

The Boards of Australia's Kogi Iron Limited (ASX: KFE, 'Kogi' or 'the Company') and KCM Mining Limited (KCM) are pleased to provide this update to all stakeholders and interested parties on our advanced Agbaja Cast Steel Project, Nigeria.

"COVID-19: Update & Implications"

The Company is thankful to report no direct incidence of COVID-19 with the KCM team, their families and friends, associates, and the Agbaja Plateau Community.

Impacts of COVID-19 on current business activities:

- **No international travel and limited interstate travel in Australia.**
- **International financial markets remain highly volatile and reserved.**
- **Limited interstate travel has resumed in Nigeria with re-opening of Government offices in Abuja.**
- **Community development activity** has progressed slowly due to the Company's travel restrictions.

"COVID-19 is a significant challenge to effective business, though KFE / KCM remains active and focussed to progress our Feasibility Study on the Agbaja Cast Steel Project."

David Turvey – Managing Director

Current and planned Community activities include:

1. Irimi-Okpaka Water Bore – final water clarification and flow tests prior to installation and supply.
2. Small-scale Trial Iron Ore Mining – works re-started and planned for completion by end August.
3. Evaluate ESG benefits and local business opportunities from the Company's iron ore mining and processing.

David Turvey commented:

"The Community is supportive of the Company's activities, especially on local business opportunities in conjunction with the proposed MMSD - World Bank MinDiver Project."

Government of Nigeria - Ministry of Mines and Steel Development (MMSD)

On recent lifting of COVID-19 travel restrictions, Mr Alabi Samuel – Country Manager, KCM Mining Limited visited the Ministry of Mines and Steel Development, Nigeria and relevant Government Departments in the Federal Capital, Abuja.

The Company provided information on its activities and advised MMSD of its near-term focus on "critical path value drivers" for its Feasibility Study:

- a) Technical – steel refining tests.
- b) Investment Policy – gas supply and market entry.

Further on request, the Company provided positive feedback to MMSD's media unit on the outstanding performance of the Honourable Minister and his team in their first year of incumbency.

The Government (MMSD) reiterated its support for the Agbaja Steel Project as a 'pioneer downstream industry' to replace imports and stimulate economic growth.

MMSD – World Bank MinDiver Project (MinDiver)

<https://projects.worldbank.org/en/projects-operations/project-detail/P159761?lang=en>

While in Abuja, Mr. Alabi Samuel visited officers of the MinDiver Project for an update on the Company's application for MinDiver Project funding.

The Company was requested to provide additional information on key World Bank criteria:

- a) Concept clarification and specific details.
- b) Environmental and social management plans.
- c) Stakeholder engagement and Community plan.

The Company anticipates making a separate ASX announcement on Government relationships and the MMSD – World Bank MinDiver Project in due course.

The AGBAJA CAST STEEL PROJECT

"A Project of National Significance"

Subject to COVID-19 guidelines & measures, the Company continued with reduced activities in Nigeria in August 2020.

The Company is pleased to announce and welcome the re-appointment of Mr. Bashiru O. Aminu as a geologist. Mr. Aminu will assist Mr Alabi Samuel – Country Manager with technical matters and Community relations. He previously worked with KCM Mining in 2011-15 and has relevant experience in coal and mineral exploration, geotechnical surveys and technical administration.

Agbaja Plateau Community Activities

The KCM team has made periodic visits and is in regular communication with the Agbaja Plateau Community. Day to day responsibilities for the Community Development Plan have been assigned to Mr. Bashiru O. Aminu, who reports that the Community remains pleased with the Company's efforts to provide benefits and its commitment to safety.

<p>KFE Capital Summary Ordinary Shares: 774,462,336 Listed Options: 142,328,948 Performance Rights: 26m Share price: \$0.029 Market capitalisation: \$22.5m</p>	<p>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 – Chief Financial Officer and Company Secretary Mr Alabi Samuel – Country Manager, KCM Mining Limited, Nigeria.</p>	<p>Contact 10 George Street, Stepney, SA, 5069 Tel : +61 8 9200 3456 Email: info@kogiiron.com W: www.kogiiron.com</p>
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David Turvey commented:

“Support for the Company by MMSD - World Bank MinDiver Project funding of related activities is important for both parties to demonstrate Environmental, Social and Governance (ESG) best practice”.

