

25 November 2020

## \$1.425 MILLION EQUITY PLACEMENT

Australian based iron ore and steel development company, Kogi Iron Limited (ASX: KFE) (Kogi, Kogi Iron, or the Company) and its 100% owned Nigerian operating company, KCM Mining Limited (KCM is pleased to announce an equity capital raising of \$1,425,000, before capital raising costs, by way of a private placement of 71,250,000 fully paid ordinary shares in Kogi Iron. The shares will be issued at A\$0.02 per share utilising available capacity under ASX listing rule 7.1. The shares are expected to be issued on Tuesday 1 December 2020.

This capital raising is an important funding milestone for KFE to recommence feasibility studies and the introduction of significant new investors. The proceeds raised will be applied as following:

- Payment of annual mining and exploration license payments with next payment due in February 2021 in the amount of circa AUD \$200,000
- The return of normal business activities that has been temporarily paused through Covid restrictions locally and in Nigeria.
- The completion of mandates and scope of works for key selected consultants to progress the defined scoping and feasibility studies
- The provision of working capital for normal business overheads

This placement will also provide funding for the new Board to take it into 2021, at which time and once the strategy has been further refined, a larger capital raising will be undertaken to facilitate the continuation of key feasibility studies.

The indicative 2021 Work Program is:

Complete review of the existing extensive test work and unpublished studies	Dec 2020-Jan 2021
Tender revised feasibility study scope and raise further capital	Q1 2021
Continue detailed feasibility study and further modelling of capital and operating estimates	Q2 2021
Explore JV strategic partnerships and liquidity event options	Q4 2021

<b>KFE Capital Summary</b> Ordinary Shares: 775,535,726 Listed Options: 142,328,948 Performance Rights: 24m Share price: \$0.024 Market capitalisation: \$19m	<b>Board of Directors</b> Mr Craig Hart AM – <i>Non-Executive Chairman</i> Mr Greg Boulton AM – <i>Non-Executive Director</i> Mr David Turvey – <i>Non-Executive Director</i> Mr Peter Huljich – <i>Non-Executive Director</i> Mr Richard Little – <i>Non-Executive Director</i> Mr Sean Gregory – <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>	<b>Contact</b> 10 George Street Stepney SA 5069 Tel: +61 8 7324 4047 E: info@kogiiron.com W: www.kogiiron.com
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*The investor presentation is attached.*

Kogi Iron Chairman Craig Hart said:

“This injection of new capital will allow KFE to progress feasibility and study work plans and to develop our longer term strategic plans for 2021.

It has been my focus since joining the board in September to quickly define a series of milestones that demonstrates a clear and purposeful path to shareholders.

Those sequential steps have been

- Attraction of new board members with the requisite skills and experience
- The raising of an initial capital amount to facilitate licence fee payments and support some imminent plans in preparing for next stage scoping and feasibility assessments
- Gaining the support of the shareholder group at the AGM for this board to drive a clear agenda of milestone achievement through the 2021 calendar year
- On receipt of shareholder support at the AGM, progressing to a second stage capital raising available to existing and new shareholders to drive forward the feasibility study work for the KFE Agbaja Project in the shortest possible timeframe.

This capital raise was an important outcome to demonstrate progress in line with the above plan and I look forward to providing a more extensive update in the presentation that will be provided to shareholders at the AGM on 15 December 2020.”

The capital raising was jointly conducted by Canaccord Genuity (Australia) Limited (“Canaccord”) and Fresh Equities. As recently announced Canaccord is mandated as Corporate Advisor to KFE and includes assistance with capital raising.

