

QUARTERLY REPORT – MARCH 2019

Australian based iron ore development company, Kogi Iron Limited (ASX: KFE) (“Kogi”, “Kogi Iron”, or the “Company”) and its 100% owned Nigerian operating company, KCM Mining Limited (“KCM”) presents the quarterly activity report for the three months ended 31 March 2019.

Key activities by the Company during the quarter were:

DISCUSSIONS FOR LONG TERM STRATEGIC OFFTAKE PARTNERSHIP

The Company, in cooperation with its 100% owned subsidiary KCM, 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.

NEXT STEPS IN DEFINITIVE FEASIBILITY STUDY COMPLETION

Following the completion of the testwork by Mintek and Tenova, as well as the marketing study undertaken by Fastmarkets MB, the Company is now in a position to further progress the completion of the DFS by commencing the second and final phase of the Environmental Impact Study (“EIS”) for the project.

The first phase of the EIS was completed in a prior year where full environmental permits were granted for the proposed Agbaja iron ore mine. This next phase involves bringing the remainder of the project (including the cast steel mill) to full environmental compliance and the already completed comprehensive base line environmental data that has been collected will allow this next phase to be completed in a timely and efficient manner. This work will include: socio-economic study, biodiversity study, water and soil quality, waste management, health, meteorology and air quality and land use management.

KFE Capital Summary Ordinary Shares: 661,644,742 Share price: \$0.095 Market capitalisation: \$63m	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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The Company estimates that an additional \$10 million will be required to complete the DFS and take the project to financial close for the funding of the construction of processing facilities and associated infrastructure for the Agbaja Cast Steel Project. This will include expenditure to be incurred on pit geotechnical work, carrying out early stage civil works on the project, improving local infrastructure and for general corporate purposes.

Key elements of the DFS to be completed include detailed engineering design as well as overall capital and operating expense estimates. The Company is in negotiations with various parties regarding this targeted amount of funding and will update shareholders when definitive agreements have been reached. Once the Company has secured the funds to complete the DFS, it is estimated that it will take 9 months to complete. The Company is also keeping prospective Export Credit Agencies updated of the progress that is being made.

CORPORATE

During the quarter, the Company completed a capital raising of \$575,750 by placement of 6.7 million ordinary shares at 8.5 cents per share to professional and sophisticated investors.

At the end of the quarter, the Company had cash at bank of \$432,000. The Company has actively taken measures to ensure that expenditure is only committed where in the directors' opinion sufficient cash reserves are available. For this quarter, the company has reduced its administrative and corporate costs in order to preserve cash resources to progress the project to the next phase. This included the deferral of payment of director and CEO fees that were due and payable in the March 2019 quarter. The Company is currently evaluating funding alternatives for its ongoing and planned activities.

As at 31 March 2019 the Company had 661,644,742 fully paid ordinary shares on issue.

MINERAL TENEMENTS

During the quarter, the Company received final documentation from the Federal Republic of Nigeria, Ministry of Mines and Steel Development, granting Exploration Licence EL 28784, which replaces EL 16998. EL 16998 was first approved in September 2015 and has been replaced by EL 28784 in the normal course of business.

As at 31 March 2019, the following mineral tenements were held by KCM. All of the mineral tenements are located in the Federal Republic of Nigeria and KCM has a 100% interest in each tenement:

Mining Lease 24606
Mining Lease 24607
Mining Lease 25376

Exploration Licence 14847
Exploration Licence 28784

For more information, please contact:

Kogi Iron Limited

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Email: info@kogiiron.com

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 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

KOGI IRON LIMITED

ABN

28 001 894 033

Quarter ended ("current quarter")

31 MARCH 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(272)	(1,056)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(153)	(1,398)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(423)	(2,448)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	576	576
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(57)	(57)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	519	519
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	336	2,361
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(423)	(2,448)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	519	519
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	432	432

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	182	136
5.2 Call deposits	250	200
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	432	336

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	31
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments of director's remuneration \$31k

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	397
9.2 Development	-
9.3 Production	-
9.4 Staff costs	305**
9.5 Administration and corporate costs	337
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,039*

* Estimated cash outflows include discretionary expenditure that will only be incurred if the directors are comfortable there are sufficient cash reserves available for these and future costs. The Company is currently evaluating capital raising alternatives for its planned activities with further details to be provided as soon as these plans have been completed.

**Includes director fees and CEO remuneration relating to the March 2019 quarter that were unpaid at 31 March 2019.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL16998	Replaced by EL28784	100%	n/a
10.2 Interests in mining tenements and petroleum tenements acquired or increased	EL28784	Replaces EL 16998	n/a	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 30 April 2019

Print name: Kevin Hart

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.