

14 March 2016

KOGI IRON LIMITED

MARKET UPDATE

Kogi Iron Limited (“Kogi” or “the Company”) (ASX: KFE) and its Nigerian based Company KCM Mining Limited (“KCM”) is pleased to provide a market update to shareholders.

Kogi notes that work is continuing towards the Company 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.

The Board of Kogi are of the opinion that additional work is required 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 3.0 million tonnes per annum (Billet and Scrap). Kogi has commenced a Definitive Feasibility Study to produce a steel feed to potentially satisfy this demand.

The primary advantage of KCM and Kogi is that with no basic steel feed being produced in Nigeria, a potentially 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 is expected to have a significant positive effect on work availability and this involvement of local labour 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.

As previously noted, 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; and
2. We do not need massive investments in infrastructure or manpower associated with transport systems or the associated export facilities.

Currently Studies are progressing to completing an enhanced project design to achieve the adjustments which need to be made for a modified product.

Some of the early data gathering process involves material test work.

1. A high pressure washing cycle included as a first pass treatment for our run of mine ore; Testwork on this phase is completed with very encouraging results. Washing significantly improved the Fe, Alumina and Silica components and removed much of the slime material contained in the ore.

High pressure washing is a cheap and reliable process and will provide a much cleaner feed for the steel making plant and reduce much of the material that would have presented as slag.

2. The second phase of the Testwork will include a furnace test; this test will take some run of mine material and melt it to produce a steel product. This is a complicated process and includes work to help refine the type, feed and design of the rotary kiln stage and to better define the precise material type that will be presented to the final stage electric arc furnace. This work is being undertaken in South Africa and the work commenced earlier this month.

As announced on 26 February 2016, the Company has announced a Share Purchase Plan to allow existing shareholders to participate in funding the next step for the Company.

Correct Contact Details

The Company also wishes to correct the contact number on the Letter to Shareholders, noting that the contact number is (08) 9200 3456.

Board of Directors
Kogi Iron Limited

ENDS