

27 February 2018

SHARE PURCHASE PLAN

Following the announcement of a Share Purchase Plan (“SPP”) on 22 February 2018, the Directors of Kogi Iron Limited (ASX: KFE, “Kogi”, “the Company”) are pleased to advise that the attached Share Purchase Plan (SPP) Offer document has been dispatched to shareholders today.

The indicative timetable for the SPP offer is as follows:

Record Date (5:00pm WST)	Wednesday 21 February 2018
Announcement Date of Plan	Thursday 22 February 2018
Opening Date of Offer*	Tuesday 27 February 2018
Closing Date of Offer (2.00pm WST)*	Friday 16 March 2018
Issue of New Shares under the Plan*	Friday 23 March 2018
Dispatch date for holding statements*	Friday 23 March 2018
Quotation of New Shares on ASX*	Monday 26 March 2018

*These dates are indicative only and may vary.

Funds raised pursuant to the Offer will be used to fund testwork activities, executive recruitment and on-going salary costs, in-country costs and to provide working capital.

Yours faithfully,



Kevin Hart

Company Secretary

About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a Perth-based company with the objective of becoming an African iron ore and steel producer through the development of its 100% owned Agbaja iron ore and 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. The Agbaja project, located on the Agbaja plateau approximately 15km northwest of Lokoja city in Kogi State and approximately 200km southwest of Abuja, the capital city of Nigeria, opens the opportunity for domestic production of steel billets.

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.

<p>KFE Capital Summary Ordinary Shares: 612,154,685 Unlisted options: 29.8m Share price: \$0.105 Market capitalisation: \$64m</p>	<p>Board of Directors Dr Ian Burston – <i>Non Executive Chairman</i> Mr Martin Wood – <i>Chief Executive Officer</i> Mr Kevin Joseph – <i>Executive Director</i> Mr Don Carroll – <i>Non Executive Director</i> Mr Michael Tilley – <i>Non Executive Director</i></p>	<p>Contact Unit 23, 4 Ventnor Avenue, West Perth WA 6005 Tel : +61 8 9200 3456 Email: info@kogiiron.com W: www.kogiiron.com</p>
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27 February 2018

Dear Shareholder

INVITATION TO PARTICIPATE IN KOGI IRON LIMITED'S SHARE PURCHASE PLAN

Kogi Iron Limited (ABN 28 001 894 033) (**Kogi** or **the Company**) is pleased to provide eligible shareholders the opportunity to participate in a share purchase plan (**SPP**) to subscribe for ordinary fully paid shares (**New Shares**) in Kogi (**Plan** or **Offer**) on the terms and conditions (**Terms and Conditions**) enclosed with this letter.

Shareholders Eligible to Participate in the Plan

The right to participate in the Offer under the Plan is optional and is available exclusively to shareholders who are registered as holders of fully paid ordinary shares in the issued capital of Kogi (**Shares**) at 2.00pm WST on the **Record Date** of **Wednesday, 21 February 2018** and whose registered address is in Australia or New Zealand (**Eligible Countries**), unless such registered shareholder holds Shares on behalf of another person who resides outside Australia or New Zealand or other Eligible Countries as permitted by the Company in light of applicable foreign laws (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to A\$15,000 worth of New Shares.

The issue price of A\$0.10 is a 12% discount to the volume weighted average price (**VWAP**) of the Company's Shares traded on the Australian Securities Exchange (**ASX**) during the 5 trading days immediately prior to the announcement date of this offer, and is free of brokerage and commission (**Offer**).

The VWAP of Shares traded on the ASX during the 5 trading days immediately prior to the announcement date of the Offer was 11.9 cents.

When determining the amount (if any) by which to scale back an SPP application, the Company may take into account a number of factors, including but not limited to:

- The total application funds received;
- The amount applied for by each Eligible Shareholder;
- The trading activity of the Eligible Shareholder since the Record Date and whether the Eligible Shareholder remains on the register at the Closing Date; and
- The date the Company received the completed Application Form.

An outline of the Plan is set out in this letter and the details are set out in the enclosed Terms and Conditions. An application form for the Plan (**Application Form**) is included in this package.

About Kogi Iron

Kogi Iron Limited is a Perth-based company with the objective of becoming an African iron ore and steel producer through the development of its 100% owned Agbaja iron ore and 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. The Agbaja project, located on the Agbaja plateau approximately 15km northwest of Lokoja city in Kogi State and approximately 200km southwest of Abuja, the capital city of Nigeria, opens the opportunity for domestic production of steel billets.

