



KOGI IRON LIMITED (ASX: KFE)

AGBAJA CAST STEEL PROJECT, NIGERIA



Investor & Shareholder Update – August 2019



- **Introduction to New Directors**
- **Update on Current Project Status**
- **Key Takeaways**
- **Internal Review & FEC Report**
- **Next Steps - Bankable Studies (BFS)**
- **Q & A + Feedback**





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DIRECTORS = NEW BOARD



Don Carroll Non Executive Chairman

Mr Carroll is a former executive with BHP Billiton with over 30 years of experience in the mining industry, principally overseas in Asia, the United States and West Africa. Don holds a Bachelor degree in Mining Engineering from Sydney University, is a member of the Australian Institute of Mining and Metallurgy and the Institute of Company Directors.



David Turvey Interim Managing Director

A geologist with >35 years of experience in the Australian and Asian mining industry, especially involved with business development and corporate M&A activities in precious-base-specialty metals, bulk commodities and industrial minerals. Experience has included key management roles and consulting assignments in mineral exploration, technical marketing, project development and commercial evaluation of mining assets.



Greg Boulton AM Non Executive Director

Greg has over 25 years' experience as a Director of Public Listed Companies and large Superannuation funds. This experience includes the Logistics, Exploration, Mining and Resources sectors both in Australia and overseas. He holds a Bachelor of Arts (Accounting) from the University of South Australia and is a Fellow of the Australian Institute of Directors, Institute of Chartered Accountants and the Australian Society of Certified Practising Accountants.



Peter Huljich Non Executive Director

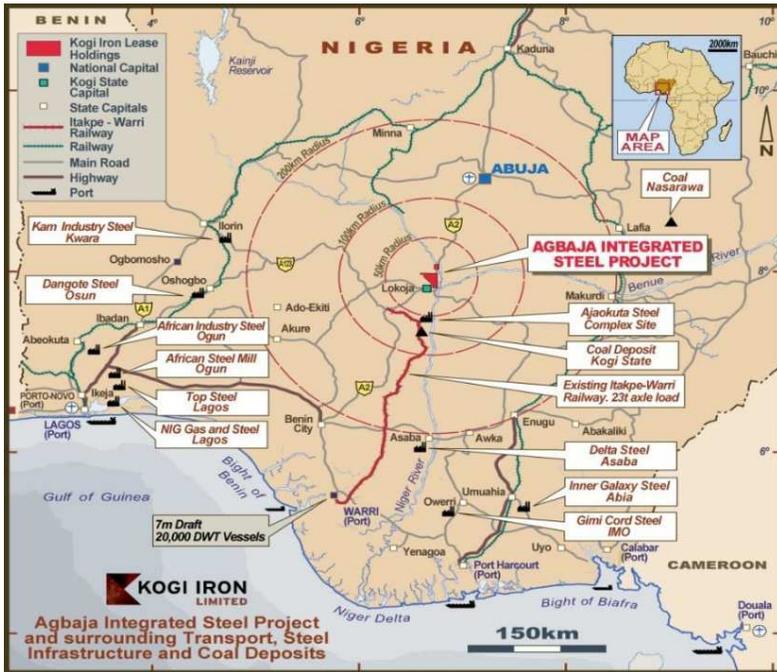
Peter has over 25 years' experience in the legal, natural resources and banking sectors with a particular expertise in capital markets, mining, commodities and African related matters. Peter holds a Bachelor of Commerce and a Bachelor of Laws from the University of Western Australia and is a Graduate of the Securities Institute of Australia, with national prizes in Applied Valuation and Financial Analysis. He is also a graduate of the Australian Institute of Company Directors' course.



Advisors: Ian Burston, Ian Whiteley, Kevin Joseph



- **Refreshed, capable & energetic Board => open, honest communication**
- **David Turvey - Interim Managing Director**
 - Followed & evaluated the Kogi Iron story for >7 years (since EIO & private TPG days)
 - “Don’t shoot the messenger” = Board ~2 months + new shareholder + ~2 weeks MD
 - *What you’ll get is clear & honest communication based on experience & knowledge:*
 - 1985-2000 Key input to Mining & Industrial foreign investment policy in Indonesia, Malaysia, Saudi Arabia, India & other developing countries
 - 1995-2005 Evaluated iron ore projects & steel technologies + M&A investment
 - 2004-2009 Corporate Geologist = FerrAus Founder & MD (EV growth \$10-300M)
 - 2010++ Evaluation of Fe alloy & specialty steel projects
- **Importantly, we’ll retain the knowledge, contacts & guidance from advisors.**



