

## NON-RENOUNCEABLE RIGHTS ISSUE LETTER TO SHAREHOLDERS

**Australian based iron ore and steel development company, Kogi Iron Limited (ASX: KFE) (Kogi, Kogi Iron, or the Company) wishes to provide notice of letters being sent to Kogi shareholders.**

Please find attached copies of the following two letters which have been sent today in relation to the rights issue announced by Kogi Iron on 26 April 2021 and the offer memorandum lodged with the ASX earlier today (“**Rights Issue**”):

- (1) A letter to shareholders of the Company who currently have registered addresses in Australia and New Zealand and, provided this remains the case as at the record date on 7 May 2021, will be entitled to participate in the Rights Issue; and
- (2) Letter to shareholders who currently have a registered address outside Australia or New Zealand and, provided this remains the case as at the record date on 7 May 2021, will not be entitled to participate in the Rights Issue.

Shareholders with queries concerning the Rights Issue should contact their stockbroker or other professional adviser or the Company’s Share Registry, Link Market Services, on +61 1800 550 560.

Authorised for release by the Board

For further information, please contact:

Craig Hart  
Non-Executive Chairman  
Kogi Iron Limited  
Tel (office): +61 8 7324 4047  
Email: [info@kogiiron.com](mailto:info@kogiiron.com)

### **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 Iron and 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.

30 April 2021

Dear Shareholder,

**RE: NON-RENOUNCEABLE RIGHTS ISSUE**

The Board of Kogi Iron Limited (“**Kogi Iron**” or the “**Company**”) is pleased to invite you to participate in a 1 for 4 non-renounceable rights issue at an offer price of A\$0.018 (1.8 cents) per new share, to raise up to approximately A\$3.8m before costs, announced by Kogi Iron on 26 April 2021 and pursuant to the Rights Issue Offer document announced on 30 April 2021 (“**Rights Issue**”).

The rights issue is part of an equity capital plan to raise up to \$10.3 million before costs, consisting of:

- (a) an institutional share placement to Diversified Metals Holdings LLC (the Subscriber), a U.S.-based institutional investor, raising up to \$6,500,000 (the “**Placement**”); and,
- (b) together with the Rights Issue the subject of this letter, raising up to \$3.8 million.

The first tranche of \$2 million under the Placement is subject to shareholder approval and you will shortly be receiving more information in relation to the convening of the extraordinary general meeting, expected to be held 11 June 2021. Refer to the Company’s ASX announcement of 26 April 2021 for further details in relation to the Placement.

Under the Rights Issue, every person who is registered as the holder of Kogi Iron shares with an address within Australia or New Zealand at 5.00pm AEST on 7 May 2021 (“**Record Date**”) will be entitled to participate in the Rights Issue. Shareholders with registered addresses in countries outside of Australia and New Zealand as at the Record Date will not be eligible to participate in the Rights Issue and will not be sent the Offer Memorandum in relation to the Rights Issue.

Full details of the Rights Issue are set out in the Offer Memorandum lodged with the ASX on 30 April 2021 and the Appendix 3B lodged on 26 April 2021. A copy of the Offer Memorandum is available to download from both the ASX website (at [www.asx.com.au](http://www.asx.com.au)) and Kogi Iron’s website (at [www.kogiiiron.com](http://www.kogiiiron.com)). Eligible shareholders will receive, on or around 12 May 2021, a copy of the Offer Memorandum including a personalised Entitlement and Acceptance Form which will provide detailed instructions on how to participate in the Rights Issue. Eligible Shareholders that have not elected to receive communications from the Company via electronic means will need to allow for the additional delivery time associated with the posting of the documents.

