

Tuesday 18 August 2020

RETRACTION OF PRODUCTION TARGETS

Australian-based iron ore and steel development company, Kogi Iron Limited (ASX: KFE) (“Kogi”, “Kogi Iron” or the “Company”), refers to an announcement on 30 June 2020 titled “Strategy Update” and subsequent announcements.

The announcement of 30 June 2020, referred to a proposal received from Tenova Pyromet South Africa Pty Ltd (Tenova) to carry out the required steel test work and plant design engineering for the Agbaja Project BFS, noting that Kogi had requested an amendment to their proposal “prioritising short term activity to evaluation of building a steel plant producing 750,000 tonnes per year of steel billet on a phased approach, with a Phase 1 capacity of 250,000 tonnes”. This change in approach has also been noted in announcements subsequent to 30 June 2020.

The above statement by the Company was communicating a change in strategy for undertaking the BFS, such that the BFS would consider the commercial feasibility of initially building a small plant by industry standards, with optionality to increase production over time.

Following discussion with the ASX, the Company notes that the specific capacity figures quoted in the above statement is not consistent with the requirements of Listing Rule 5.16, to the extent that they are seen to be a statement of a ‘production target’. Listing rule 5.16 requires that a production target may only be announced to the market when accompanied by disclosure of the material assumptions supporting the production target.

Kogi formally retracts the capacity figures noted above and advises that these figures should not be relied on by investors to be a statement of a production target and should not be relied upon as such, for the purposes of their investment decisions.

Authorised for release by the Board

For further information, please contact:

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About Kogi Iron (ASX: KFE)

Kogi Iron Limited is an Adelaide-based company with the objective of becoming a producer of cast steel billet product that can be sold to fabricators of finished 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”).

KFE Capital Summary Ordinary Shares: 774,462,336 Listed Options: 142,328,948 Share price: \$0.029 Market capitalisation: \$22.5m	Board of Directors and Management Mr Greg Boulton AM – <i>Non-Executive Chairman</i> Mr David Turvey – <i>Managing Director</i> Mr Peter Huljich – <i>Non-Executive Director</i> Mr Ray Ridge – <i>Chief Financial Officer and Company Secretary</i> Mr Alabi Samuel – <i>Country Manager, KCM Mining Limited, Nigeria</i>	Contact 10 George Street Stepney SA 5069 Tel: +61 8 7324 4047 E: info@kogiiron.com W: www.kogiiron.com
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Nigeria has substantial domestic demand for steel products, which is currently met largely through imports of scrap steel raw materials. The Agbaja project, located on the Agbaja plateau approximately 15km northwest of Lokoja city in Kogi State and 200km southwest of Abuja, the capital city of Nigeria, opens the opportunity for domestic production of steel.

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.

Figure 1 – Location Plan: Agbaja Cast Steel Project. Nigeria.



Table 1 – Summary Grade and Tonnage for Agbaja Iron Ore Resource

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.