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.

Further details of Kogi’s current activities and other projects are set out in the announcements made to the ASX and are available from the ASX or Kogi’s website www.kogi.com.

Purpose of the Offer

Funds raised pursuant to the Offer will be used to fund testwork activities, executive recruitment and salary costs, in-country costs and to provide working capital.

The Offer allows Shareholders to increase their holdings without brokerage and associated charges. It also offers Shareholders the opportunity to support the growth of the Company by making a direct investment in Kogi.

How much can you invest?

Eligible Shareholders may only acquire a maximum of up to A\$15,000 worth of New Shares under the Plan.

Subscription and Application Procedure

If you would like to participate in the Offer, the following payment options are available:

(a) Application Form and Accompanying Cheque or Money order

Eligible Shareholders wishing to pay by cheque or money order must follow the instructions on the Application Form and complete the Application Form, provide a cheque or money order that is payable to “**Kogi Iron Limited**” and crossed “**Not Negotiable**” and return the completed Application Form and cheque or money order to:

Mailing Address

Kogi Iron Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery (do not use this address for mailing)

Kogi Iron Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

to be received by the share registry no later than **2.00pm WST on Friday, 16 March 2018 (Closing Date)**.

However as advised above, the Company reserves the right to close the Offer early and scale back applications in its absolute and sole discretion should the total demand exceed the maximum amount allowable under the applicable law.

If you have multiple holdings in different entity names, you will have multiple Application Forms. For multiple holdings in the same shareholder name, only one application should be made as multiple applications by the same shareholder cannot be accepted.

To ensure you receive your New Shares under the Offer in respect of each holding, you must use the specific personalised Application Form when applying for New Shares in respect of that holding. If you inadvertently use the same Application Form for more than one of your holdings, you will be deemed to have applied only for the application to which that Customer Reference Number applies and any excess amount will be refunded.

(b) Payment by BPAY^{®1}

Eligible Shareholders wishing to pay by BPAY must use the specific biller code and customer reference numbers detailed on their personalised Application Form.

If you choose to pay via BPAY you are not required to submit your Application Form. Your payment will not be accepted after 5:00pm WST on the Closing Date and no New Shares will be issued to you in respect of that application. However as advised above, the Company reserves the right to close the Offer early and scale back applications in its absolute and sole discretion should the total demand exceed the maximum amount allowable under the applicable law.

If you have multiple holdings in different entity names, you will have multiple BPAY customer reference numbers. For multiple holdings in the same shareholder name, only one payment should be made as multiple payments by the same shareholder cannot be accepted.

To ensure you receive your New Shares under the Offer in respect of that holding, you must use the specific biller code and the customer reference number shown on each personalised Application Form when paying for any New Shares that you wish to apply for in respect of that holding. If you inadvertently use the same Customer Reference Number for more than one of your applications, you will be deemed to have applied only for the application to which that Customer Reference Number applies and any excess amount will be refunded.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. We advise that it is your responsibility to check that the amount you wish to pay via BPAY does not exceed that limit.

(c) Payment By International Wire Transfer

If you wish to pay by international wire transfer please register with Mr Kevin Hart, Company Secretary, on (+61) 8 9316 9100, or by email at kevinh@endeavourcorp.com.au to receive International Deposit details.

If you have not received your Offer documentation and Personalised Application Form, or require a replacement via post or email, please call the Company Secretary on (+61) 8 9316 9100.

¹ © Registered to BPAY Pty Ltd, ABN 69 079 137 518

Eligible Shareholders may participate by selecting one of the following offers to purchase New Shares under the Plan:

Offer	Subscription amount	New Shares to be allotted at A\$0.10
Offer A	\$15,000	150,000
Offer B	\$10,000	100,000
Offer C	\$7,500	75,000
Offer D	\$5,000	50,000
Offer E	\$2,500	25,000

Once an application under the Plan has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date of 2:00pm WST on Friday, 16 March 2018, or such other date that the Directors close the Offer.

The maximum investment any shareholder may apply for will remain A\$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Custodians and Nominees

Eligible Shareholders who hold Shares as Custodian or Nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiary**) may apply for up to a maximum amount of A\$15,000 worth of New Shares in respect of each Beneficiary who is resident in Australia or New Zealand, subject to providing a Custodian Certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Acceptance of Risk Factors

The market price of Shares in the Company may rise and fall between the date of the Offer and the date that any New Shares are issued to you as a result of your application under this Offer.