“The Community expects and deserves tangible ESG and economic benefits from sustainable development of the Company’s Agbaja Cast Steel Project”

Bankable Feasibility Study (BFS)

Scopes of work for Feasibility Study consultants have been revised to concentrate on critical path decisions and key project value drivers in the near-term, while preserving cash balance pending full funding. Consultants’ mandates will be progressed once initial funding is secured including:

- PricewaterhouseCoopers (Nigeria) – corporate advisory on gas supply and market entry policy.
- Tenova Pyromet (RSA) and Uvan Hagfors Teknologi (UHT) (Sweden) – steel refining tests and engineering.
- Lantosmon – environmental and water management.
- FastMarkets – market studies and offtake strategy.
- SRK Consulting – iron ore reserve estimate, mine plan, ore beneficiation plant, tailings and water management.
- AGV Mining – ore reserve drilling, mining and site works.
- PW Nigeria – civil works, infrastructure and logistics.

PR/IR Initiatives and Fundraising

Managing Director, David Turvey, has implemented the Company’s revised strategy of staged fund raising in the least dilutive manner. Initial funding ~US\$1-2million is sufficient to commence early work and focus on “critical path value drivers” for its Feasibility Study (refer ASX announcements – Strategy Update 30th June’20 and Investor Presentation 10th August’20).

Progress was made on PR/IR initiatives and e-platforms including:

- a) Webinars, interviews and future feature articles: Mining Review Africa and Clarion Events sponsored by Nigeria’s MMSD. Resource Global Network with ESG focus.
- b) International on-line investor platforms, including Metals Journal / Mining News Investor Outreach, Metal News / 121 EMEA Mining Investment, and Mines & Money Online Connect.
- c) Australian based e-platforms including Fresh Equities and 180 Markets.
- d) Financial institutions and Development Banks aligned with Export Credit Agency (ECA) funding.

Opportunities to secure new investors will be considered by the Board and progressed over the next 4-5 months in conjunction with several non-exclusive corporate advisory mandates.

FAQ’s and Answers regarding Fundraising

Q1 The Board has often indicated deadlines for raising Capital and not achieved the deadlines. Why has this occurred?

A1 The Board has formed the view that a transparent process is important on this critical matter of fund raising. However, any dates mentioned are indicative targets only and are impacted by current volatility in global equity markets. Shareholders should not interpret indicative targets as deadlines indicating that funds are close to being secured. The Company will keep the market updated in respect to targeted timelines.

Q2 Investor Presentation lodged with ASX on 10th August 2019 talks about Staged Partial Funding. Can you clarify what this means?

A2 It was announced in a previous newsletter that due to the difficulty in obtaining equity injection the Board has decided to:

- Evaluate a staged approach to development of the Agbaja Cast Steel Project.
- Advise Tenova, our Engineering Consultants, that we want to initially focus on key value drivers, being the steel refining tests (phosphorous removal) and gas-power supply, before proceeding with the full BFS.
- Accordingly, a raise of ~US\$1-2m will fund this work and working capital for approximately 12 months.

An opportunity may exist for a small equity raise from private individuals but the larger target fund raising of the remaining US\$6-7m could be a combination of equity, convertible notes and other hybrids.

Future investors understand the on-market opportunities to realise capital profits if the share price increases from the time of their investment to completion of the BFS and beyond.

Q3 Your CEO is communicating significant work and focus has been on Fundraising. What are potential Investors saying on why they will not invest?

A3 Key messages received from potential investors have been:

- They like the macro-fundamentals and strategies behind the project but it is too early a stage to invest. KFE is seen as a start up at this stage
- COVID 19 has resulted in investors de-risking their investments in equity markets.
- While they see the medium-term returns for investment are attractive, other opportunities exist in lower risk countries compared to Nigeria.

- Institutional investors will be only interested to invest larger amounts when the BFS is complete.

David Turvey commented:

“Significant time and effort is being expended on introducing the investment opportunity of the Agbaja Steel Project to potential new investors.

Most investors are surprised and interested by the unique fundamentals and potential competitive advantages of the Project, though remain circumspect in the current turbulent market.”

Key Future Activities

- Focus work and outcomes on project value drivers.
- Staged fundraising to support the Feasibility Study.
- Continue to progress Government relationships.
- Ensure Community and ESG initiatives are pursued.

Chairman of Kogi Iron Limited, Greg Boulton commented:

“The Board remains confident and committed to our business, its people and the Community to realise development of a significant iron ore and steel project in Nigeria.

“We will continue to update all stakeholders in a transparent and timely manner on progress by the Company on the Agbaja Cast Steel Project.”

For and on behalf of the Board,
David Turvey
Managing Director

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