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6 July 2016

KOGI IRON LIMITED
FEASIBILITY STUDY

Kogi confirms technical, economic viability

of Agbaja iron ore, steel project

Kogi Iron Limited (ASX: KFE, "Kogi", "the Company") is pleased to announce substantial completion of a Feasibility Study on the Agbaja iron ore and steel project in Nigeria.

The study confirms the technical and economic viability of the project based on certain assumptions, and its ability to produce steel products for the domestic Nigerian and European markets.

Key outcomes and assumptions of the study:

- Agbaja is a technically robust and economically viable project subject to a range of assumptions. The study was conducted and confirmed by Kogi based on extensive testing and technical inputs from major international groups such as Coffey, Mintek, Tenova and Metso
- Kogi is intending to debt fund the project through international institutions
- Confirmation that the coal and limestone required for the project are available locally and in abundance.

Mr Burston said the outcome of the study was a tribute to the vision and hard work of the Kogi team that had identified an outstanding time-and-place opportunity.

"We are delighted to have concluded our study and will now move quickly to progress negotiations with a wide range of parties who can assist Kogi in its work to deliver this project for its shareholders," he said.

Mr Burston said Kogi would make further disclosures in due course on Agbaja's feasibility and the project parameters, in line with updated ASX listing rule requirements.

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Project scope

The Agbaja Iron Ore Project is based in Kogi State, 200km south of the Nigerian capital Abuja.

The Company holds six exploration licenses covering 149sq km, with Mineral Resources currently estimated at 586Mt with an estimated average grade of 41.3% Fe. Most of the tonnage is classified as Indicated (488Mt at 41.4% Fe), with the balance as Inferred (120Mt at 41.1% Fe).

Kogi has delineated a Stage 1 mining area of 7.2 sq km with a JORC-compliant Indicated Mineral Resource of 158Mt, an estimated average grade of 46.1% Fe and virtually no overburden.

A stage 2 mining area of 2.2sq km contains a further 66Mt of Inferred Mineral Resource, with an estimated average grade of 44.8% Fe.

A Definitive Feasibility Study will be completed when the environmental, financing, technical design and budgeting are finalised to a level in line with the ASX's updated disclosure requirements.

Mining

Subject to final feasibility and financing, Kogi intends to engage a mining contractor for mine site development, overburden and waste removal, open-pit mining, haulage and ore feed to a primary crushing plant located less than one kilometre from the boundary of the mining area.

The plan is for mining operations to be initially conducted on a 12 hour shift, 350 days of the year, with no production drilling or blasting required due to the soft, friable material. Kogi is expecting this would be essentially a 'free-dig' operation.

Processing

The plant design is based around a size reduction process, comprising a two-stage crushing and screening circuit, followed by high pressure washing for treating the oolitic ore.

Following washing, the ore would be converted to sponge iron and completed by refinement into steel.

The conversion to sponge iron and thence to steel would remove a significant portion of the impurities to within international standards.

The process has been confirmed as technically viable through extensive testing by South African group Mintek and German group Haver.

While the Agbaja plant design is specific to the oolitic orebody, Kogi's reduction process is long established as a method of making steel products throughout the world.

Conclusion

"The Study confirms Agbaja is viable based on our assumptions and Kogi intends to move quickly to realise the project's economic potential," said Mr Burston.

"It also affords us the opportunity to refine and optimise the production process before committing to any major scale production plants.

"We will report back to investors on progress with financiers, engineering groups, construction groups and the approvals process in coming months."

Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

Competent Persons' Statement

The information in this PFS announcement that relate to Mineral Resources for the Agbaja Project is based on information compiled by David Slater, Principal Resource Geologist of Coffey Mining who is a Chartered Professional Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists and by Dr Warwick Crowe, of International Geoscience who is a Member of the Australian Institute of Geoscientists. Both David Slater and Dr Warwick Crowe have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. David Slater and Dr Warwick Crowe each consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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