Authorised for release by the Board

For further information, please contact:

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Non-Executive Chairman  
Kogi Iron Limited  
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Email: [info@kogiiron.com](mailto:info@kogiiron.com)

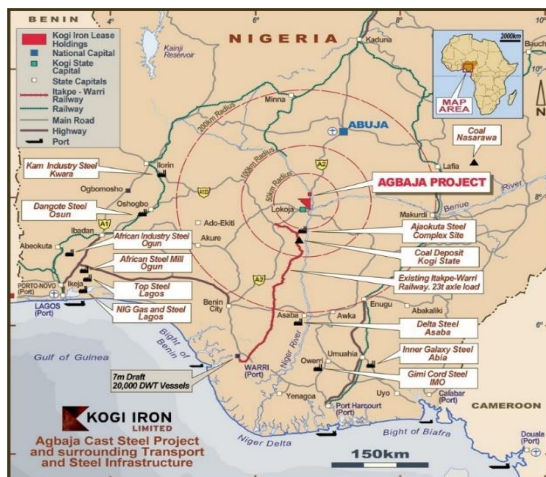
#### **About Kogi Iron (ASX: KFE)**

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”).

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 (%)
<b>Zone A (Laterite Mineralisation)</b>		
Indicated	147.5	33.2
Inferred	33.9	31.7
Total Indicated + Inferred (Zone A)	181.4	32.9
<b>Zone B (Oolitic Mineralisation)</b>		
Indicated	318.7	45.2
Inferred	86.3	44.7
Total Indicated + Inferred (Zone B)	405.0	45.1
<b>Combined Zone A and Zone B</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.

**Kogi Iron Limited (ASX: KFE)**

**Agbaja Cast Steel Project  
Nigeria**

Investor Presentation,  
November 2020



# KFE vision is for an “Integrated Production of Iron Ore to Local Steel Production for Import Replacement”

## Overview

- Capital Raise of \$750,000 - \$1,000,000
- Key Investment Highlights
- Project of National Significance
- Bank Feasibility and Key Milestones for 2021



The purpose of this presentation is to provide general information about Kogi Iron Limited ("Kogi" or the "Company"). It is not recommended that any person makes any investment decision in relation to the Company based solely on this presentation. This presentation does not necessarily contain all information which may be material to the making of a decision in relation to the Company. Any investor should make their own independent assessment and determination as to the Company's prospects prior to making any investment decision, and should not rely on the information in this presentation for that purpose.

This presentation does not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold securities in the Company. The securities issued by the Company are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the shares or that there will be an increase in the value of the shares in the future.

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The Company accepts no responsibility to update any person regarding any inaccuracy, omission or change in information in this presentation or any other information made available to a person nor any obligation to furnish the person with any further information.

## **KOGI IRON LIMITED**

### **Committed to operational and environmental excellence in Nigeria**

Kogi Iron Limited is an ASX-listed company (ASX: KFE) with the intent to build a cast steel plant on the Agbaja Plateau in Kogi State, Nigeria. The project will utilise company leased iron ore deposits and will supply a cast steel feedstock to steel manufacturing and product fabricators in Nigeria.

The Company's wholly owned subsidiary in Nigeria, KCM Mining Limited, has secured a Community Development Agreement and Mining Licences have been granted for the mining of iron ore and its conversion into cast steel for steel making.

Kogi Iron and KCM are committed to supporting the local people and environment at the plant site as the area evolves into a modern mining and steel making community, which can be proud of growing into its role as a major producer of steel quality product.

Kogi Iron is raising funding to progress its strategy and the immediate next steps in its Feasibility Study for the Agbaja Project and invites Investors to participate in this world class opportunity in Nigeria.



Kogi Iron Limited (“KFE”) is seeking to raise A\$750,000 - \$1,000,000 (with acceptances of over subscriptions via a placement of new fully paid ordinary shares )

The funds raised will be applied as following:

- Payment of annual mining and exploration license payments with next payment due in February 2021 in the amount of circa AUD \$200,000
- The return of normal business activities that has been temporarily paused through Covid restrictions locally and in Nigeria.
- The completion of mandates and scope of works for key selected consultants to progress the defined scoping and feasibility studies
- The provision of working capital for normal business overheads

The Company is managing the placement directly. Canaccord Genuity (Australia) Limited (“Canaccord”) and Fresh Equities Pty Ltd (“Fresh Equities”) are acting as advisers to the Placement.



