



KFE ANNOUNCES \$5M CAPITAL RAISING PROGRAM

30 March 2022: Australian based iron ore and steel development company, Kogi Iron Limited (ASX: **KFE**) (**Kogi, Kogi Iron, or the Company**) is pleased to announce a \$5 million capital raising program comprised of a strongly supported \$1.73 million Share Placement (**Placement**) and an upcoming Share Purchase Plan (**SPP**) to raise up to \$3.3 million.

Highlights:

- Commitments already received for \$1.73 million Placement at \$0.008 (0.8 cents) per fully paid ordinary share
- The Company now intends to launch an SPP to raise up to \$3.3 million at the same issue price as the placement of \$0.008 (0.8 cents), an 11.12% discount to the 5-day VWAP.
- Investors under the Placement and Eligible Shareholders under the SPP to be offered one (1) free attaching option for every two (2) new shares subscribed for, exercisable at \$0.02 (2 cents) on or before an expiry date of to 31 December 2024 and for which the Company will seek quotation on the ASX (New Options).

Use of Funds

The capital committed in the Placement and any capital raised via the SPP will provide KFE with funding to expedite a number of initiatives and milestones for 2022.

The key activities that will be advanced include:

1. Macro Drilling

- Kogi has selected Catho Well North as the highest priority drilling target. Catho Well is located adjacent to the API JV project that contains a JORC 2012 resource of 1.4bn tonnes of iron ore at a grade of 56.84% Fe¹.
- The company intends to commence drilling ASAP with an initial 5,000 RC program to follow up historical drilling conducted on the project by previous owners
- A program of works approval has been lodged with the Western Australian Department of Mines Industry Regulation and Safety
- Following initial engagement with the traditional owners Kogi expects that the heritage survey over the project will commence shortly.

1. Refer to www.apijv.com.au/west-pilbara-iron-ore-project/mineral-resources-statement

2. Updated Scoping Study and Continuing the Definitive Feasibility Study

As previously advised in the ASX Announcement released on 23 March 2022, the Agbaja project economics are sensitive to higher sale prices. The company has commissioned an updated report from Fastmarkets (a global leading consultancy in commodity pricing) to complete an updated market feasibility report including the provision of a steel billet sales price forecast integral to the Agbaja projects financial model.

On the back of the scoping study and NPV being released to the market we are already responding to early-stage interest regarding project finance for the creation of the steel production capability.

It is expected that position to strengthen following the completion of the Fastmarkets report and the likely positive impact it will have for the scoping study and the project NPV.

Plans are progressing that will increase the promotion of the company and its projects to all potential stakeholders and interest parties including plans with several in country potential partners in Nigeria.

Key feasibility study activities will continue including detailed testing program, project design, energy and power study, offtake negotiations and discussions with project financiers.

3. Corporate

This funding will also be used as an alternative to drawing down the next \$2,000,000 tranche of the funding facility the Company has in place with Diversified Metals and the company will look at options to further restructure this facility and for general working capital purposes.

Placement

The Company has received firm commitments to raise \$1.73 million through the issue of 217,000,000 new fully paid ordinary shares in the Company (**Placement Shares**) to unrelated sophisticated and professional investors at an issue price of \$0.008 (0.8 cents) per Placement Share. Investors under the Placement will also be offered one (1) free attaching option for every two (2) Placement Shares issued (**Placement Options**) (**together, Placement**). Each Placement Option will have an exercise price of \$0.02 (2 cents) per Placement Option, entitling the holder to be issued one fully paid ordinary share on exercise of a Placement Option, and will be able to be exercised any time up until the expiry date of 31 December 2024. The Company will apply for quotation for both the Placement Shares and Placement Options (subject to the conditions of the ASX Listing Rules). The Placement Options will be subject to shareholder approval at a general meeting to be held in May 2022 (**General Meeting**).

Messrs Ashley Pattison and Peter Huljich, Directors of the Company intend to participate in the Placement. Approval for such participation will be sought at the General Meeting, and

any securities subscribed for by the Directors will be issued as part of Tranche 2, following the General Meeting. Further details of the proposed participation of the Directors in the Placement will be detailed in the notice of meeting convening the General Meeting. Other Directors will be participating in the SPP.

The Placement and SPP was supported by various brokers who will be paid fees ranging from 4.5%-6% on funds they introduced.

The Capital Raising will be conducted in two stages:

- Under Tranche 1, the Company will issue 217,000,000 Placement Shares without shareholder approval and under its existing placement capacity.
- Under Tranche 2, the Company will issue 108,500,000 Placement Options, 412,500,000 SPP Shares and 206,250,000 SPP Options and Directors shares and options, subject to shareholder approval at the General Meeting.

Any shares and shares issued upon exercise of any options will rank pari passu with the Company's existing fully paid ordinary shares on issue.

Share Purchase Plan

The Company will give eligible shareholders with a registered address in Australia or New Zealand (each an **Eligible Shareholder**) an opportunity to subscribe for new fully paid ordinary shares (**SPP Shares**) in the Company by way of a share purchase plan (**SPP**). The SPP Shares will be offered at an issue price of \$0.008 (0.8 cents) per SPP Share (being the same issue price as the Placement) and be offered with one (1) free attaching SPP Option for every two (2) SPP Shares issued (**SPP Options**). The issue of SPP Options under the SPP is subject to shareholder approval to the amount of \$3,300,000.

Under the SPP, each Eligible Shareholder who held Shares in the Company at the record date of 7.00pm (Melbourne, Australia time) on 29 March 2022 will be entitled to acquire up to \$30,000 of SPP Shares without brokerage). The SPP is capped at \$3,300,000, and the Company reserves the right to either scale back applications or, at its discretion and in the event the Company receives applications which are in aggregate in excess of \$3,300,000 accept oversubscriptions.

The additional capital raised under the SPP will be used for the same purpose as funds raised under the Placement.

The Placement Options and SPP Options will be offered under a prospectus to be lodged with ASIC (**Options Prospectus**).

The intended timetable for the Placement and SPP is as follows:

Trading Halt for Placement	28 March 2022
Record Date for SPP	7:00pm EST on 29 March 2022
Announcement of results of Placement (and announcement of SPP) and Trading Halt Lifted, lodgement of Appendix 3B	30 March 2022
Issue of Tranche 1 Placement Shares, lodgement Appendix 2A and Cleansing Notice with ASX	4 April 2022
Lodge Options Prospectus with ASIC	7 April 2022
Dispatch SPP Offer Document to Eligible Shareholders and release Offer Letter on the ASX platform, SPP Offer and Option Offers Open	8 April 2022
SPP Offer closes and Option Offers Close	29 April 2022
Last day for entity to announce the results of the SPP, issue SPP Shares	6 May 2022
Lodge appendix 2A with ASX to notify ASX of their issue and apply for quotation of the SPP Shares and issue second Cleansing Notice	6 May 2022
General Meeting to approve Stage 2 of Placement, issue of Placement Options and SPP Options	31 May 2022
Issue of Tranche 2 Placement Shares, SPP Options, lodgment Appendix 2A	7 June 2022

**The above timetable is indicative and subject to change, subject to the Listing Rules and Corporations Act.*

The release of this announcement was authorised by the Board.

For further information, please contact:

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About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a 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 Iron 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 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) – Refer ASX announcement 10 December 2013. This mineral resource covers approximately 20% of the prospective plateau area within ML24606 and ML24607.