

Kogi Iron Ltd

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Kogi Iron positions Agbaja project to capitalise on extensive Nigerian and regional steel demand

Metallurgical test work including chemical and moisture analysis completed;

Expanded environmental and marketing studies ongoing;

Market feasibility study from Fastmarkets MB to be fed into DFS; and

Discussions for a strategic partnership to develop Agbaja ongoing.

What does Kogi do?

Kogi Iron Ltd (ASX:KFE) is aiming to develop its Agbaja Cast Steel Project into the first integrated steel plant of its kind in Nigeria.

The company has progressed several metallurgical studies to prove the viability of producing a suitable metallised product using Nigerian domestic coal sources.

Nigeria has substantial domestic demand for steel production which is largely met through imports.

Kogi's managing director & CEO Martin Wood has had extensive experience working in resource finance and advisory departments at NM Rothschild, Standard Bank and Benfield, where he was responsible for over \$2 billion in transactions.

In 2003 Wood established Vicarage Capital Limited, a UK-based brokerage specialising in oil and gas, precious and base metals-focused exploration and development and production-stage companies.

What does Kogi own?

A market feasibility study was recently conducted by Fastmarkets MB for the Agbaja project.

The objective of the study was to confirm the overall level of potential market demand for the cast steel product that Kogi intends to produce at Agbaja.

Study results will be fed into the definitive feasibility study (DFS), which will among other things determine the size of Agbaja's processing facility.

Fastmarkets confirmed that based on bulk sample process work undertaken last year by Mintek/Tenova, the Agbaja iron ore produced a high-quality steel product.

Price: A\$0.081

Market Cap: A\$53.51M

1 Year Share Price Graph



February 2018 August 2018 February 2019

Share Information

Code: KFE

Listing: ASX

52 week High Low
A\$0.21 A\$0.08

Sector: General Mining

Website: www.kogiiron.com

Company Synopsis:

Kogi Iron is an ASX-listed company (ASX: KFE) with the intent to build a cast steel plant on the Agbaja Plateau in Kogi State, Nigeria. The project will supply a cast steel feedstock to steel manufacturing and product fabricators in Nigeria and overseas.

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The product has a 99.61% iron grade with minimal impurities - 0.00939% carbon, 0.003% manganese, 0.015% silicon, 0.0194% phosphorus and under 0.0632% sulphur.

An extensive review of Nigerian and regional steel demand was also undertaken.

Fastmarkets forecast a long-term average billet price over the period from 2019 to 2039 of US\$476 a tonne with a range of US\$428-513 a tonne.

It was noted this was a conservative estimate compared to UK-based CARES prices.

Based solely on forecast market demand, Fastmarkets considers the Nigerian market has a capacity to handle additional steel billet production of up to 1.5 million tonnes a year.

The market research company also recommended export markets in Cameroon and Ghana be considered.

Earlier this week, Kogi entered into a letter of intent (LOI) to progress discussions with the Inner Galaxy Group regarding a strategic partnership for the development of Agbaja.

Inner Galaxy is a Nigerian-based company with steel production operations in Lagos State and a facility near Aba in the Port Harcourt region, with capacities of 200,000 and 800,000 tonnes a year respectively.

The LOI is non-binding and is intended to provide a framework for further discussion to be held regarding the development of Agbaja and long-term off-take of production from the project.

Any off-take agreement entered into will be for no more than a third of the total production capacity of Agbaja.

Inflection points

Completion of the Agbaja definitive feasibility study incorporating processing, environmental and marketing studies;

Continued support from government and community stakeholders; and

Ongoing discussions regarding strategic partnerships and potential off-take agreements.

Chairman Don Carroll sees partnership discussions as recognition of Agbaja's potential

"This is a recognition of the potential viability of the Agbaja Cast Steel Project.

"We look forward to the opportunity of working together with Inner Galaxy to form a long-term, mutually-beneficial relationship.

"Agbaja is a superb project with a magnificent mineral resource.

"It enjoys outstanding support from the Nigerian government and has strong relationships with the communities in which it operates."

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