By making an application under this Offer and applying for New Shares under the Plan, each Eligible Shareholder will be acknowledging that although the purchase price is at a discount to the 5 Day VWAP, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of New Shares under that Offer and that the value of the New Shares received under the Plan may rise or fall accordingly.

On the last trading day immediately prior to the announcement date of the Offer, the closing price of Shares trading on ASX was A\$0.115.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to making an application under this Offer.

Additional Information and Important Dates

The Offer cannot be transferred and the directors of the Company (**Directors**) reserve the right to reject any application over A\$15,000. New Shares allotted under the Plan will be issued as soon as practicable after the Closing Date of the Offer. Application for quotation on ASX of the New Shares will be made immediately following the issue of those New Shares.

The Company reserves absolute discretion regarding the final amount raised under the Plan.

In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications. When determining the amount (if any) by which to scale back an SPP application, the Company may take into account a number of factors, including but not limited to:

- The total application funds received;
- The amount applied for by each Eligible Shareholder;
- The trading activity of the Eligible Shareholder since the Record Date and whether the Eligible Shareholder remains on the register at the Closing Date; and
- The date the Company received the completed Application Form.

Scale back for Shares held by a Custodian will be applied at the level of the underlying Beneficiaries.

Directors reserve the right to close the Offer early following receipt of valid applications amounting to the maximum amount allowable under the applicable law in subscriptions pursuant to the Offer.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This document does not constitute an offer of new ordinary shares (**New Shares**) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Indicative Timetable

Record Date (5:00pm WST)	Wednesday 21 February 2018
Announcement Date of Plan	Thursday 22 February 2018
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Dispatch date for holding statements*	Friday 23 March 2018
Quotation of New Shares on ASX*	Monday 26 March 2018

*These dates are indicative only. The Company may vary the dates and times of the Offer by making an announcement to ASX. Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.

Enquiries in Relation to the Application Form or the Plan

If you have any enquiries in relation to your Application Form or the Plan, please call the Company Secretary on (+61) 8 9316 9100.

Yours faithfully

Ian Burston
Chairman
KOGI IRON LIMITED

**KOGI IRON LIMITED
ABN 28 001 894 033****Shareholder Share Purchase Plan - Terms and Conditions****1. Purpose**

The Share Purchase Plan (**Plan**) offers shareholders of Kogi Iron Limited (**Company**) the opportunity to apply for a maximum of A\$15,000 to acquire additional fully paid ordinary shares in the Company (**New Shares**) at A\$0.10 per share (being a 12% discount to the 5 day volume weighted average price (**VWAP**) of Shares on the financial market operated by ASX Limited (**ASX**) without the need to pay brokerage costs and without the need for Company to issue a Prospectus, upon such terms and conditions as the board of directors of Company, in its absolute discretion, sees fit.

2. Important notices

The offer contained in this document is not a recommendation to purchase Kogi shares. If you are in any doubt about the Offer, you should consult your financial or other professional adviser.

If you apply to participate in the Offer by making a Bpay^{®2} payment or completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of Shares may change between the date of the Offer and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Offer Price albeit with brokerage.

Participation in the Offer is not being offered, directly or indirectly, in the United States or to any person that is, or is acting for the account or benefit of, a US Person. This document and any related offering documents must not be mailed or otherwise transmitted or distributed in or into the United States or to any person that is, or is acting for the account or benefit of a US Person.

Kogi recommends that you monitor its announcements and the Share price, which can be found on its website at www.kogiiron.com and on the ASX website at www.asx.com.au (ASX code: KFE). The Kogi share price can also be found in the financial pages of major Australian metropolitan newspapers.

3. Shareholders eligible to participate

- 3.1 Holders of Shares that are registered with an address in Australia and New Zealand (**Eligible Countries**) at 5pm on the relevant record date, being Wednesday, 21 February 2018, are eligible shareholders (**Eligible Shareholders**) and may participate in the Plan, unless such registered shareholder holds shares on behalf of another person who resides outside Australia or New Zealand. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.
- 3.2 Kogi has determined that it is either unlawful or impracticable for holders of Shares with registered addresses in jurisdictions outside Australia (and its external territories) or New Zealand to participate in the Offer.

