

November 2017

KOGI IRON LTD. (ASX: KFE)

PLANNING NIGERIA'S FIRST INTEGRATED STEEL PROJECT



DISCLAIMER

Forward Looking Statements

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.

This presentation contains certain statements which may constitute “forward-looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements. The Company does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this document. Recipients of this document should carefully consider whether the securities issued by the Company are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

This presentation is presented for informational purposes only. It is not intended to be, and is not, a prospectus, product disclosure statement, offering memorandum or private placement memorandum for the purpose of Chapter 6D of the Corporations Act 2001. Except for statutory liability which cannot be excluded, the Company, its officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the material contained in this presentation and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission there from. 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.

ACHIEVEMENTS IN 2017

Significant traction gained to advance and reposition project as steel plant with captive raw material supply

- 1) Mining Licenses granted including Community Development Agreement signed
- 2) Bulk sample mined and sent to Tenova/Mintec, testing underway
- 3) Financing progress: Bergen funding; recent \$715k raise
- 4) Appointment of debt and equity advisors
- 5) New London based director appointed



PLANNED IN 2018

2018 target to finalize DFS and Project Financing

- 1) London round equity fund raising
- 2) Completion of MET testing
- 3) Completion of DFS
- 4) Appointment of Project Manager (Nigeria) and appoint CEO
- 5) Appointment of broker for project major equity raise
- 6) Completion of Export Credit Agency (ECA) funding package



NIGERIA AND AFRICA: STRONG DEMAND FOR STEEL

- Nigerian steel demand of 6.8 Mtpa. There are **no primary steel production facilities in Nigeria**
 - 1/3 is domestically produced from scrap metal and billet
 - The balance is imported, up >50% since 2013
 - Kogi's Agbaja Integrated Iron Ore and Steel Project will reduce Nigeria's dependence on imported steel
- Most steel operations are focussed on using imported scrap metal to produce hot/cold rolled steel and wire coils.
- Nigeria imports an estimated US\$4.3 Bn of processed steel and associated derivatives, representing 80% of the US\$5.2 Bn total metal products imported per year (29 Mt/annum).
- There are only 30 steel rolling mills in the country with a combined capacity of 6.5 Mt/annum;
 - Only 18 are operational, producing about 2.8 Mt/annum using **100% scrap steel/billets**

Regional Potential to Supply Billet Steel

- The regional export markets represent a strong opportunity and further upside potential for customers
- **All West African countries are net importers of steel products**

True Steel Use (finished steel equiv.) (Kt)			
Africa	2006	2014	
Algeria	3,965	8,354	111%
Angola	1,040	1,773	70%
Cameroon	229	493	115%
Egypt	4,942	11,281	128%
Ethiopia	461	1,686	266%
Ghana	640	1,204	88%
Kenya	720	1,847	157%
Morocco	2,028	3,139	55%
Nigeria	2,090	3,601	72%
RSA	6,280	5,172	-18%
Tanzania	451	1,201	166%
Africa Total	22,846	39,751	74%

Source: World Steel Association

According to the Nigerian Ministry of Solid Minerals Development, an estimated US\$3.3 Bn is spent on steel imports annually!

Source: Ministry of Solid Minerals Development

STEEL CONSUMPTION: PEER GROUP

Consumption of steel per capita p.a. (kg/yr)



Nigeria can expect an increase in demand for steel in the coming decade driven by industrialization

- Increased steel demand owing to increased industrialization
- Building construction; power
- Automotive construction; Agriculture
- Road and bridge building, Military
- Refinery investments
- Machinery for rubber and plastics, textiles, etc.

PRODUCTION FACILITY

- **Kogi's DRI Plant planned to produce high quality steel billets for the Nigerian domestic market**
- The Direct Reduced Iron (DRI) facility will be constructed in close proximity to Kogi's 100% owned captive raw material source at Agbaja
- Facility will **use simple, low-cost, proven technology** with "off the shelf equipment"
- Processing and beneficiation testwork will be completed by ALS, Mintek and Tenova has defined a well understood process pathway: beneficiation, melting and converting.
- **An initial equipment sourcing analysis has established that the required thresholds for potential ECA funding are met for six manufacturing countries.**
- The three key components are:
 - Rotary Kilns producing sponge iron
 - Steam Turbines generating 34 MW power
 - Converters and Melter Vessels
- **Abundant supply of locally available coal and limestone**

Rotary Kiln



Power Station Steam Turbine (34 MW)



Converters and Melter Vessel



AGBAJA: CAPTIVE RAW MATERIAL – IRON ORE

Significant supply of good quality iron ore to feed the plant with coal and limestone available within 70 kms

