

For personal use only



November 19, 2015

Forward Looking Statements

This announcement may contain some references to forecasts, estimates, assumptions and other forward-looking statements. Although the company believes that its expectations, estimates and forecast outcomes are based on reasonable assumptions, it can give no assurance that they will be achieved. They may be affected by a variety of variables and changes in underlying assumptions that are subject to risk factors associated with the nature of the business, which could cause actual results to differ materially from those expressed herein. All references to dollars (\$) and cents in this presentation are to Australian currency, unless otherwise stated.

Investors should make and rely upon their own enquires and assessments before deciding to acquire or deal in the Company's securities.

Agbaja Project- as of January 2014

- Global Mineral Resource (JORC 2012) 587Mt @ 41.3% Fe
 - (Indicated 466 Mt @ 41.4% Fe and Inferred 120.1 Mt @ 41.1% Fe)
 - Only 20% of prospective area within EL12124 on Agbaja drilled
- Prefeasibility study establishes robust economic and technical viability of a 5 Mtpa iron ore project at Agbaja
 - Project was highly attractive with IRR of 23.7% and estimated pre-tax NPV of US\$420 million (@ 12% discount)
 - CAPEX estimate was US\$497 million
 - Average operating costs were US\$42.98/t concentrate FOB
- At time of PFS, long term forecast FOB price of US\$73.00/t iron ore

Agbaja Project- as of November 2015 (current)

- January 2014 Prefeasibility Study now not economically viable at current iron ore concentrate prices
- Long term forecast FOB price below US\$50/t iron ore concentrate
- Kogi has reviewed its strategy and opportunities given:
 - existing electric arc furnace (“EAF”) steel producers in Nigeria currently import circa 2.8 Mt/a of scrap / billet products as feed ⁽¹⁾.
 - A substantial market exists inside Nigeria as import replacement EAF feed.
 - No large infrastructure or shipping costs required for a domestic project
- Kogi’s revised project strategy is to build a smaller, commercial scale, integrated mine and process plant to produce a high quality low carbon steel feedstock product highly suitable as feed for existing EAF operations in Nigeria

(1) *Source: individual company reports of domestic Nigerian steel producers*



1) Source Wilson and Associates and based on Tenova flowsheet. First order estimate only, final estimate is part of the BFS process. Refer model in attached Appendices

Agbaja Project

- Kogi has conducted a desk top study for an initial commercial plant of 250,000 tpa 'steel feedstock' production
 - Updating work done in its 2014 PFS and based on inputs from internationally reputed engineering firms
 - Indicated CAPEX circa \$US100mill ⁽¹⁾ and industry benchmarked OPEX of \$US186.60/t ⁽¹⁾
 - Global average selling price of steel feedstock circa \$US320- \$US330/t
 - Kogi considers that the domestic pricing of steel feedstock in Nigeria could exceed the average global levels.

i.e. robust economics for domestic steel feedstock project to replace existing imports

- Potential to obtain all approvals to construct expected Q3 2016 with potential to commission mid 2018
 - Mine and process plant site is well serviced with existing infrastructure
 - Local availability of suitable process coal and gas
 - Social licence to build and operate, federal government strategic support, offtake support



Steel Feedstock, sometimes referred to as *steel billet*, is produced by subjecting iron ore to a reduction process in a rotary kiln followed by an electric arc furnace. Direct-reduction iron has a higher iron content and lower impurities, which makes it better suited for use in electric arc furnace steel production. It is an economic and useful substitute for the scrap metal sometimes used by steel manufacturers.