# Equity Placement Overview

<b>Offer Size</b>	Minimum of \$750,000 (with the ability to accept oversubscriptions) via a placement of new fully paid ordinary shares
<b>Offer Price</b>	<p>Fixed offer price of \$0.02 per share</p> <ul style="list-style-type: none"><li>▪ 17% discount to last close of \$0.24 on 20 November 2020</li><li>▪ 20% discount to 5-day VWAP of \$0.25 to 20 November 2020</li></ul>
<b>Timetable</b>	<ul style="list-style-type: none"><li>▪ Placement bookbuild – 23 &amp; 24 November 2020</li><li>▪ Settlement of unconditional placement shares – 30 November 2020</li><li>▪ Unconditional placement shares commence trading – 1 December 2020</li><li>▪ Dates are indicative only and subject to change. The Company reserves the right to vary these dates.</li></ul>
<b>Notes</b>	<p><sup>1</sup> VWAP: Volume-weighted average share price</p> <p><sup>2</sup> All dates are indicative and subject to change</p>
<b>No Disclosure Document</b>	<ul style="list-style-type: none"><li>▪ A prospectus will not be lodged in relation to the Placement.</li><li>▪ The Placement is only available to ‘sophisticated’ investors or ‘professional’ investors. Investors must satisfy the requirements of either s708(8), 708(10) or 708(11) of the Corporations Act.</li></ul>
<b>Shareholder Approval</b>	This placement is not subject to shareholder approval and will fall within the Company’s placement capacity under ASX Listing Rules 7.1

## **Board of Directors - Enhanced Skill Matrix and reduced Executive Costs**

The present Board has been assembled to represent a balanced set of skills between geological and metallurgical technical capabilities, capital raising and commercial competency, financial and corporate governance and financial and African domain experience.

The Board has agreed to additional time commitments in order to accept a level of accountability that will allow the business to avoid the overhead of a fully resourced executive team. The nett saving is expected to be circa \$300,000 on an annualised basis.

### **Board Priorities and Accountabilities**

The key priority is reassessment and announcement of an updated corporate strategy. A staged feasibility study program scope of works is under review by the Board and will be updated at the Annual General Meeting on 15 December 2020.

In order to evaluate an expedited pathway to achieve key milestones, new Board members have recently been co-opted to assist in this process. In addition, Greg Boulton and David Turvey will retire at the AGM and the Board will then be comprised as follows:

#### **Craig Hart, Chairman**

Craig has significant experience in mergers and acquisitions, capital raising, planned liquidity events and has a commercial and legal background. Craig is currently Chairman of Assembled Group, Venture Crowd Holdings, Hilco Asia Pacific and Strikeforce AMC.

#### **Richard Little, Director**

Richard was co-opted to the Board to work with Craig to assist with this capital raising and to provide financial and commercial consulting expertise. Richard has previously held senior finance and operational roles with Newcrest Mining and AED Oil.

#### **Sean Gregory, Director and acting technical adviser**

Sean was recently co-opted to the Board to provide a technical counterpoint to the shareholders and advisors who have driven the core development roadmap. Sean has extensive experience in the iron ore industry at a senior technical level with BHP and Murchison Metals and Mineral Resources

**Peter Huljich** has been a Director since May 2019 and Peter's financial, legal and African domain experience is considered invaluable.

The above directors with the exception of Peter Huljich will be seeking election at the AGM

## **Appointment of a Corporate Adviser to assist with capital raising**

- Fresh Equities has been appointed manage this equity placement.
- Canaccord Genuity("Canaccord") has received a mandate as principal strategic capital raising advisor

## Focus

The Board is committed to outlining at the Annual General Meeting a clear milestone defined roadmap against which progress is measurable.