- Total JORC Resource of 586 Mt @ 41.3% Fe (refer ASX release 10 December 2013)
- Agbaja is a continuous, flat lying, sedimentary channel iron deposit covering Kogi's 233 km² licence area
- Largely free digging (relatively soft ground) compared to traditional iron deposits (e.g. Banded Iron Formations (BIFs))



Source: KFE

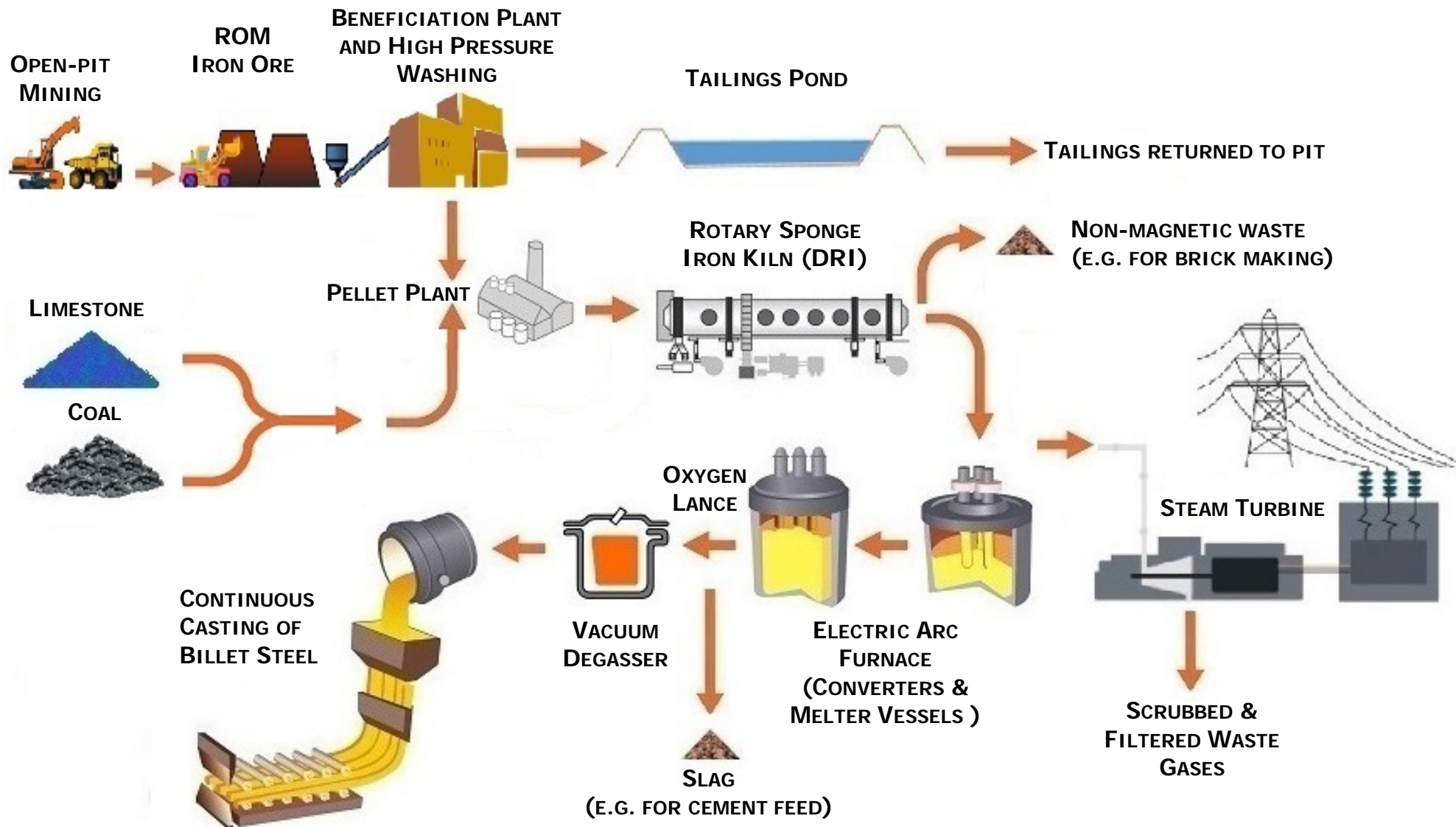


AGBAJA PROJECT: PLANNED PROCESSING

- The plant feed preparation includes crushing, screening and high pressure washing which removes alumina. The ore is then screened into coarse & fines.
- The coarse ore, coal and limestone goes directly to 4 rotary kilns, the fines are ball-milled and fed to a pellet plant before subsequently going to the rotary kilns.
- Waste heat recovered from rotary kilns is passed through the 35MW steam turbines to power the plant. Any excess power generated will be supplied to the local grid. The waste gases are then scrubbed and filtered before being released.
- Rotary kilns produce sponge iron at 85% to 90% Fe (Iron).
- The sponge iron is magnetically separated with the magnetic component going to a melter for further upgrading and reduction in impurities. The application of an oxygen lance drives off the phosphorous and allows the carbon content to be optimised.
- The liquid pig iron goes to one of two converters to make steel.
- Liquid steel is passed through a continuous caster to produce steel billets.
- Fine tailings and other non-toxic wastes are returned to the mined out area as backfill.



