



October 29, 2015

Status as at October 2015

Kogi Iron Limited (“Kogi” or “the Company”) and its Nigerian based company KCM, are striving towards becoming an African steel producer through the development of its 100% owned Agbaja iron ore project located on the Agbaja Plateau in Kogi State, Republic of Nigeria

As mentioned in the published Status Report in September, 2015, the Company announced that it had completed a Pre-Feasibility Study (PFS) on a 5 million tonnes per annum export ore project in early 2014, but was now watching carefully the effect of the decline in the international iron ore price and this has driven a revision of the export project.

We were of the opinion that additional work is needed to be done to vary the schedule material type in order to cater primarily for the Nigerian domestic market.

Nigeria is a country with a high population and the largest economy in Africa. It has an internal material demand for electric arc furnace production of steel currently estimated at some 2.8 million tonnes Per annum (Billet and Scrap) we have commenced a Bankable Feasibility Study to produce steel to satisfy this demand.

The primary advantage to KCM and Kogi is that with no basic steel feed being produced in Nigeria, a profitable supply can be discharged to a ready market which is distinctly different and isolated from the international iron ore and steel producing scene.

Local production will have significant positive effects on work availability and the involvement of local labour which will add a reassuring element to industrial and commercial development, broadening the countries commercial growth.

This development has Federal, State and Local Government support, likewise similar financial support has been indicated when debt funding needs to be considered.

An iron and steel project in Nigeria does not face the sales and infrastructure demands that are present in other supplier environments:

1. The market is local and established.
2. Sale prices for the steel product are about five times that received for high grade iron ore and our production costs will be about 2.5 times the sale price of high grade iron ore so a healthy margin is available.
3. We do not need massive investments in infrastructure or manpower associated with railway transport systems or the associated export ports.

Currently Bankable Feasibility Studies are progressing to completing an enhanced project design to allow for the adjustments which need to be made.

To upgrade the project a small capital raising will be offered to complete –

- Infrastructure design;
- Upgraded Environmental study for new production model;
- Substantiation of local customer demand, with possible offtake agreements; and
- Economic, financial review.

This program, will include the necessary field testing for production tonnage and is expected to be completed by mid-2016

Timeline

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| 1. | Bulk furnace test to confirm laboratory furnace tests
showing positive output from DC Arc Furnace | Q2, 2016 |
| 2. | Produce Bankable/Definitive Feasibility Study | Q2, 2016 |
| 3. | Arrange Finance for Commercial Plant (250,000 tpa) steel | Q4, 2016 |
| 4. | Commence Construction | Q1 2017 |
| 5. | Commission Plant | Q1, 2018 |

Appended is the typical Billet production flow sheet which will form the basis for a production plant.

I.F Burston
Chairman Kogi Iron Limited.
Chairman KCM Mining Limited.

Conceptual Steel Billet Production Flow Sheet