The priority is a balanced, affordable and expedited validation process to:

1. Assess the key process that affords the exploitation of the Agbaja Iron ore deposit to ensure that it can easily pass the commercial level testing; and
2. A revised and proportionate Feasibility Study (FS):
  - Outlining key technical and process validation
  - Defining a timetable for completion of the FS
  - Outlining key milestone dates for 2021 against which all stakeholders may measure progress
  - Review of the capital required to be raised to facilitate the FS
3. Other imperatives include:
  - Capital management plan for staged fundraising to support the next stages of the Feasibility Study and to seek potential joint venture partners
  - Ensure future activities support a clear path forward and focus work and outcomes on project value drivers
  - Progress Government and community relationships and policies
  - Articulation of the energy supply options for steel production

## Nigeria Country Attributes

- Most populous African nation
- Population is 190M
- Largest African GDP US\$500BN - #25 global
- Large rapidly growing middle class
- Stable and functioning democracy

## Growing Steel Demand

- Nigeria imports all steel raw materials (scrap) with very low levels of steel consumption per capita.
- This provides an opportunity for import substitution to relieve supply issues & support industrial demand growth.

## Project Significance

Agbaja Cast Steel Project is publicly recognised as a “*Project of National Significance*” by Nigeria’s Minister of Mines and Steel Development.

## Summary Opportunities and Advantages

- Unique, equity growth play in Emerging Market Country.
- Strong economic growth & latent market demand 2~5Mtpy.
- Potential low cost power options
- Potential JV and strategic partner opportunities
- **KFE’s Agbaja Project is designed to produce a high quality, competitively priced cast steel products to replace the current imports of scrap steel. This is the unique opportunity that Kogi Iron and its shareholders has before it.**

# Key Investment Considerations

## PROJECT DESCRIPTION

KFE vision is to develop a world class Integrated Iron Ore and Steel Project in Nigeria = “the first in the country”.

The aim of the company is to build a cast steel billet plant near the Agbaja Plateau in Kogi State, Nigeria.

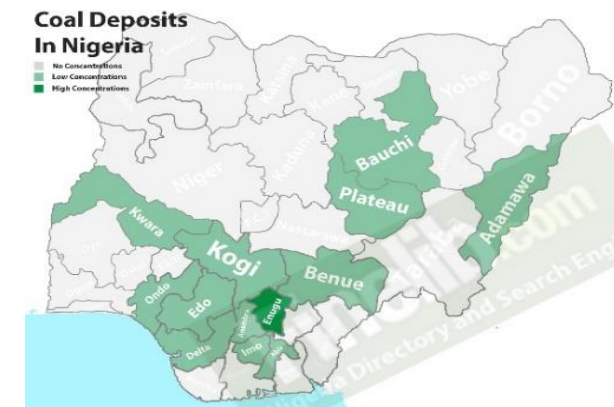
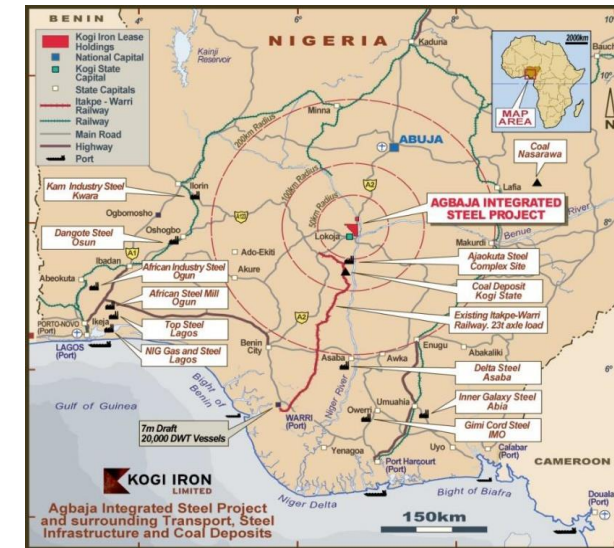
The project will utilise iron ore deposits located on the Company’s Agbaja Plateau mining leases and will supply a cast steel billet feedstock to steel product fabricators in Nigeria to replace imports of scrap steel = “an import substitution project”.

Kogi’s iron ore deposit is extensive and is complemented by an abundant nearby supply of natural gas, coal & limestone.

