

22 March 2018

ASX RELEASE: TEST WORK PROGRAM UPDATE

Kogi Iron Limited (“Kogi” or “the Company”) (ASX: KFE) would like to provide an update on the results of the next phase of its Test Work Program, the Smelting Phase, which has been successfully completed. The bulk sample Test work remains on schedule for completion in May 2018, with subsequent report compilation completed by end June 2018.

Smelting Phase:

The Company confirms that it has successfully produced hot metal iron from the sample prepared during the Beneficiation Phase, as shown in the attached photos of this release.



Figure 1: Floor operators preparing to tap furnace, Source: Mintek

KFE Capital Summary Ordinary Shares: 612,154,685 Unlisted options: 29.8m Share price: \$0.11 Market capitalisation: \$67m	Board of Directors Dr Ian Burston – <i>Non Executive Chairman</i> Mr Martin Wood – <i>Chief Executive Officer</i> Mr Kevin Joseph – <i>Executive Director</i> Mr Don Carroll – <i>Non Executive Director</i> Mr Michael Tilley – <i>Non Executive Director</i>	Contact Unit 23, 4 Ventnor Avenue, West Perth WA 6005 Tel : +61 8 9200 3456 Email: info@kogiiron.com W: www.kogiiron.com
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Figure 2: Stream of molten metal pouring into ladle, Source: Mintek

The objective of the Smelting Phase was to evaluate the quality of the product with respect to iron extraction, determine the slag characteristics, evaluate the furnace refractory performance and generate pig iron for the Converting Phase.

The successful results from the Smelting Phase have generated sufficient process information for furnace design and product quality. This builds on the very positive results from the Beneficiation Phase which has allowed Kogi to optimize its Process Flow Sheet for Beneficiation.

Next Phase of the Test Work Program – Converting and Metalisation

- Preparation and shipment of the 200kg ore sample and the required coal for the Metallization test work at Torex (Russia).
- Preparation of the ore samples for the Haver & Boecker test work in Perth.
- Converting to be conducted by Mintek in South Africa using the pig iron produced in the Smelting Phase.

The Torex test work is to study the metalisation of the sample, including the addition of coal. This work will involve:

- a) Mintek preparing 200kg of scrubbed ore to be shipped to Torex (Russia) for the metallisation test work.
- b) Optimisation by Torex of the quantity of coal and specification for the metallisation test work. Coal samples from the identified coal operations in Nigeria are being prepared for shipment to Torex.
- c) To generate Direct Reduction Iron (DRI) from the scrubbed iron ore concentrate.

The testwork program to be conducted by Mintek will remove the detrimental species such as Phosphorous and Sulphur and establish the optimum recovery for iron and typical billet steelmaking iron grade.

The Haver and Boeker test work is to evaluate the effectiveness of high pressure washing as an alternative process to compare with scrubbing to remove clay and slimes from the ore.

Kogi representatives were present to witness the smelting work and will again be present to see the converting test work to be done at Mintek. The scheduled date for the converting test work is 26th March to 6th April.

Ian Burston – Chairman of Kogi Iron Limited commented ‘We continue to be impressed by the work of our consultants at Tenova and Mintek as well as the very positive results demonstrated to date.’

END

About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a Perth-based company with the objective of becoming a producer of cast steel product that can be sold to manufacturers of 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. The Agbaja Cast Steel Project, located on the Agbaja plateau approximately 15km northwest of Lokoja city in Kogi State and approximately 200km southwest of Abuja, the capital city of Nigeria, opens the opportunity for domestic production of cast steel products.

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.

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.

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.