Agbaja Project

- No apparent competition to supply an EAF suitable feed
- Project is not directly exposed to the global iron ore price
- Ability to upgrade to 2.5mtpa in future using additional process modules
 - Substitute nationally for importation of scrap / billet feed
 - Provide feed to selected European steel producers with a low cost high quality product – longer term growth
 - Heavy rail to port (for potential exports) and port suitable for 45,000 tonne capacity ships – longer term growth

For personal use only

Financing Project

- Project bankable feasibility study (“BFS”) targeted to be completed by June 2016
- Potential for early equity contribution from Nigerian sources, potentially invested at local company level
- Ongoing discussions in Nigeria indicate potential for an all Nigerian funding package
 - Nigerian local bank (No.2 in Nigeria) has provided a letter of support for debt funding
 - Possible availability of equity from IFC or the World Bank
 - Likely availability of equity from local EAF offtakers



July 31, 2015

The Chairman
KCM Mining Limited
4, Olu Oworo Road
G.R.A. Opp. A-Division
Lokoja, Kogi State.

ATTENTION: Mr Kevin Joseph

Dear Sir,

BANKING RELATIONSHIP

Please refer to our meeting held July 23, 2015 at our office with your company representative Mr Kevin Joseph.

We are aware that your company, Kogi Iron/KCM Mining Limited is prospecting iron ore in Agbaja, Kogi State. We are willing to be the lead Nigerian Bank to assist Kogi Iron/KCM Mining Limited to facilitate in raising the debt finance required for building the plant with respect to the total project in Nigeria along with other international financial parties associated with your company. This is however, subject to Kogi Iron/KCM Mining Limited completing the full Project Bankable Feasibility study which we envisage from our discussions with you to be done by the second quarter of 2016.

We look forward to a mutually beneficial relationship with your organization.

Thank you.

Yours faithfully,

FOR: HERITAGE BANKING CO LTD



AWANI OLUKAYODE
Experience Associate
Manilla Banking Group



DANIEL ONIKO
Experience Centre Manager
Manilla Banking Group

Heritage Banking Company Limited AC No. 1996
Plot 292B, Aljasa Adeogun Street, Victoria Island, Lagos
01 2369500, 01 6329500
www.hbng.com
info@hbng.com

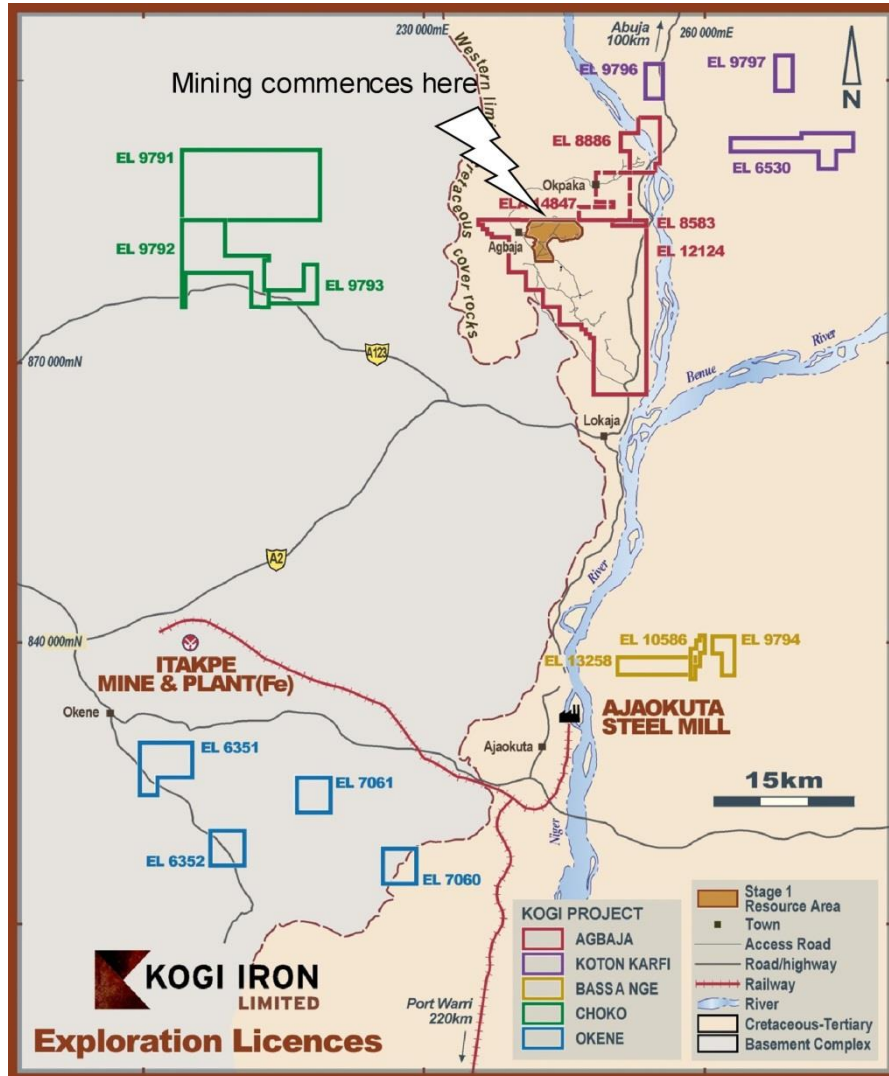
Chairman: Mr Akintola Agbafunke, MD: Mr Ali Salisu, Executive Director: Mrs Mary Agbajana, Mr Riji Adenuga, Mrs Adenuga Olanrewaju, Mr Olu Oluwalana, Mr Adu Marye
Executive Director: Mr Jamiu Adedokun, Mr Anthony Madunro, Mr Francis Oluwalana, Mr Oluwalana Oluwalana, Mr Oluwalana Oluwalana, Mr Oluwalana Oluwalana