KFE’s Agbaja Project is located approximately 150 kilometres south of Nigeria’s Federal capital city, Abuja.

The Agbaja Plateau hosts an extensive, shallow, flat-lying channel iron ore deposit (CID). Kogi Iron has defined iron ore mineral resources on the plateau of 586 million tonnes with an in-situ grade of 41.3% Fe, including Indicated and Inferred Mineral Resources of 405 million tonnes at 45.1% Fe (estimated in accordance with the AusIMM JORC 2012 code, reported in ASX announcement 10 December 2013).

All relevant permits and licences are in place for the mine and beneficiation plant site. These licenses will be extended to the steel plant based on Environmental Impact Studies currently underway. Kogi has excellent relationships with stakeholders in Nigeria and a full Community Development Agreement and Mining Licence. The company is working to the highest Environmental, Social and Governance standards (ESG) and aims to meet Equator Principles.



## **Fundamentals**

- experienced people,
- large iron ore resource,
- strong market demand,
- sound location,
- macro-economic timing.

## **Potential low-cost base for steel production**

- integrated steel plant with iron ore deposit and gas pipeline within 5km of proposed plant site
- Potential energy source at low cost.

## **Synergy**

- Investments are likely from JV Partners &/or an opportunity for a 'value added exit strategy'.

## **“Globally Unique” equity growth story**

- integrated iron ore and local steel production with a clear value path.
- Leveraging strong iron ore pricing and demand for local steel production

# Key Investment Considerations

## - Asset Base and Current Status

- Agbaja iron ore deposit: discovered and evaluated, 100% owned with relevant licences and development approvals.
- JORC Resource: 405Mt @ 45.1% Fe (ASX release 10/12/2013)
- Pre-Feasibility Study 2014 on export of iron ore concentrates.
- Steel test work 2018 shows technical viability of producing "export quality" cast steel product (billets) from Agbaja Iron Ore.
- Fastmarkets UK 2018 steel market study, Nigeria.
- Community Development Agreement signed with initial contributions to education, water & roads.
- Government recognition has significantly increased KFE / KCM's profile and support for commercial & corporate activities.





## Summary Grade and Tonnage for the Agbaja Iron Mineral Resource

Laterite (Zone A) and Oolitic (Zone B) Horizons  
(20% Fe lower cut off is applied)

Classification	Tonnes (Mt)	Fe (%)
<b>Zone A (Laterite Mineralisation)</b>		
Indicated	147.5	33.2
Inferred	33.9	31.7
<b>Total Indicated + Inferred (Zone A)</b>	181.4	32.9
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**The Board is working on the key milestones and will present further on these items at the upcoming AGM**

**Further assessment of preliminary and positive test results will include work on:**

- Technical – refining tests including removal of phosphorous
- Infrastructure – power options
- Government Foreign Investment Policy – facilitation of market entry for replacement of steel imports, and a competitive gas supply contract
- Commercial – component costs, financial model (NPV, IRR, Payback)

Complete review of the existing extensive test work and unpublished studies	Dec 2020-Jan 2021
Tender revised feasibility study scope and raise further capital	Q1 2021
Continue detailed feasibility study and further modelling of capital and operating estimates	Q2 2021
Explore JV strategic partnerships and liquidity event options	Q4 2021

## **Capital Funding / JV Partners**

It is intended that there will be further capital raised to enable the expedited feasibility studies that are now required. Other reviews to be conducted to source strategic options to assess full project fund raising or to pursue an alternate exit path with a strategic party and/or joint ventures.

<b>KOGI IRON LIMITED</b>	<b>(ASX:KFE)</b>
<b>Fully paid ordinary shares</b>	774,535,726
<b>ASX Listed Options (exercise price \$0.10, expiry date 31 December 2021)</b>	142,328,948
<b>Market Capitalisation</b>	\$18.6 million
<b>Current Debt</b>	NIL
<b>Current Cash</b>	180,000
<b>Top 5 Shareholders</b>	16%
<b>Top 30 Shareholders</b>	37%