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QUARTERLY REPORT – SEPTEMBER 2020

Australian based iron ore and steel development company, Kogi Iron Limited (ASX: KFE) (Kogi, Kogi Iron, or the Company) and its 100% owned Nigerian operating company, KCM Mining Limited (KCM) presents the quarterly activity report for the three months ended 30 September 2020 (the "Quarter").

COVID-19: UPDATE

During the Quarter, limited international flights to Nigeria recommenced, full inter-state travel resumed within Nigeria and all Government offices re-opened in Abuja and Lakoja.

COVID-19 is likely to continue to impact business both Nigeria and Australia for some time, though it is encouraging to see 'in-country' activities starting to regain momentum.

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

The Company welcomed the reappointment of Mr. Bashiru O. Aminu as a geologist. Mr. Aminu is assisting Mr Alabi Samuel, Country Manager, with not only technical matters but will is also responsible for the day to day responsibilities for Community Relations and the Community Development Plan. He previously worked with KCM Mining in 2011-15 and has relevant experience in coal and mineral exploration, geotechnical surveys and technical administration.

During the Quarter, the KCM team made periodic visits and has been in regular communication with the Agbaja Plateau Community. Current and planned Community activities include:

- Replacement of the collapsed Irimi-Okpaka Water Bore – the new 120 metre borehole is in the final stages of flushing, pump drawdown tests and water quality tests, prior to reconnecting and filling of header tanks to restore availability of clean water for the local Irimi–Okpaka community.
- Small-scale Trial Iron Ore Mining – activity restarted late in September, following near four month pause due to monsoonal rains and increased COVID-19 risks. The recommencement received the traditional blessing by His Royal Highness, the Maasai of Agbaja Plateau. Completion of mining is scheduled for November at no additional cost, weather permitting.
- Evaluate ESG benefits and local business opportunities from the Company's iron ore mining and processing.

KFE Capital Summary	**Board of Directors**	**Contact**
Ordinary Shares: 775,535,726 Listed Options: 142,328,948 Performance Rights: 26m Share price: $0.024 Market capitalisation: $19m	Mr Greg Boulton AM – *Non-Executive Chairman* Mr Craig Hart – *Non-Executive Director* Mr David Turvey – *Managing Director* Mr Peter Huljich – *Non-Executive Director* Mr Ray Ridge – *Chief Financial Officer and Company Secretary* Mr Alabi Samuel – *Country Manager, KCM Mining Limited, Nigeria*	10 George Street Stepney SA 5069 Tel: +61 8 7324 4047 E: info@kogiiron.com W: www.kogiiron.com

FACILITATION – GOVERNMENT OF NIGERIA

The Company's Agbaja Steel Project continues to receive strong support from the Nigerian Government, as a showcase of a 'pioneering downstream industry' to replace costly steel imports and stimulate economic growth in Nigeria.

On the recent easing of COVID-19 travel restrictions, Mr Alabi Samuel, Country Manager KCM Mining Limited, visited the Ministry of Mines and Steel Development (**MMSD**) and relevant Government Departments in the Federal Capital, Abuja. The Company provided an update on its activities and emphasised its near-term focus on "critical path value drivers" for its Feasibility Study:

- Technical – steel refining tests to reduce phosphorous on an industrial scale and a provide process guarantee required to support development finance; and
- Investment Policy – a competitive gas supply gas supply contract to underpin private investment in a gas fired electricity plant and market entry with import parity pricing, comparative tariffs and subsidies.

Subsequently, in early September, a formal letter was received from the Honourable Minister, Arc. Olamilekan Adgebite, stating that MMSD is willing to facilitate business with other Ministries on behalf of Kogi Iron as required. Importantly, this letter shows that MMSD is aligned with the Company in its near-term focus on critical value drivers for the Project, especially a competitive gas supply contract and market entry policy for replacement of steel imports.

In prompt follow-up, MMSD provided the Company with detailed information on the background, current policy status, administrative processes and key contacts in the Nigeria National Petroleum Company and its Government subsidiary gas supplier, Nigeria Gas Company. Based on inputs by energy consultants and advisors, the Company has held discussions and initiated information exchange as the basis of an application for a gas supply agreement to be sourced from the Ajaokuta – Kaduna – Kano gas pipeline.

FUNDING APPLICATION TO MMSD & WORLD BANK - MINDIVER PROJECT (MinDiver)

While in Abuja, Mr. Alabi Samuel visited officers of the MinDiver Project to discuss the status of the Company's proposal for MinDiver Project funding of Environmental, Social and Governance programs related to iron ore mining and processing on the Agbaja Plateau. In what was a positive meeting, the MinDiver Project team requested the Company to provide a formal application for MinDiver Project funding, with the application to include additional details to address World Bank environmental, social and governance (ESG) criteria including:

- Environmental and social safeguards, related to the Company's current EIS documents and approvals.
- Detailed stakeholder engagement plan and grievance redress mechanism, related to the Company's current Community Development Agreement.
- Labour employment and management plan, potential security risks and risk mitigation policies.

The Company intends to prepare and submit a revised proposal and formal application for MinDiver Project funding in November, subject to completion of trial mining and costed planning of ESG activities.

BANKABLE FEASIBILITY STUDY (BFS)

Scopes of work for Feasibility Study consultants have been revised to concentrate on critical path decisions and key project value drivers in the near-term:

- PricewaterhouseCoopers (Nigeria) – corporate advisory on gas supply and market entry policy.
- Tenova Pyromet (RSA) and Uvan Hagfors Teknologi (UHT) (Sweden) – steel refining tests and engineering.

These final proposals are now in place and will be progressed once initial funding is secured.

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FINANCE

At the end of the Quarter, the Company had cash at bank of $388,000.

