

Monday 23 December 2019

AUSTRALIA'S KOGI IRON COMPLETES TWO PHASE CAPITAL RAISING TO PARTIALLY FUND BFS NEXT YEAR ON MAJOR AFRICAN CAST STEEL PROJECT

Highlights:

- More than A\$3.2 million in total funding commitments secured over November-December
- Now closed Share Purchase Plan contributes A\$860,000 from current shareholders
- Adds to A\$2 million commitment from US-based investor, Sorbie Bornholm LP
- And A\$350,000 from professional and sophisticated investors
- Proceeds to mainly fund progression of BFS on advanced Agbaja Plateau iron ore mining and cast steel mill project in Kogi State, southern Nigeria
- Kogi also settles outstanding dues by issuing shares to one current, and one former Board member

Australia's Kogi Iron Limited (ASX: KFE) ("Kogi", "Kogi Iron" or the "Company") is pleased to announce the completion of a two phase capital raising to primarily fund a Bankable Feasibility Study (BFS) on its wholly-owned and advanced Agbaja Plateau iron ore mining and cast steel mill project in Kogi State, southern Nigeria, west Africa.

The final phase of the capital raising comprised a Share Purchase Plan (SPP) to raise up to A\$2 million. The SPP has now closed, securing A\$860,300 in new equity from shareholders who applied for 21.5m ordinary shares at an issue price of 4 cents per share (equivalent to a 43% uptake).

The Board thanks shareholders for their strong support for the SPP with proceeds adding to commitments over November of A\$2 million from US-based institutional investor, Sorbie Bornholm LP, and a further A\$350,000 from Australian sophisticated investors.

Overdue Director amounts settled

Kogi Iron is also pleased to announce that it has settled overdue amounts owing to one former and one current Director of the Company. As disclosed in Note 22 of Kogi's Financial Report for the year ended 30 June 2019, A\$400,000 was owing to Dr Ian Burston and A\$240,000 was owed to Mr Don Carroll for services rendered prior to 31 December 2018. The respective parties have agreed to settle the owed amounts by way of a share issue at an issue price of 4.03 cents per share. In accordance with the Notice of the 2019 Annual General Meeting and terms of the Deeds of Settlement and Release entered into by the Company with Messrs Burston and Carroll respectively, the issue price equates to a 10% discount to Kogi's 5-day Volume Weighted Average Share Price for the period ended 25 October 2019. The issue of shares to Don Carroll was approved by shareholders at the Company's AGM on 26 November 2019. Shareholder approval was not required for the issue of shares to Ian Burston due to his cessation as a Director some time ago, and hence he is not categorised as a related party.

KFE Capital Summary Ordinary Shares: 774,068,675 Listed Options: 142,328,948 Share price: \$0.04 Market capitalisation: \$31m	Board of Directors Mr Greg Boulton AM – <i>Non-Executive Chairman</i> Mr David Turvey – <i>Managing Director</i> Mr Don Carroll – <i>Non-Executive Director</i> Mr Peter Huljich – <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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The current Kogi Board says it is encouraged by Dr Burston and Mr Carroll's willingness to take shares as settlement of the overdue amounts owing and sees this as a sign of confidence in the Agbaja Cast Steel Project. The settlement of these overdue fees will also have a positive impact on the Company's balance sheet as it will reduce Kogi's current liabilities by A\$640,000.

Further shares are to be issued to two service providers who have elected to take Kogi shares as settlement for amounts owing for services rendered.

The shares to be issued to each of the parties referred to above are summarised further below.

Description	Shares Issued	Share Issue Price (\$)	Total Amount (\$)
Share Purchase Plan	21,507,500	\$0.0400	860,300
Settlement of overdue Director fees owing to Ian Burston	9,920,635	\$0.0403	400,000
Settlement of overdue Director fees owing to Don Carroll	5,952,381	\$0.0403	240,000
Settlement of Debt advisory services owing	926,877	\$0.0479	44,398
Settlement of Broker fee owing for the Sorbie funding transaction *	2,982,955	**	**
Total	41,290,348		

* As disclosed in Kogi's ASX announcement dated 21 November 2019.

** The brokerage fee payable equates to 5% of the 59.659m shares issued to Sorbie.

An Appendix 3B and a Cleansing Notice relating to the above issue of shares will be provided by no later than 30 December 2019 when the shares are issued.

Kogi Iron Managing Director, Mr David Turvey:

"The successful capital raisings and conversion of outstanding Director fees to shares positions Kogi for a very focused, well-funded and strategic start to calendar 2020 where our primary focus will be on advancing the BFS for the fully integrated Agbaja project – itself boosted earlier this month with the grant of our fourth mining lease, for 25 years - in Nigeria, Africa's second largest economy. A proposal to conduct steel test work and plant design engineering studies as key inputs to the BFS is imminent. We are currently in discussions and negotiations with more than two dozen potential investors to raise the balance of the around A\$10 million the BFS is expected to cost. The study is anticipated to take about 12 months to complete – so 2020 should evolve as a cornerstone year for Kogi's steel making objectives."

Kogi Iron has been successfully advancing the project since 2016, with access to company leased iron ore deposits and nearby coal and limestone sources. Laboratory-scale tests on the Agbaja iron ore demonstrated that it could be converted to a steel feedstock suitable for electric arc furnaces. A successful Pilot Plant Test Program completed in September 2018 on a large bulk sample confirmed the feasibility of producing a marketable cast steel product, together with the development of a preliminary flowsheet for the processing of Agbaja iron ore into cast steel billets suitable for supply to steel manufacturing and product fabricators in both Nigeria and overseas.

Kogi Iron has mandated UK advisory, SD Capital, and UK export finance specialist, GKB Ventures Limited, to assess and secure debt funding for the Project following previous advice on equity finance and project financing. The majority of the debt funding is expected to come from Export Credit Agency funds.

For and on behalf of the Board

Kevin Hart
Company Secretary

For more information, please contact:

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About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a Perth-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.

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 (%)
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.