work is being validated, and where practical to do so, brought up to date to assist with main body of the feasibility study. The main body of the feasibility study will comprise;

- Testwork, commencing with bulk beneficiation, pre-reduction and refining tests.
- Tendering and award of revised feasibility study scope.

Subject to successful results on the above, we will then progress to;

- Detailed engineering studies including build-up of the capital and operating cost estimates for the Project.
- Ancillary technical studies scoped and awarded.

The Company is preparing for the main body of the feasibility process which will commence after satisfactory outcomes from the operating cost validation process and the capital raise.

Project Management

The Company has now appointed Mr Trevor Slater as project manager and to assist with the management of the overall feasibility study process. Trevor has over 30 years' experience in the resources industry and specifically in project development in Australia and overseas.

Export of Ore

The Company provided an update on the possibilities of exporting ore in its release on 18 February 2021. As advised in that report, in relation to the ban on the export of "raw" ore, the Company has since had confirmation by the Nigerian Ministry of Mines and Steel Development that the Nigerian Federal Government current ban on the export of raw ore remains in place.

As previously advised, KFE is fortunate that its strategy is the delivery of a steel importation replacement option to Nigeria, as outlined above. As a result, the ban on the exportation of unbeneficiated ore does not impact the company or its feasibility study.

That current strategy is expected to deliver the best outcome for all stakeholders and incremental shareholder value. However, as previously stated, we will continue to include in our feasibility study options for the export of beneficiated and processed iron ore, in conjunction with the Company progressing with its base case feasibility study and strategy.

Authorised for release by the Board

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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.