



AGBAJA LEVERAGED BY HIGHER STEEL BILLET PRICES

23 March 2022: Australian based iron ore and steel development company, Kogi Iron Limited (ASX: KFE) (**Kogi** or the **Company**) is pleased to advise that Fastmarkets, a reputable and global leader in commodity pricing has been appointed to assist with a market feasibility report including the provision of a steel billet sales price forecast integral to the Agbaja project financial model.

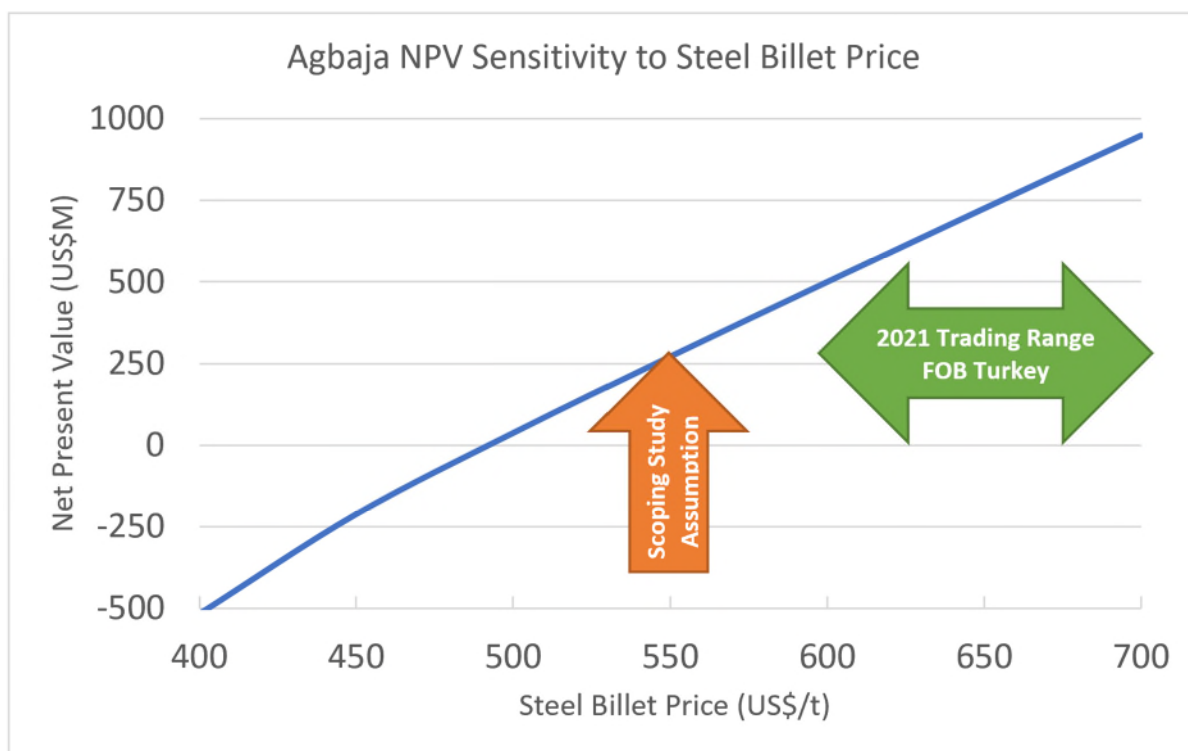


Figure 1: NPV Sensitivity to Steel Billet Price

Highlights

- Scoping Study assumed a conservative estimate of US\$550/t for steel billets to be sold in Nigeria.
- The actual sales of Steel Billet FOB Turkey, the Black Sea, and India have traded between approximately US\$600-700/t during calendar year 2021. This is before the addition of freight and import charges to Nigeria.
- The Agbaja project economics are highly sensitive to higher sales prices.
- Fastmarkets appointed to update market feasibility report.

Kogi Iron Chairman, Mr Craig Hart said:

“Kogi continues to be encouraged by the medium-term trends in the steel billet market. These pricing trends highlight the enormous potential of the Agbaja Iron and Steel project which aims to produce steel billets at a premium to the global market price due to its sustainable competitive advantage as an import replacement business. We eagerly anticipate the results of the Fastmarkets market study given how sensitive the project economics are to these inputs.”

Steel Billet Prices

Throughout Calendar Year 2021 seaborne Steel Billet Prices from Turkey, the Black Sea, and India have traded in the range of US\$600-700/t. These elevated prices persisted well before the present conflict in Ukraine, which is of course causing even higher prices in the short-term.

Some of these steel billets are exported to Nigerian Steel Mills for processing into finished steel products. The cost to these mills is an even higher cost than that reported in the global market once sea freight, unloading, import charges, and inland freight are accounted for.

One of the Agbaja Iron and Steel Project’s sustainable competitive advantages is that not only is it a project of Nigerian national significance, but it aims to displace these expensive imports, to give Nigerian steel mills certainty of supply.

Sensitivity to Project Economics

Figure 1 shows the sensitivity of the project economics to changes in steel billet sales prices. This sensitivity is computed on the Scoping Study financial model without changing any other inputs. Refer to ASX Announcement 13 December 2021 for full details of the Scoping Study.

Fastmarkets appointed

Fastmarkets, a reputable and global leader and in commodity pricing has been appointed to assist with a market feasibility report including the provision of a steel billet sales price forecast. Fastmarkets will use their extensive database to produce a long term price forecast for steel billets globally. They will then adjust these forecasts to allow for the significant seaborne freight, unloading, Nigerian importation charges, and inland transportation to Nigerian steel mills.

The report will build on the work that Fastmarkets completed for Kogi Iron in 2019 (refer ASX Announcement 16 January 2019). The 2018-2019 market feasibility study was against a backdrop of spot prices in the order of US\$400-500/t on the global seaborne market, and Kogi is anticipating a higher long-term price forecast to be estimated in the 2022 updated study.

The updated market feasibility report is expected to be available in the next quarter. This will form an integral part of the overall Feasibility Study presently underway.

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 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.

Competent Persons’ Statement

Deposit	Competent Person	Employer	Professional Institute
Agbaja Mineral Resource	David Slater	Coffey Mining	MAusIMM(CP) MAIG
West Pilbara Mineral Resource	Dmitry Pertel	Formerly of CSA Global Pty Ltd	MAIG
Western Australian Iron Ore Exploration Results	Robert Wason	Mining Insights Pty Ltd	MAusIMM

The information in this report that relates Exploration Results and Mineral Resources is based on the information of the Competent Persons listed in the table above. Each of the Competent Persons have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons under the JORC Code (2012). Previously announced information is cross referenced to the original announcements. The Company is not aware of any new information or data that materially affects the information presented and that the technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.