For the quarter ended 30 September 2020:

- Net Cash outflows for operating and investing activities were $344,000, including $72,000 for direct exploration expenditure. Given current volatility in financial markets, the Company has maintained prudent fiscal measures, including cessation of all non-discretionary expenditure.
- Net Cash inflows from financing activities of $159,000, being amounts received under the current equity funding facility with Sorbie Bornholm LP. The Company is pleased to note that, while it is seeking to raise additional capital, the current equity funding facility with Sorbie Bornholm LP continues to provide working capital on a monthly basis. This facility is available through to August 2021, with the amount of the monthly instalments to be received linked to the Company's share price each month.

The Company has undertaken a number of investor relations activities during the Quarter, and is considering its options to raise a minimum of $1 million to $2 million required to progress the "critical path value drivers" for its Feasibility Study.

Section 6.1 of the Appendix 5B includes payments made to related parties and associates of $196,000. These payments relate to remuneration paid to the Managing Director and Directors' fees payable to Non-executive Directors.

BOARD RENEWAL

Mr Craig Hart was appointed to the Kogi Board as Non-Executive Director and Deputy Chairperson, effective 15 September 2020. Craig brings to the Board considerable expertise in the successful execution and completion of complex transactions. He will have primary responsibility for dealing with commercial relationships with existing and proposed strategic partners.

As announced on 20 October 2020, the Company's Non-Executive Chairman Mr Greg Boulton, the Company's Managing Director, David Turvey, will both retire with effect from completion of the upcoming Annual General Meeting. Mr Craig Hart will be seeking approval of the Board to be appointed to the role of Chairman, provided he receives broad support from the shareholders in terms of a strategic path for the business in 2021. Peter Huljich will continue as a Director working with Craig.

The Board will assume most executive responsibilities for the immediate future and that a new Managing Director will not be appointed until the strategic path for the business as will be explained to shareholders at the AGM and the required capital to deliver key milestones has been raised. In the interim, David Turvey has agreed, where available, to assist as a consultant as requested by the Deputy Chair.

It is intended that the Board will appoint two additional directors to ensure that the full complement of skills in terms of specialist industry and mining expertise are adequately represented at Board level.

ANNUAL GENERAL MEETING

The Board has decided to hold the Annual General Meeting (AGM) later than usual, on 15 December 2020, to allow time for potential further easing of Covid-19 restrictions, maximizing the opportunity for shareholders to attend this important meeting. The Board are planning a multi-site AGM, connected by video conferencing.

At the AGM, the Deputy Chair will address a recommended approach with respect to matters including, but not limited to, the following,

- Key milestones for each quarter of calendar year 2021
- Capital required for each milestone

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- The potential alignment with key strategic partners
- Augmented communication with our Nigerian stakeholders
- The most appropriate bankable feasibility study
- Conditions precedent to the primary capital raise for the broader project realisation.

A notice of meeting will be released to the market in due course.

MINERAL TENEMENTS

As at 30 September 2020, the following mineral tenements were held by KCM. All of the mineral tenements are located in the Federal Republic of Nigeria and KCM has a 100% interest in each tenement:

Mining Lease 24606	Mining Lease 29796
Mining Lease 24607	Exploration Licence 28784
Mining Lease 25376	

Authorised for release by the Board

For further information, please contact:

Craig Hart
Deputy Chairman
Kogi Iron Limited
Tel (office): +61 8 7324 4047
Email: info@kogiiron.com

About Kogi Iron (ASX: KFE)
Kogi Iron Limited is an Adelaide-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.

Figure 1 – Location Plan: Agbaja Cast Steel Project. Nigeria.



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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.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kogi Iron Limited

ABN	Quarter ended ("current quarter")
28 001 894 033	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (.3.months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(72)	(72)
	(b) development		
	(c) production		
	(d) staff costs	(187)	(187)
	(e) administration and corporate costs	(85)	(85)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(344)**	**(344)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation		
	(e) investments		
	(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (.3.months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	159	159
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**159**	**159**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	573	573
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(344)	(344)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	159	159

Consolidated statement of cash flows		Current quarter $A'000	Year to date (.3.months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**388**	**388**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	388	573
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**388**	**573**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(158)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The above amount comprises Directors fees and remuneration paid to the Managing Director.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

The Company's current equity swap facility with Sorbie Bornholm LP continues to provide working capital on a monthly basis through to August 2021. At 30 September 2020, the equity swap facility consists of 11 remaining equity swaps for total consideration receivable of $1,038,889 to be settled over 11 monthly payments of $94,444. The monthly settlement amounts actually payable to the Company by the counter-party is determined by reference to a monthly VWAP (volume weighted average price of the Company's shares traded on the ASX), relative to the swap benchmark price, each month. The future cash actually received by Kogi will therefore vary to the remaining face value of $1,038,889. The actual cash received for the 3 months in the September quarter was $159,000.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(344)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(344)
8.4	Cash and cash equivalents at quarter end (item 4.6)	388
8.5	Unused finance facilities available at quarter end (item 7.5)	
8.6	Total available funding (item 8.4 + item 8.5)	388
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.13

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company expects to maintain at least this level of cash expenditure.

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8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company has an existing equity facility noted at Item 7.6 with a face value of $94,444 receivable per month, although the actual amount received each month will be higher or lower amount depending on a monthly VWAP calculation. In addition, the Company is seeking to raise capital over the next 3 months.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, with the measures currently in place to remove or reduce all non-discretionary expenditure , combined with the plan to raise further capital in the coming months, and the existing equity funding facility in place (refer item 7.6), the Directors are of the opinion that the entity will be able to continue its operations and meet its business objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....30 October..2020.....

Authorised by: .....the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.