## Timetable

The anticipated timetable for the Rights Issue is as follows:

EVENT	DATE
<b>Announcement of the Non-Renounceable Rights Issue</b> – Lodge with ASX 1) Announcement of Rights Issue, and 2) Appendix 3B	Monday, 26 April 2021
<b>Offer Memorandum lodged with the ASX together with a notice under section 708AA(2)(f) of the Corporations Act</b> (lodged after market opening)	Friday, 30 April 2021
<b>Notice to Shareholders</b> – Notice of Rights Issue sent to shareholders	Wednesday, 5 May 2021
<b>Ex date</b> – the date on which Shares commence trading without the entitlement to participate in the Rights Issue	Thursday, 6 May 2021
<b>Record date</b> – the date for determining entitlements of Shareholders to participate in the Rights Issue (5.00pm AEST)	Friday, 7 May 2021
<b>Offer memorandum sent to Shareholders</b> – dispatch of Offer Memorandum and Entitlement and Acceptance Forms – Rights Issue opens for acceptances	Wednesday, 12 May 2021
<b>Last day to extend</b> – the last day to extend the Closing date	Wednesday, 16 June 2021
<b>Closing date</b> – the last day for receipt of acceptance forms (5.00pm AEST)	Tuesday, 22 June 2021
<b>Deferred Settlement Trading commences</b> – New Shares commence quotation on the ASX on deferred settlement basis	Wednesday, 23 June 2021
<b>Announcement of Results</b> – announcement of results of the Rights Issue	Friday, 25 June 2021
<b>Issue date</b> – Allotment of New Shares. Deferred settlement trading ends	No later than noon
	Tuesday, 29 June 2021
<b>Expected commencement of normal trading</b> in New Shares on ASX	Wednesday, 30 June 2021
<b>Dispatch of holding statements</b> to Shareholders who participated in the Rights Issue	Friday, 2 July 2021

Kogi Iron reserves the right to amend this timetable subject to the ASX Listing Rules.

## Key terms of the Rights Issue

- The Rights Issue is being undertaken on the basis of one (1) new fully paid ordinary share (“**New Share**”) for every four (4) ordinary shares held by eligible shareholders.
- The issue price is A\$0.018 per New Share, represents a 17.4% discount to the Company’s volume weighted average share price (“**VWAP**”) for the 5 trading days to close of trade on 23 April 2021 (being the last trading day prior to announcement of the Rights Issue) of A\$0.218 per share, and also a 17.4% discount to the VWAP

for the 5 trading days to close of trade on 29 April 2021 (being the last trading day prior to the date of lodgement of the Offer Memorandum with the ASX) of A\$0.0218 per share.

- The record date to determine entitlements for eligible shareholders is 5.00pm AEST on 7 May 2021 (“**Record Date**”). Only registered shareholders with a registered address in Australia and New Zealand as at the Record Date are eligible to participate in the Rights Issue.
- Shares commence trading without the entitlement to participate in the Rights Issue **on 6 May 2021** (the **Ex Date** for the Rights Issue, being one business day prior to the Record Date).
- Eligible shareholders will be able to apply for additional New Shares in excess of their entitlement at the same issue price of A\$0.018 (1.8 cents) per New Share. Allocation of additional New Shares will be subject to there being a shortfall in subscriptions under the Rights Issue and will be at the discretion of the directors of Kogi Iron. If there is any Shortfall, the Shortfall Shares will, at the KFE Board’s absolute discretion, first be allocated to Eligible Shareholders who have applied for Shortfall Shares. If there remains a Shortfall after allocation of Shortfall Shares to Eligible Shareholders who have applied for Shortfall Shares, the Directors reserve the right to issue the remaining Shortfall Shares to non-shareholders in their discretion.
- Each New Share will rank equally with and be issued on the same terms as those quoted fully paid ordinary shares already issued by the Company. Application for quotation of the New Shares offered under the Rights Issue was made by the Company on 26 April 2021.
- For the purposes of calculating your entitlement, fractional entitlements to New Shares will be rounded up to the nearest whole number of shares. Holdings on different registers (or sub-registers) will not be aggregated for calculating entitlements.
- The Rights Issue is being made in accordance with section 708AA of the Corporations Act 2001 (Cth) and without a prospectus.
- The Rights Issue is non-renounceable. Accordingly, rights will not be tradeable on ASX or otherwise transferrable. Shareholders who do not take up their entitlements in full will not receive any value in respect of that part of their entitlement that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of entitlements they would have received had they been eligible.
- A maximum of 211,446,432 New Shares will be issued under the Rights Issue (based on the undiluted share capital of the Company as at 29 April 2021). In addition, the Company currently has on issue another 142,328,948 listed Options and 61,000,000 unlisted Options which have not been taken into account in the above mentioned maximum New Shares. If any of these Options are exercised prior to the Record Date, this will impact the maximum number of New Shares to be issued under the Offer. A Notice of the Rights Issue was sent to Option holders in order to enable them to exercise their Options prior to the Record Date and participate in the Rights Issue in respect of the shares underlying their Options. The maximum number of New Shares above is also subject to reconciliation of entitlements and rounding. Based on the maximum number of New Shares above, the maximum number of listed ordinary shares on issue following the Rights Issue will be 1,057,232,158.
- No shareholder approval will be required for the Rights Issue.
- Kogi Iron does not have a dividend policy and does not intend to declare a dividend in the near future.
- The proceeds from the Rights Issue, together with the funds raised from the Placement (if approved by Shareholders), will be primarily directed to activities associated with progressing the feasibility study for the development of the Company’s Agbaja Cast Steel project, and the provision of the Company’s general working capital requirements.
- There are no brokers to the Rights Issue.
- The closing date for the Rights Issue is **5.00pm AEST on Tuesday, 22 June 2021**.