PROCESS FLOW SHEET



AGBAJA BILLET STEEL

- The billet steel from Agbaja planned to be produced in 150mm x 150mm x 1500mm billets (continuous casting length may vary)
- Billet steel quality targeted Fe >95%, Phosphorous < 0.03%, SiO₂ <2%, Al₂O₃ <2% and Mn <0.01% and the carbon levels will be optimised for hardness of steel requested by purchasers
- Output can be customized to customers needs



LIMITED ENVIRONMENTAL IMPACT

Non-arable land unsuitable for crops and animal husbandry. Backfill will improve land quality.

Tailings from the initial washing impounded on the plateau. After drying returned to the pit for infilling.

→ No toxic chemicals used in the production process

Minimal dust during transport, as limited haulage of 5km and a limited number of truck movements daily. Dust suppressing measures will be in place.

Slag and waste material containing principally silica and aluminium, to be used in brick making and local road production.

Modern, cleaner steel production process with electric arc furnace instead of blast furnaces

Negligible social impact due to remote location and no close settlements

Waste heat recovery recycled to run steam turbine with excess power fed into the local grid

Minimal environmental impact

ROBUST CASE FOR EXPORT CREDIT AGENCY (ECA) FUNDING...

Equator compliant, Environmental & Social impact assessment completed, fully permitted

High quality EPCM contractors being sought on a turnkey bonded contract

Steel: assists diversification away from oil

Reduces foreign currency requirement as it is an import substitution steel products

Flexible equipment sourcing with import possible from a variety of sources ensuring local content criteria are met

In country off-takers to be contracted

Project ideally positioned to take advantage of favourable, low-cost ECA Funding

...WITH THE ECA'S HAVING SIGNIFICANT EXPOSURE APPETITE

- Various ECA's were approached reflecting potential different country sourcing options
 - For good, well-structured projects strong appetite exists
 - For Nigeria ECAs have indicated un allocated appetite between USD500 Mn and USD750 Mn
 - All stated that they are open for cover to support their exports
-
- **Key criteria for successful progress on ECA facilities:**
 - Meeting the respective content criteria
 - Experienced/ credit worthy sponsors
 - Strong D/E, High DSRA, PF disciplines, Equator principles etc
 - Clarity on off-takers with preference for multinationals with hard currency reserves, and clarity on off-shore hard currency payment mechanics

→ **Our sourcing strategy will be influenced by the quality of the ECA support and the associated "All in Cost of Funding"**



Based on initial ECA response we remain confident that our main funding will be ECA led

INTERNATIONAL CONSULTANTS DEPLOYED



Established Canadian full service mechanical consulting engineering firm specializing in sustainable mechanical design.



ALS is a leading, global full-service provider of analytical geochemistry services to the global mining industry.



Autonomous research and development organisation specialising in all aspects of mineral processing, extractive metallurgy and related technology.



Global experts with vast experience in geotechnical engineering, environmental services, testing and project management services.



Award winning leading ECA finance experts.



Corporate Finance advisers with a focus on mining and infrastructure.



Independent engineering consultants specialising in the development, design and construction of new mining projects and the refurbishment of existing gold, base-metal and industrial mineral ore processing plants.



Global expert helping mining and metal companies reduce costs, save energy and limit environmental impact. Submerged electric arc and steel making experts.

Greenwater Environmental Services Ltd

Well respected local Nigerian outfit. Past clients include World Bank funded projects.

NPV Pty Ltd

Financial Modeling for Mineral Resource Developers

GOVT SUPPORT FOR UNLOCKING NIGERIA'S ECONOMIC POTENTIAL

The current state of play...

- The Nigerian GDP was USD405bn in 2016, representing 0.65 percent of the world economy.
- Clear Minerals Act (2007) similar to Western Australia and Canada
- **Oil receipts dominate fiscal revenue and exports**



... and the plan to fuel growth and change

- **The Economic Recovery and Growth Plan (ERGP) was adopted, promoting industrialization**

Key government downstream actions to promote industrial development:

- 1) Support the steel sector through **industry protection** such as **restrictions on the importation of Iron and Steel** until self-sufficiency is attained
- 2) Enforce crude steel and specific finished **steel quality limits** (e.g. dimensional accuracy, brittleness, etc) through regulation
- 3) Ensure continued **free trade agreements within the ECOWAS** region
- 4) Promote **backwards integration capabilities for current processing players** through necessary incentives



Mineral Resource Statement

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.