Government Support

- Strong support from Nigerian Government at all levels
- Senior Minister appointed to support the Project
- Nigeria has a stated aim to reduce its economy's dependency on oil revenues
- Existing Nigerian EAF users supportive



For personal use only



Access to Infrastructure

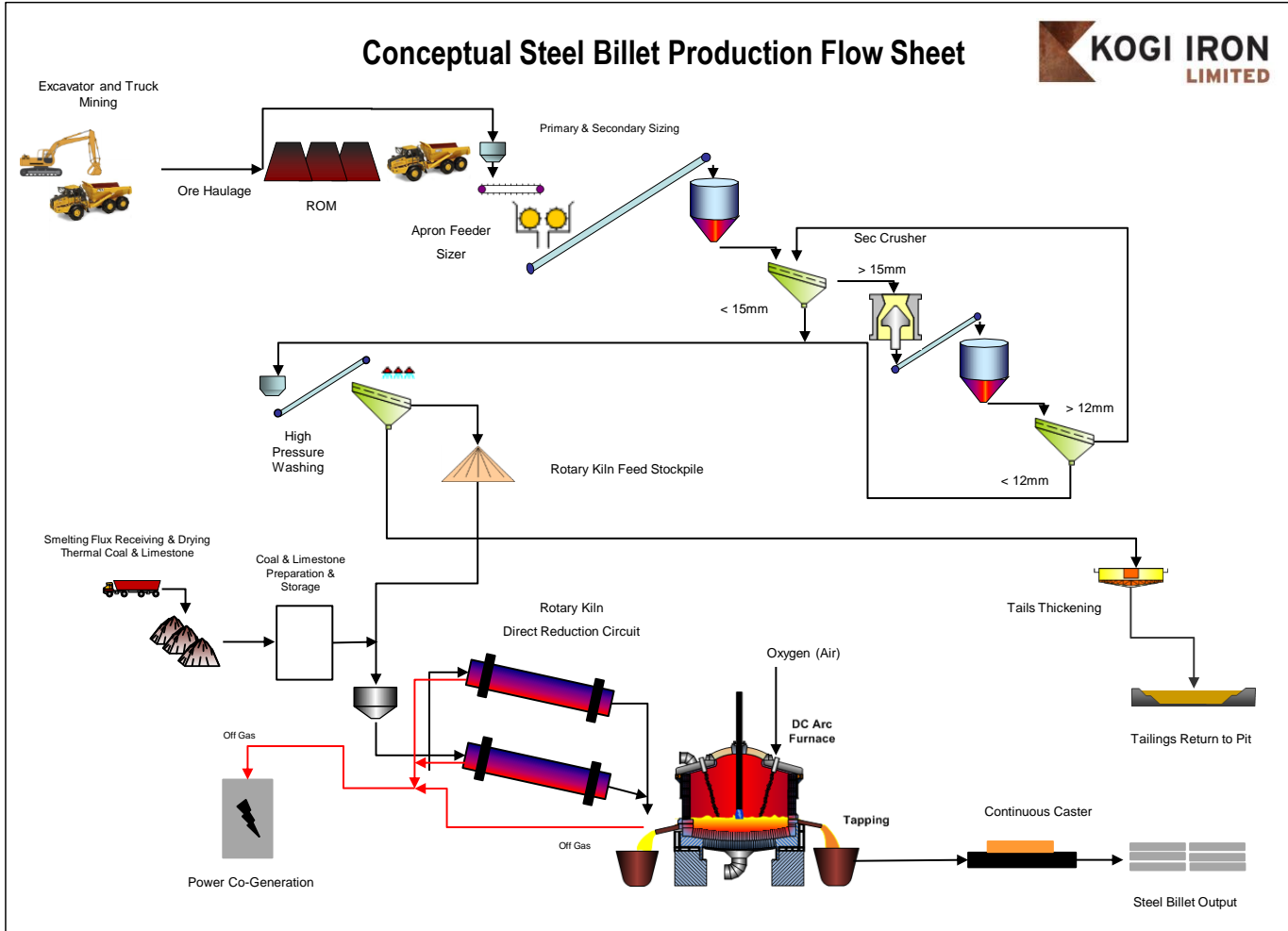
- Map showing positioning of plant to deposit, and local infrastructure.
- Location is on a plateau near the Niger river, rail connection at the Ajaokuta Steel Mill.
- Near National Highway A2.
- Overhead power distribution system, gas line under the plateau cap

For personal use only

Potential Construction Time Line

Timeline:	
Bulk furnace test to confirm laboratory furnace tests showing suitability as DC Arc Furnace feed and refinement of the steel making process flowsheet.	Q2, 2016
Produce Bankable/Definitive Feasibility Study	Q2, 2016
Arrange Finance for (250,000 tpa) steel Plant	Q4, 2016
Commence Construction	Q1 2017
Commission Plant	Q1, 2018

For personal use only



- **Board of Directors and Management**

Dr Ian Burston OA- Chairman

Previously Managing Director of Hamersley Iron, Portman Mining, and Chairman/director of several African iron ore companies- considered a 'legend' in iron ore industry

- **Brian King- Non-executive Director.**

Mr King has more than 40 years' experience in technical, management and executive roles within the mining sector. Throughout his career he has held various roles including Registered Mine Manager of Rio Tinto's Tom Price and Paraburdoo mining projects

- **Don Carroll- Non-executive Director**

Mr Carroll is a former executive of BHP Billiton with over 30 years of experience in the mining industry, principally overseas in Asia, the United States and West Africa

- **Kevin Joseph, Country Executive Director**

Mr Joseph has extensive experience in Nigeria and the West African region. A 25 year resident of Nigeria, he has invaluable in-country relationships which assist the group in executing its exploration and evaluation programs.



For personal use only

For personal use only

Corporate Details:	
ASX Code	KFE
Shares on Issue	376.7 mill
Listed options (8 cents, 31 May 2107)	102.7 mill
Share price (Nov 18, 2015)	1.6 cents
Market Capitalisation	\$A6 million
Major Shareholders:	
Citicorp Nominees	32.8 mill
Dr Ian Burston	22.2 mill
Noble Investment Superannuation Fund	12.2 mill