## Actions required of Eligible Shareholders

Eligible Shareholders can either:

- take up all or some of their entitlements;
- take up all of their entitlements and apply for additional New Shares; or
- choose not participate in the Rights Issue.

You are encouraged to read the Offer Memorandum lodged with ASX on 30 April 2021 fully before making a decision in respect of the Rights Issue.

If you do not wish to participate in the Rights Issue, you do not need to take any action.

If you are eligible and wish to participate in the Rights Issue, it will be necessary for you to complete and return the personalised Entitlement and Acceptance Form that will accompany the Offer Memorandum expected to be sent to eligible shareholders on 12 May 2021 in accordance with the instructions on that form. If you wish to pay by BPAY<sup>®</sup>, you do not need to return the Entitlement and Acceptance Form, you simply need to follow the instructions on the Entitlement and Acceptance Form.

Shareholders with queries concerning the Rights Issue should contact their stockbroker or other professional adviser or the Company's Share Registry, Link Market Services, on +61 1800 550 560.

Yours sincerely



**Craig Hart**

Chairman

30 April 2021

Dear Overseas Shareholder

**RE: Non-renounceable Rights Issue**

On 26 April 2021, Kogi Iron Limited (“**Kogi Iron**” or the “**Company**”) announced a one (1) for four (4) non-renounceable rights issue at an issue price of \$0.018 (1.8 cents) per new Kogi Iron ordinary share to raise up to approximately A\$3.8 million (before expenses) (“**Rights Issue**”).


The Offer Memorandum for the Rights Issue was lodged with the ASX on 30 April 2021 and is available to download from both the ASX website (at [www.asx.com.au](http://www.asx.com.au)) and Kogi Iron’s website (at [www.kogiiron.com](http://www.kogiiron.com)).

Kogi Iron has determined, pursuant to the Corporations Act 2001 (Cth) and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers under the Rights Issue to shareholders with a registered address outside of Australia and New Zealand as at 5.00pm AEST on 7 May 2021 (“**Record Date**”).

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and the Corporations Act, the Company wishes to advise that it will not be extending the Rights Issue to Shareholders with registered addresses outside of Australia and New Zealand as at the Record Date. Your Kogi Iron shareholding is currently registered to an address outside of Australia and New Zealand.

Shareholders with queries concerning the Rights Issue should contact their stockbroker or other professional adviser or the Company’s Share Registry, Link Market Services, on +61 1800 550 560.

Yours sincerely



**Craig Hart**

Chairman