- Most populous African country ~187M people
+ largest African GDP (nom.~US500B, ~#25 global)
 - Growing middle class, educated workforce & functioning democracy.
 - Forecast robust economic growth.
 - Imports all its raw steel products & very low levels of steel consumption per capita.
- => Import Substitution = potential support by Nigerian Government & International Funding.
- Large, iron ore deposit & underutilised infrastructure.
 - *Sound Fundamentals = "That's Why I'm Enthusiastic"*



- Community Development Agreement (CDA) & low impact on small local population = site + mine approvals.

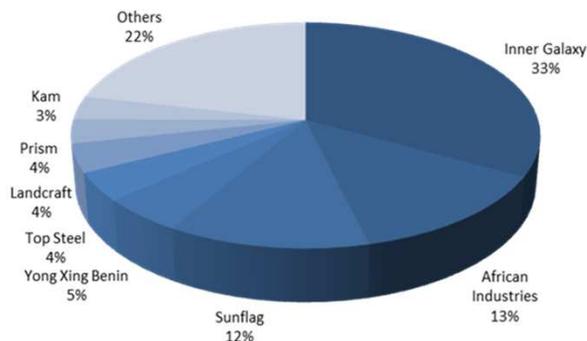
- 100% ownership of the Agbaja iron ore deposit with relevant approvals and licences in place.

JORC Resource: 586Mt @ 41.3% Fe including

405Mt @ 45.1% Fe* *Refer ASX announcement 10/12/2013

- Independent process test work confirmed that Agbaja iron ore & local raw materials could produce quality steel => "proposed process flowsheet"

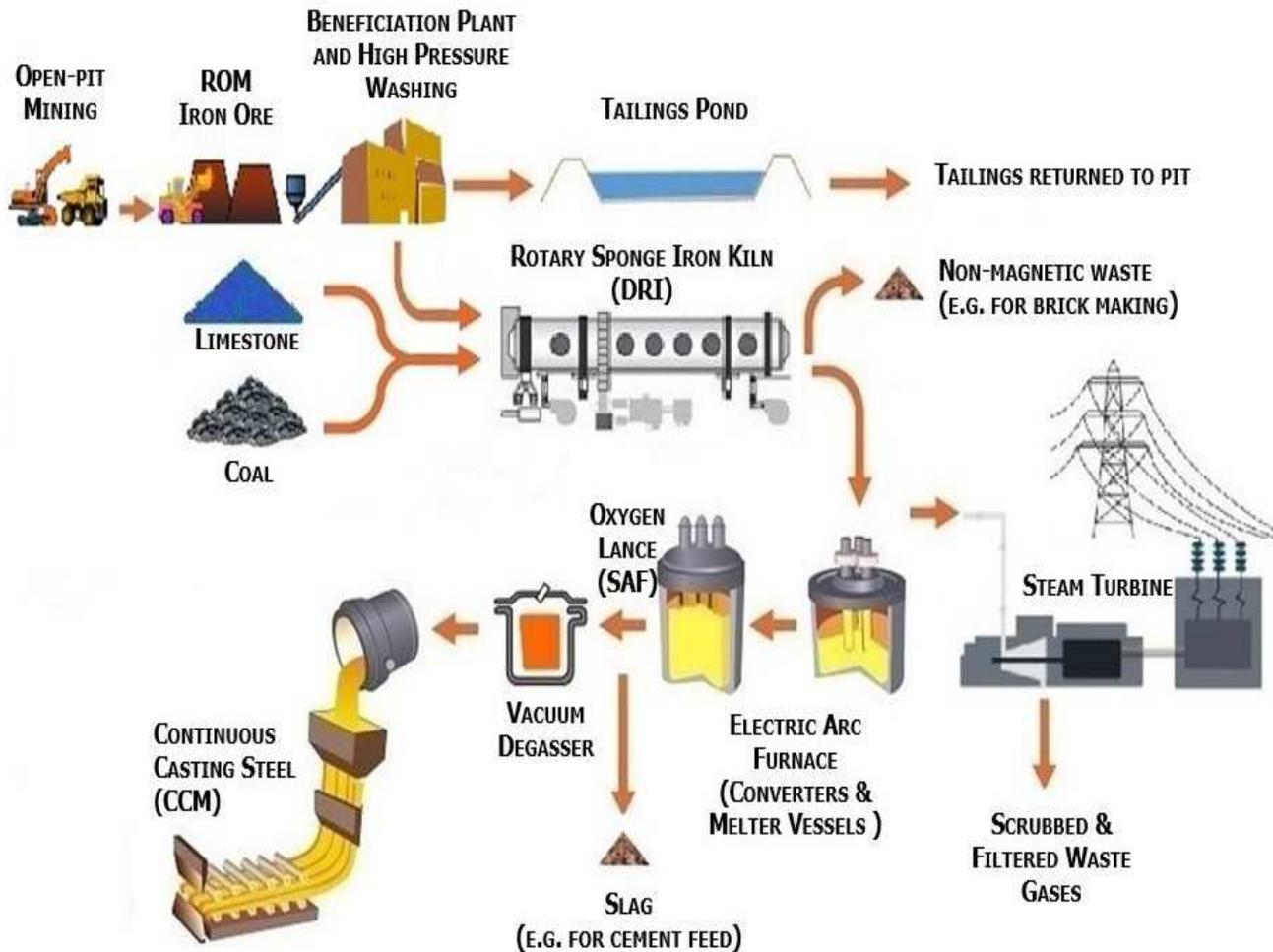
Nigerian long product market share by company (2018)