² [®] Registered to BPAY Pty Limited ABN 69 079 137 518. New Zealand based shareholders cannot apply using BPAY[®] unless they have an Australian bank account.

- 3.3 If you are the only registered holder of a holding of shares, but you receive more than one Offer (for example, due to multiple registered holdings), you may only apply for a maximum parcel of New Shares of 150,000 in aggregate across those holdings.
- 3.4 Joint holders of shares will be taken to be a single registered holder of shares for the purposes of determining whether they are an Eligible Shareholder and a certification under clause 4.1(j) by one joint holder will be effective in respect of the other joint holder.
- 3.5 If you are a Custodian for a beneficiary or beneficiaries, you may apply for one maximum parcel of New Shares for each beneficiary (or if you are a Custodian for two or more joint beneficiaries, for each such holding as if it was held by a single person). Further information in relation to how Custodians may apply for New Shares is set out in **clause 4.2**.
- 3.6 Directors and employees of Kogi who hold Shares may be Eligible Shareholders.

Participation in the Plan is optional and is subject to these terms and conditions (**Terms and Conditions**). Offers made under the Plan are non-renounceable (i.e. Eligible Shareholders may not transfer their rights to any New Shares offered under the Plan).

An offer may, at the discretion of the directors of Company (**Directors**), be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is A\$15,000. The Directors of the Company may also determine in their sole and absolute discretion the minimum amount for participation, the multiple of New Shares to be offered under the Plan and the period the offer is available to Eligible Shareholders.

4. Effect of making an application

- 4.1 If you submit a Bpay[®] payment or complete and return the Application Form:
 - (a) you will be deemed to have represented and warranted that you are an Eligible Shareholder, you have read and understood these Terms and Conditions and you subscribe for New Shares in accordance with these Terms and Conditions;
 - (b) you authorise Kogi to correct or amend your Application Form and as contemplated by clause 6.3;
 - (c) you acknowledge that the market price of Shares may rise or fall between the date of the Offer and the Allotment Date and that the Offer Price you pay for the New Shares may exceed the market price of the Shares on the Allotment Date;
 - (d) you accept the risk associated with any refund that may be dispatched to you at your address as shown on the Share register;
 - (e) you are responsible for any dishonour fees or other costs Kogi may incur in presenting a cheque for payment which is dishonoured;
 - (f) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia (and its external territories) or New Zealand, and accordingly, the New Shares purchased under the Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - (g) you represent and warrant that you are not a US Person, and are not applying under the Offer for or on behalf of a US Person;

- (h) you represent and warrant that you have not and will not send any materials relating to the Offer to any person in the United States that is, or is acting for the account or benefit of a US Person;
- (i) you acknowledge that you have not been provided with investment advice or financial product advice by Kogi or the Share Registry; and
- (j) you certify that you have not applied for, or instructed a Custodian to apply on your behalf for, New Shares with an application price which, when aggregated with the application price for any Shares issued to you or a Custodian on your behalf under the Offer or any similar Kogi arrangement in the 12 months prior to your application, exceeds A\$15,000. This certification by one joint holder of Shares will be effective in respect of the other joint holder(s).

4.2 Custodians, trustees and nominees

If you are a Custodian, you certify:

- a) that, as at the Record Date, you hold Shares on behalf of one or more beneficiaries, and that those beneficiaries have been provided with a copy of this document and instructed you to apply for New Shares;
- b) details of the number of beneficiaries who have instructed you to apply for New Shares on their behalf, their names and addresses, the number of Shares you hold on their behalf and the number of New Shares they have instructed you to apply for are correct;
- c) you have not applied for New Shares on behalf of any beneficiary with an application price which, when aggregated with the application price for any Shares issued to you on behalf of that beneficiary under the Offer or any similar Kogi arrangement in the 12 months prior to your application, exceed A\$15,000; and
that you:
- d)
 - (i) hold an Australian financial services licence that covers the provision of a custodial or depository service (within the meaning given by section 766E of the Corporations Act) or covers the operation of an IDPS (as defined in ASIC class order [CO 13/763]); or
 - (ii) do not hold an Australian financial services licence for the provision of a custodial or depository service as described in the Class Order and are exempt from the requirement to hold such a licence; or
 - (iii) otherwise meet the definition of Custodian in the Class Order.

Custodians wishing to participate on behalf of one or more beneficiaries should contact the Share Registry to obtain more information on how to apply and the form of certification to be given.

