

31 January 2019

KOGI enters into discussions to pursue a long term strategic offtake partnership with the Inner Galaxy Group

Kogi Iron Limited (ASX: **KFE**, “**Kogi**”, “the **Company**”) is pleased to announce that in cooperation with its 100% owned subsidiary KCM, it has entered into a Letter of Intent (LOI) to progress discussions with the Inner Galaxy Group (‘Inner Galaxy’), a Nigerian based company with steel production operations in Lagos State (capacity 200,000 tpy) and a facility near Aba in the Port Harcourt region (capacity 800,000 tpy).

The LOI is non-binding and is intended to provide a framework for further discussions to be held regarding a strategic partnership for cooperation in the development of the Agbaja Cast Steel Project and the long term off take of production from the Agbaja Cast Steel Project. Any offtake agreement entered into will be for no more than a third of the total production capacity of the Agbaja Cast Steel Project. The economic and financial impact of this non-binding LOI is not quantifiable at this stage.

Inner Galaxy is the main producer of steel product in the Port Harcourt region and as well as supplying the Nigerian market successfully exports to regional West African markets.

Don Carroll – Chairman of Kogi Iron Limited commented ‘This is a recognition of the potential viability of the Agbaja Cast Steel Project and we look forward to the opportunity of working together with Inner Galaxy to form a long term, mutually beneficial relationship’.

The Company will continue to update shareholders as and when new significant information and results come to hand.

For more information, please contact:

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KFE Capital Summary Ordinary Shares: 654,871,213 Share price: \$0.11 Market capitalisation: \$72m	Board of Directors Mr Don Carroll – <i>Non-Executive Chairman</i> Mr Martin Wood – <i>Managing Director</i> Mr Greg Boulton – <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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About Inner Galaxy Group

Established as Hongxing Steel in Lagos in 2008, it was the first Chinese-owned induction facility in Nigeria. It now has a capacity of 200,000 tpy. The group then built Inner Galaxy in 2011. This is an 800,000 tpy induction-based facility located near Aba in the south-east of the country near Port Harcourt. This facility is the main producer in this region with no major competitors geographically. It has also exported via Port Harcourt to regional West African markets.

About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a Perth-based company with the objective of becoming an African iron ore and steel producer through the development of its 100% owned Agbaja iron ore 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. The Agbaja project, located about 200km south of the Nigerian capital Abuja, opens the opportunity for domestic production of pig iron products.

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 referred to in this announcement and, in the case of estimated Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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.