

8 August 2019

AGBAJA CAST STEEL PROJECT – Consulting Engineering Review

Kogi Iron Limited (ASX: KFE, “Kogi”, “the Company”) is pleased to announce that a review by Farnborough Engineering Consulting Services (FEC) on potential capital and operating costs of the Agbaja Cast Steel Project has been completed.

FEC is an internationally recognised leader in steel processing technology and an approved consultant for Export Credit Agency (ECA) financing.

As part of their review, FEC confirmed that Tenova conducted a very thorough testing regime on Kogi iron ore and have well documented the approach taken and the results they found. The Tenova test work demonstrated that under pilot plant conditions the Kogi iron ore was successfully converted to a steel grade suitable to make quality steel billets.

The rotary kiln process suggested by Tenova for producing Direct Reduced Iron (DRI) was considered a robust and a proven process by FEC for the purpose proposed. They also suggested that further removal of impurities would improve efficiency and reduce the operating cost of the plant.

FEC considered that the process and technologies identified by Tenova for smelting and refining the DRI in a Submerged Arc Furnace (SAF) is not new technology and that various companies globally utilise this SAF process on different quality iron ore, iron and steel feedstocks, and consumables. However, FEC noted that the SAF is not proven at the proposed scale for Kogi’s type of iron ore and consumables.

The FEC review investigated proposed capital costs (capex) as well as operating costs (opex). The capex costs varied depending on the source of steel making equipment with European sourced product being considerably more expensive than Indian sourced product. The Company’s intention has always been to source equipment from India given the extensive experience Indian firms have in African and Asian steel projects.

Regarding opex, the review found that the largest proposed contributor was the cost of energy, but there are many variables that can alter and ultimately reduce the operating cost of the plant. This includes the source of power, undertaking post DRI separation, as well as introducing a beneficiation step.

Furthermore, the costs do not take into account any Government incentives that may be present as part of Nigeria’s Economic Growth and Recovery Plan.

The FEC report has further provided confidence to the Board to scope the terms for a full Bankable Feasibility Study (BFS) for the Agbaja Cast Steel Project, with the aim to commence this work as soon as funding is secured.

As announced on 2 April 2019, the Company is proceeding with raising a total of \$10 million for the BFS as well as sufficient working capital to take the project to financial close. The Company continues its

negotiations with various parties regarding this targeted amount of funding and will update shareholders when definitive agreements have been reached.

In addition, the acting CEO and entire Kogi Board will be travelling to Nigeria within the next three months to visit the site, meet with local community leaders as well as key government officials and potential partners.

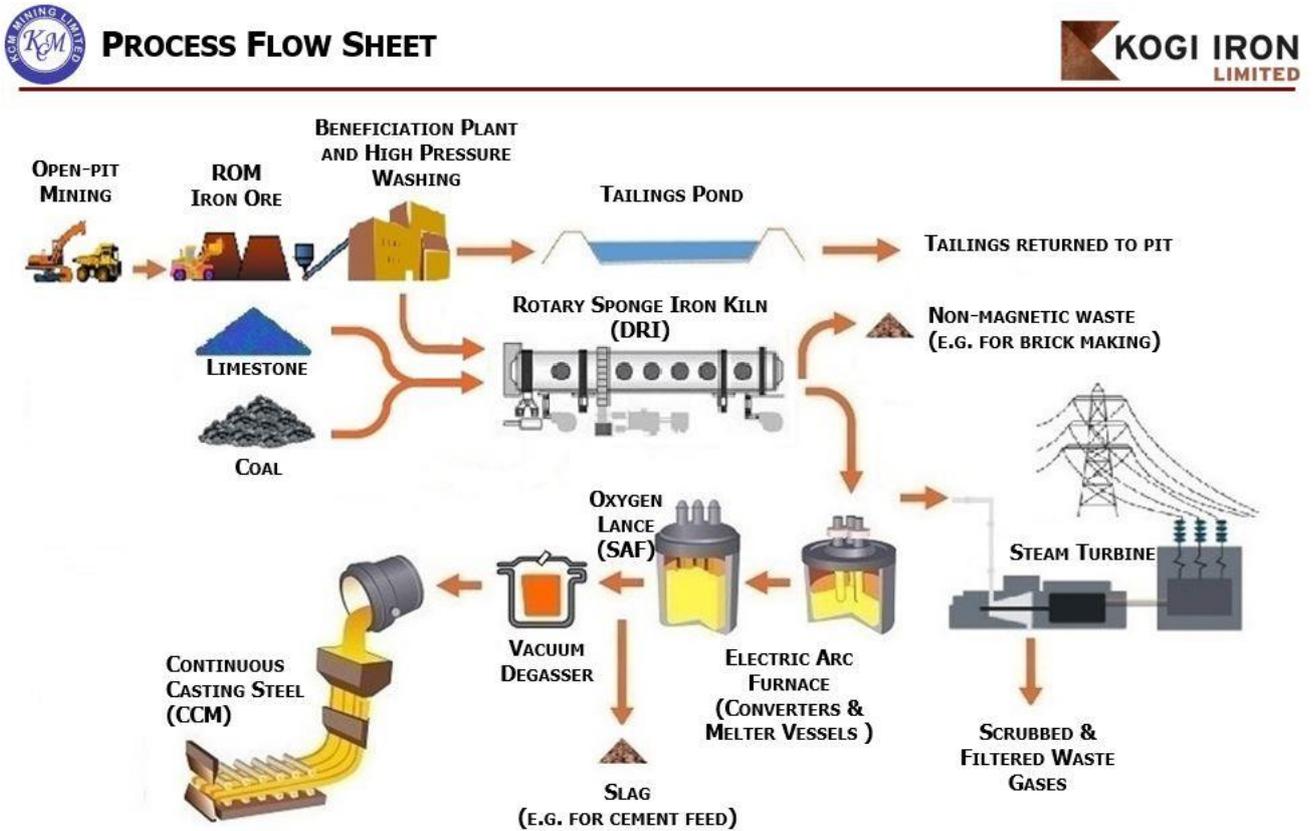
Chairman of Kogi Iron Limited - Don Carroll commented *'The Company welcomes the results of the FEC review as it seeks to further progress the Agbaja Cast Steel Project. Pleasingly the report builds on the work completed to date by Tenova regarding the proposed steel process configuration. The proposed opex and capex amounts continues to provide the Company with the strong belief that the Agbaja Cast Steel project will play an integral role in the Nigerian steel industry. The Company continues to progress the bankable feasibility study as well as negotiations with potential ECA financiers and looks forward to updating shareholders as further information comes to hand.'*

For more information, please contact:

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KFE Capital Summary Ordinary Shares: 663,548,234 Listed Options: 142,328,948 Share price: \$0.05 Market capitalisation: \$33m	Board of Directors Mr Don Carroll – <i>Non Executive Chairman</i> Mr David Turvey – <i>Acting Managing Director</i> Mr Greg Boulton – <i>Non-Executive Director</i> Mr Peter Huljich – <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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Figure 1: Proposed Steel Process Configuration (Tenova 2018)



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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 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 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 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.