

31 August 2018

METAL BULLETIN RETAINED TO CONDUCT STEEL MARKET BANKABLE FEASIBILITY STUDY

Kogi Iron Limited (ASX: KFE, “Kogi”, “the Company”) has retained Metal Bulletin to carry out an independent steel market report which will form part of the Bankable Market Feasibility Study for the Agbaja Cast Steel Project.

As previously identified by Kogi, Nigeria and its steel market represent a significant ‘first mover’ opportunity to Kogi. Nigeria is the most populous country in Africa with the largest GDP and a growing middle class and educated workforce. Nigeria imported over 6.8m tpa of steel products 2017 and has a number of operating rolling mills located across the country.

Nigeria does not currently have any domestic supply of billet to feed these internal mills (which currently uses scrap and recycled steel). Kogi has had discussions with management of a number of the operating rolling mills in Nigeria and this has allowed us to generate an understanding of the potential customers’ quality and volume requirements. This gives Kogi great confidence that its cast steel product will be well received by these steel mills and more broadly across the West Africa region. The Agbaja Cast Steel Project has now reached the stage in its development where Kogi must formalise this knowledge into a Bankable market feasibility study.

Metal Bulletin will carry out an independent strategic assessment out to 2030 and will provide a full bankable market feasibility document for the Agbaja Cast Steel Project within the context of local and key global market and price trends for sponge iron (DRI/HBI), ferrous scrap, billets and rebars. Kogi understands from its advisors that this document will be one of the key requirements of project finance lenders and Export Credit Agency providers.

Metal Bulletin will use macro-economic analysis and on the ground interviews with major players in every step of the supply chain to establish:

- Understanding of the market dynamics for steel billet markets, raw material inputs and forecast pricing out to 2030;
- Understanding of the market dynamics for Kogi’s future potential out to 2030;
- Understanding of the impact of the entry of the plant and its products on the marketplace out to 2030;
- Understanding of the market dynamics for substitutes e.g. alternate iron units and scrap metals out to 2030
- That there is an adequate market for Kogi’s product produced out to 2030 and the split between export/domestic markets
- An ideal product/supply mix will be provided out to 2030 and positioning on the global cost curve.
- Understanding the correct pricing strategy out to 2030 and benchmark pricing reference points

KFE Capital Summary Ordinary Shares: 651,343,370 Share price: \$0.15 Market capitalisation: \$98m	Board of Directors Dr Ian Burston – <i>Non Executive Chairman</i> Mr Martin Wood – <i>Chief Executive Officer</i> Mr Don Carroll – <i>Non Executive Director</i> Mr Michael Tilley – <i>Non Executive Director</i>	Contact Unit 23, 4 Ventnor Avenue, West Perth WA 6005 Tel : +61 8 9200 3456 Email: info@kogiiron.com W: www.kogiiron.com
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Domestic Market – Metal Bulletin will provide:

- Major customer confirmation out to 2030 to identify current and future sourcing for scrap/billets together with cost of iron units delivered to their plants (to include import prices, tariffs and trucking considerations)
- Potential marketing strategy and market penetration options out to 2030 dependent on expected customer preferences/issues will also be provided to Kogi.

Competitive Costs Comparison – Metal Bulletin will provide:

- Kogi with a current analysis of the global cost structure of steel production (depending on the method of steelmaking) as well as the cost of each successive stage of processing into finished products including crude, DRI, billet, and rebars, in order to benchmark Kogi against competitors, this will consider:
 - Factors affecting the costs;
 - Projected changes in relevant energy prices out to 2030;
 - Projected changes in the cost of production of products by production stages out to 2030; and
 - An assessment of costs relative to other local, regional and global producers out to 2030

Metal Bulletin will also provide input on likely competition to the Agbaja Cast Steel Project and advice on likely tariff and regulation changes that could affect the project. The final report will represent a major step forward for Kogi as it builds towards a successful project finance package to develop the Agbaja Cast Steel Project.

About Metal Bulletin

The Metal Bulletin Group provides world leading specialist pricing intelligence and market research, including independent industry benchmarks for the global steel, nonferrous and scrap metal markets.

Dr Ian Burston (Chairman) and Martin Wood (CEO) commented: “We are pleased to be at the stage where we can initiate such an important step in the project development plan.”

For more information, please contact:

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About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a Perth-based company with the objective of becoming a producer of cast steel product that can be sold to manufacturers of 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. The Agbaja project, located on the Agbaja plateau approximately 15km northwest of Lokoja city in Kogi State and approximately 200km southwest of Abuja, the capital city of Nigeria, opens the opportunity for domestic production of steel billets.

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). This mineral resource covers approximately 20% of the prospective plateau area within ML24606 and ML24607.

Table 1 – Summary Grade Tonnage for Laterite (Zone A) and Oolitic (Zone B) Horizons (20% Fe lower cut off is applied) Refer ASX announcement 10 December 2013.

Classification	Tonnes (Mt)	Fe (%)
Zone A (Laterite Mineralisation)		
Indicated	147.5	33.2
Inferred	33.9	31.7
Total Indicated + Inferred (Zone A)	181.4	32.9
Zone B (Oolitic Mineralisation)		
Indicated	318.7	45.2
Inferred	86.3	44.7
Total Indicated + Inferred (Zone B)	405.0	45.1
Combined Zone A and Zone B		
Total Indicated	466.2	41.4
Total Inferred	120.1	41.1
Total Indicated + Inferred	586.3	41.3

The Company confirms that it is not aware of any information or data that materially affects the information included in the original market announcements and, in the case of estimated Mineral Resources, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.