Please note that if you hold Shares in the capacity of a trustee or a nominee for another person but you do not meet the definition of Custodian in the Class Order, you cannot participate for beneficiaries in the manner outlined in clause 4.2 above. In this case, the rules for multiple registered holdings as described in clause 3.3 apply.

5. Price of Shares

The price of New Shares to be issued under the Plan will be A\$0.10 per share, being a 12% discount to the VWAP of the Company's Shares on ASX during the 5 trading days immediately prior to the announcement date of the Offer.

6. Applications and Notices

- 6.1 At the sole and absolute discretion of the Directors, the Company will send Eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by these Terms and Conditions of the Plan and an Application Form. Over subscriptions to an offer may be refunded without interest.
- 6.2 Notices and statements made by the Company to participants may be given in any manner prescribed by its constitution.
- 6.3 If your Application Form or application is incomplete, contains errors or is otherwise invalid or defective, Kogi may, in its sole and absolute discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it considers appropriate, refund your application money, or take any combination of these actions. Any necessary refund will be paid to you shortly after the close of the Offer. No interest will be paid on any refunded money.
- 6.4 You cannot withdraw or revoke your application once you have sent in an Application Form or paid via Bpay[®].

7. Issue of Shares

New Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors.

New Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all New Shares issued under the Plan. The Company will, promptly after the issue of New Shares under the Plan, make application for those New Shares to be listed for quotation on the official list of ASX.

8. Modification and Termination of the Plan

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer New Shares than the person applied for under the Plan if the issue of the New Shares applied for would contravene any applicable law or the Listing Rules of ASX.

9. Raising Amount, Scale Back and Early Closure

The maximum number of New Shares that may be issued pursuant to this Offer is 30% of the listed Shares currently on issue. The Company, however, reserves sole and absolute discretion regarding the final amount raised under the Plan.

In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale back applications. When determining the amount (if any) by which to scale back an SPP application, the Company may take into account a number of factors, including but not limited to:

- The total application funds received;
- The amount applied for by each Eligible Shareholder;
- The trading activity of the Eligible Shareholder since the Record Date and whether the Eligible Shareholder remains on the register at the Closing Date; and
- The date the Company received the completed Application Form.

Directors reserve the right to close the Offer early following receipt of valid applications amounting to the maximum amount allowable under the applicable law in subscriptions pursuant to the Offer.

If the Company rejects or scales back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

10. Dispute Resolution

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or New Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions. The powers of the Company under these conditions may be exercised by the Directors or any delegate of the Directors.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser, or call the Company Secretary Mr Kevin Hart on +61 8 9316 9100.

RISK FACTORS

Kogi is an exploration and feasibility focussed company and potential investors in the Company should be aware that subscribing for the New Shares involves a number of risks. The risk factors outlined in this Section and elsewhere in this offer document should be carefully considered by investors when evaluating an investment in the Company. In addition, investors should appreciate that the price of Kogi's shares on the ASX may rise or fall depending on a range of factors beyond the control of the Company. This is especially the case with companies undertaking exploration and feasibility activities.

Any of the factors set out in this Section or any other factors identified in this offer may materially affect the financial performance of the Company and the market price of the New Shares. To that extent, the New Shares carry no guarantee with respect to the payment of dividends, return on capital or the price at which those New Shares will trade on the ASX.

The Directors consider that an investment in the Company should be considered speculative due to:

- the volatility in publicly listed entities on world stock markets generally, and of exploration and feasibility companies in particular; and
- the speculative nature of the Company's activities.

While the Company plans to take prudent measures to safeguard from, or mitigate its exposure to these risks, many of the risks are outside of the Company's control.

There are a number of risk factors that investors should consider before deciding whether or not to invest in the New Shares. The principal risk factors include, but are not limited to, the following:

Company Specific Risks

1. Potential for Dilution

Upon implementation of the Offer, the number of New Shares in the Company will increase. This means that each Share will represent a lower proportion of the ownership of the Company if shareholders do not take up their Entitlements.

It is not possible to predict what the value of the Company or a New Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.

The last trading price of Shares on ASX prior to the Offer being announced of A\$0.115 is not a reliable indicator as to the potential trading price of New Shares after implementation of the Offer.

2. Future Capital Requirements and Going Concern Risk

The Company's activities will require substantial expenditures. There can be no guarantees that the funds raised through the Offer will be sufficient to successfully achieve all the objectives of the Company's overall business strategy. If the Company is unable to use debt or equity to fund activities after the substantial exhaustion of the net proceeds of the Offer there can be no assurances that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or at all. Any additional equity financing may be dilutive to shareholders and any debt financing if available may involve restrictive covenants, which limit the Company's activities and business strategy.