- Independent Market Study confirmed a domestic market for up to 1.5mtpa steel product.

- Progressed with Export Credit Agency ("ECA") & project finance candidates.

Proposed Steel Process Configuration (Tenova 2018)



- Iron ore resource is valid & large.
- Mining & ore processing are conventional.
- Steel test work produced quality steel @ pilot scale via “powder process”.
- *Proposed steel production process using Submerged Arc Furnace (SAF) is not new technology, though unproven on Kogi-type iron ore & consumables.*
- Conventional steel process options are available to substitute eg. induction & ladle furnaces
- Further tests required to establish steel production cost structures



INTERNAL REVIEW & FARNBOROUGH (FEC) REPORT*

* Refer ASX Announcement 8 August 2019



- Review & report builds on work completed to date by Torex and Mintek / Tenova.
- Mining & ore processing costs will be dependent on waste : ore strip ratio and soft ore, though dependent on yield to ore product & consumable costs (water, power, environmental).
- A range of Capex & Opex costs are subject to technology and process ultimately selected and examined under the future BFS.
- *Previously presented historical Opex costs for sectors of the global steel industry (US\$180-240/t steel) are not related to the Agbaja Project as based on different production processes, raw materials, infrastructure (power) and investment regulations (royalties, subsidies, tax).*
- Final capital and operating costs will be dependent on process complexity, utilisation, energy demand, refining equipment and energy recovery credits.
- Forecast domestic steel billet average price USD476/t* ex works, with actual sales price dependent on offtake contracts & Government policy (eg. import tariffs).

*Refer ASX announcements 16/1/19 & 6/6/19

Note: In accordance with ASX Listing Rules and Guidance Notes, KFE cannot release incomplete financial estimates.



NEXT STEPS = Bankable Feasibility Study (BFS)



- Staged Funding to support 9-12 months Bankable Feasibility Study (BFS) and Working Capital including:
 - Drilling & Iron Ore Reserve estimate (sufficient for ~15 years steel production), including definition of high-grade Fe ores for project commissioning and early steel production.
 - Definitive & comparative steel test work (conventional v's yet unproven).
 - Logistics & infrastructure.
 - Market negotiations & Letters of Intent (offtake) as adjunct to Inner Galaxy LOI.
 - Government policy re services (power), scrap/steel import tariffs, production approvals.
 - Financial modelling.
 - BFS is required for Project Financing (ECA & Bank debt may be secured pending BFS).
 - ***Importantly***, Community Development Program including education scholarship & targeted employment training
- Funding ~A\$2M (2019) + ~A\$8M (late 2019-2020) = target strategic “cornerstone” investors and new investors
- Once fully funded, appoint BFS Project Manager & new Managing Director



Q & A + FEEDBACK



- **Community & Social Licence?**
- **Technical ?**
- **Logistics & Infrastructure ?**
- **Market ?**
- **Commercial ?**
- **Corporate ?**

Bottom Line = "a valid project based on sound fundamentals"

..... Thankyou



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.

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.

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.