

Kogi Iron Ltd

Kogi Launches 5Mtpa Scoping Study at Agbaja Iron Ore Project in Nigeria

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News

Kogi Iron Ltd ('Kogi' or the 'Company') has announced the commencement of a detailed scoping study for a first stage 5Mtpa iron ore operation at its 100% owned Agbaja Iron Ore Project located in Kogi State, Republic of Nigeria.

The scoping study will analyse the surface mining of the flat lying channel iron deposit on the Agbaja plateau, processing and beneficiation to produce 5Mtpa of iron ore concentrate, and the transportation of that concentrate using a slurry pipeline and barging to ocean going vessels.

The mining is expected to commence at the northern extent of this area near the town of Agbaja. The mined ore which has a head grade of ~42% Fe will be hauled to a crushing plant and crushed to around <10mm by a simple low intensity two stage crushing system. The crushed ore will then be further milled and fed to a beneficiation plant and through a magnetic separation process to produce a 55-56% Fe concentrate.

Earlier this week Kogi announced a simplified process flowsheet from the results of laboratory scale metallurgical testwork that determined a lower cost beneficiation process utilising simple wet low intensity magnetic separation ("LIMS") could be utilised to produce a 55-56% Fe concentrate.

The final concentrate will be slurried and pumped from the Agbaja plateau down to the Banda Barge Facility about 20km south east of the Agbaja Project. Kogi recently completed a barging study and based on the results of this study has decided to use barge transportation to Port Warri as a first stage transport solution. The barging study demonstrated a lower capital and operating cost scenario for the proposed 5Mtpa operation. Kogi will still continue to advance access and usage agreement for the Warri-Ajaokuta heavy haulage railway as this remains an important part of a longer term transport solution for an expanded production profile beyond 5Mtpa. The slurried concentrate will be dewatered and stockpiled at the Banda Barge Facility where it will be loaded on 3,000t river barges. The river barges will then transport the ore via the Niger River to a stockpile facility at Port Warri. From Port Warri a separate fleet of deep draught sea-going barges will make use of deeper river channels to transport the concentrate to an offshore transshipment facility where cape size ocean going vessels will be loaded.

The announcement of the commencement of the Agbaja iron ore scoping study follows up the appointment of Mr Iggy Tan as Managing Director of Kogi. Mr Tan was previously the Managing Director of Galaxy Resources (ASX:GXY) between 2008 and 2013 where he was responsible for the capital raising, finance and construction and start-up of the Mt Cattlin Spodumene mine and the Jiangsu Lithium Carbonate Plant which led to Galaxy becoming the preeminent producer of high grade lithium carbonate in the world.

Ocean Comment

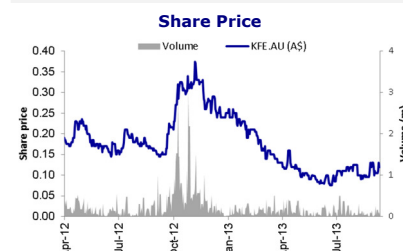
The appointment of Iggy Tan as Managing Director and the commencement of the Agbaja scoping study is a positive step for Kogi reiterating the company's commitment to advance development on the Agbaja iron ore project. Kogi anticipates announcing the results of the scoping study by the end of the Mar'14 quarter. In addition to the technical and commercial feasibility of the project, the Scoping Study will also address the potential markets for the Agbaja iron ore. Last year Kogi announced a maiden resource on the Agbaja deposit of 488Mt @ 42.7% Fe which covers only 15% of the prospective target. We believe the Agbaja project has the potential for 2.5Bt of iron ore which would provide the scale for a potentially larger operation beyond 5Mtpa, and also provide the resources to support a long term iron ore project.

OCEAN EQUITIES

Iron Ore – NIGERIA

12th September 2013

Market Cap	A\$34.6m
Listing:Ticker	ASX:KFE
Share Price	A\$0.12
Shares o/s	288.1m
52 week High/Low	0.385/0.075
Cash (30/06/13)	A\$1.7m



Source: Bloomberg

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