Shareholders should note that the last audited Financial Report of the Company, being for the year ended 30

June 2017, has been prepared on a going concern basis. The audit report to the annual financial statements for 30 June 2017, lodged with ASX on 23 October 2017 included a “Material uncertainty related to going concern”, without qualification, in respect of the going concern disclosures included in Note 27 to the financial statements.

The ability of the Company to continue as a going concern and to meet planned and committed expenditure requirements is subject to the Company successfully exploiting the investments and exploration projects owned by the Company and/or the raising of further equity and/or loan capital should the Company not be successful in obtaining adequate funding or cash inflows are not as planned, there is material uncertainty as to the ability of the Company to continue as a going concern and to realise its assets and extinguish liabilities as they arise. The Company’s failure to raise capital, if and when needed, could delay or suspend the Company’s business strategy and could have a material adverse effect on the Company’s activities.

3. Exploration and Evaluation Risks

By its nature, the business of mineral exploration, mine development, mine production and ore processing undertaken by the Company at its exploration projects or future projects, contain risks. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, favourable commodity prices, securing and maintaining title to the Company’s exploration tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration on the Company’s existing exploration tenements may be unsuccessful, resulting in a reduction of the value of those tenements, diminution in the cash reserves of the Company and possible relinquishment of the exploration tenements.

Industry Specific Risks

1. Commodity Price and Exchange Rate Risks

To the extent the Company in the future is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious commodities, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are generally denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

2. Resource Estimates

Resource estimates are expressions of judgment based on knowledge, experience, and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company’s operations.

3. Testwork Risk

Kogi is currently undertaking metallurgical and other testwork activities to definitively confirm the optimal flow sheet for the treatment of Kogi ore to produce steel billets. If the testwork is unsuccessful and alternative processing options cannot be economically established, the value of Kogi's mineral resources may be materially devalued. If the testwork is positive, there is still the risk that this pilot scale testwork will not be economically replicated on a larger scale.

4. Environmental Risks

The operations and activities of the Company are subject to State and Federal laws and regulation concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company conducts its activities in compliance with all environmental laws. The Company is not aware of any non-compliance at this point in time.

5. Title Risks

Interests in tenements in Nigeria are governed by the local legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

6. Sovereign Risk

The Company's Nigerian project is subject to the risks associated with operating in a foreign country. This risks may include economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, repatriation of income or return of capital, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

7. Regulatory Risks

The Company's exploration and any future development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or further development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the tenements.

8. Legislative Changes and Government Policy Risk

Changes in government regulations and policies may adversely affect the financial performance of the Company. The Company's capacity to explore and in the future mine, in particular the Company's ability to explore and mine any reserves, may be affected by changes in government policy, which are beyond the control of the Company.

9. Joint Venture Parties, Agents and Contractors

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party or the insolvency or managerial failure by any of the contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity.

10. Occupational Health and Safety Risk

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining and exploration activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information, and training to all stakeholders through its occupational, health and safety management systems.

11. Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies, or resource projects. Any such future transactions would be accompanied by the risks commonly associated with making acquisitions of companies, products, technologies, or resource projects.

12. Force Majeure

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

General Risks

1. Reliance on Key Personnel and need to Attract Qualified Staff

The Company is dependent on its management and technical personnel, the loss of whose services could materially and adversely affect the Company and impede the achievements of its business objectives.

There can be no assurance that the Company will be able to attract or retain sufficiently qualified personnel on a timely basis or retain its key management personnel.

2. Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development, and future production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;

- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

3. Market Conditions

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities and in particular, resource stocks. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

4. Security Investments

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular, securities of mining and exploration companies have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market prices of the securities regardless of the Company's performance.

Mineral exploration and mining are speculative activities that may be hampered by circumstances beyond the control of the Company. Profitability depends on successful exploration and/or acquisition of reserves, design, and construction of efficient processing facilities, competent operation and management and proficient financial management.

Exploration in itself is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns for unforeseen events.

5. Dividends

Any future determination as to the payment of dividends by the Company will be at the sole and absolute discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

6. Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the shares offered under this offer. Therefore, the New Shares to be issued pursuant to this offer carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for shares pursuant to this offer.