KOGI IRON LIMITED

ABN 28 001 894 033

Interim Report – 31 December 2017

Corporate Directory

Directors	Dr Ian Burston, Chairman Martin Wood, Chief Executive Officer Kevin Joseph, Executive Director Don Carroll, Non-Executive Director Michael Tilley, Non-Executive Director
Company Secretary	Kevin Hart
Registered Office	Lincoln House Unit 23, 4 Ventnor Avenue West Perth WA 6005 Telephone: (08) 9200 3456 Facsimile: (08) 9200 3455
Share Registry	Link Market Services Limited Level 12, QV1 Building 250 St. Georges Terrace Perth WA 6000 Australia Telephone: +61 1300 554 474 Facsimile: +61 2 9287 0303 Email: registrars@linkmarketservices.com.au Website: www.linkmarketservices.com.au
Auditors	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008
Solicitors to the Company	Steinepreis Paganin 1202 Hay Street West Perth WA 6005
Bankers	Commonwealth Bank
Stock Exchange Listing	Kogi Iron Limited shares are listed on the Australian Securities Exchange (ASX). ASX Code: KFE

Contents

Directors Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "consolidated entity") consisting of Kogi Iron Limited (referred to hereafter as the "Company" or "parent entity") and the entities it controlled for the half year ended 31 December 2017.

Directors

The following persons were directors of Kogi Iron Limited during the whole of the financial half year and up to the date of this report, unless otherwise stated:

Dr Ian Burston	Chairman
Martin Wood	Chief Executive Officer (appointed 17 October 2017)
Kevin Joseph	Executive Director
Don Carroll	Non-Executive Director
Michael Tilley	Non-Executive Director

Mr. Wood was appointed as non-executive director on 17th October 2017. On 24th January 2018, Mr Wood was appointed as the Company's Managing Director and Chief Executive Officer. Mr. Wood is the founder and Managing Director of Vicarage Capital Limited, a London based full service brokerage house focused on the resources sector and is a specialist in debt and equity arranging as well as IPO advice. Prior to his current role, he worked at Standard Bank London Limited in deal origination and execution and at N.M. Rothschild & Sons Limited in the structured banking division.

He has extensive experience in raising pre-production equity finance and debt-based project finance internationally, and has worked extensively in project finance for both UK and African banks within African jurisdictions. He brings extensive experience required to bring African based projects to fruition and the skill set needed to operate in African jurisdictions.

Principal Activities

During the financial half year the principal activities of the consolidated entity were to continue to maintain the Agbaja iron ore project in Nigeria in good standing, to continue evaluation studies and commence a testwork program associated with the commercialisation of the Agbaja Project.

Review of Operations

The loss after tax for the consolidated entity for the half year ended 31 December 2017 was $1,578,268 (31 December 2016: $943,519). Loss for the period includes exploration expenditure of $603,155 (2016: $322,371).

Corporate

In September 2017, the Company completed a placement to sophisticated investors raising $715,000 (before costs) by issue of 47,666,667 shares.

On 3 October 2017, the Company terminated the Share Purchase Subscription Agreement with Bergen Global Opportunity Fund, LP ('Bergen'). During the period 26,196,996 shares were issued pursuant to this agreement, raising $418,711 in cash. $136,800 was received in settlement of all outstanding collateral shares that were issued pursuant to the agreement.

20,000,000 unlisted options with an exercise price of $0.0305 and expiry date of 16th November 2019 were granted pursuant to an agreement for the placement that raised $715,000.

Operational

Testwork program:

During the period, sample material was shipped to South Africa to progress pyrometallurgical testing necessary to satisfy commercial requirements and to progress engineering and technical design. The scope of the testwork program includes bulk sample preparation and beneficiation, smelting, refining and process modelling and reporting, and is being conducted by Mintek in South Africa, a global leader in mineral processing and pyro-metallurgy. The aim for the testwork is to definitively confirm the flow sheet for the treatment of Kogi iron ore feedstock for the production of iron billets. The outcome from the testwork will be used to define the final design criteria to complete the Definitive Feasibility Study and ultimately to finalise both debt and equity funding for the Project.

The first stage of testing, Bulk Sample Preparation and Beneficiation, together with mineralogical and bulk chemical analysis of the ore, has been completed. The results of these tests have been positive in showing that using standard crushing and washing the ore does produce an up-graded concentrate suitable for smelting. Test work will now proceed to Stage 2, Smelting.

Stage 2 Smelting, involving pre-reduction of the concentrate followed by smelting in an electric arc furnace to produce pig iron is proceeding and expected to be completed by the end of March 2018.

This will lead to Stage 3 Refining, which will confirm the ideal refining conditions for impurity removal and converting of the pig iron into steel with a chemical composition suitable for steel billet manufacture. Refining testwork will also establish commercial production viability and include sample analysis.

Following this, a final technical report (including a detailed flowsheet design for the treatment of Kogi ore to provide iron ore feedstock for the production of steel billets) will be produced in Stage 4 Process Modelling and Reporting. The detailed flowsheet will be used to complete the DFS.

Mining Leases:

A further Mining Lease ML25376 was granted during the half year ended 31 December 2017 to KCM Mining Limited (KCM), Kogi's 100% owned Nigerian subsidiary. KCM now holds 100% interest in Mining Leases ML24606, ML24607 and ML25376 and retains its interest in Exploration licences EL14847 and EL16998.

Significant changes in the state of affairs

Other than disclosed above, there were no significant changes in the state of affairs of the consolidated entity during the financial half year.

Events since 31 December 2017

Subsequent to the period end, on 9th February 2018, the Company successfully completed a private placement raising $2 million (before costs). On 22 February 2018, the Company announced a Share purchase plan whereby shareholders may subscribe for shares at a price of $0.10 per share. The Share purchase plan is due to close on 16th March 2018.

Other than that disclosed elsewhere in this report, no other matter or circumstance has arisen since 31 December 2017, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 6 of these half year financial statements.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001 and is signed for and on behalf of the directors by:

Ian Burston
Non-Executive Chairman

Dated this 14th day of March 2018
Perth

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DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF KOGI IRON LIMITED

As lead auditor for the review of Kogi Iron Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Kogi Iron Limited and the entities it controlled during the period.

Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 14 March 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2017

	Note	31/12/2017 $	31/12/2016 $
Revenue from continuing operations			
Interest income		611	1,188
Total Income		611	1,188
Expenses			
Accounting and audit fees		(10,481)	(7,415)
Consultancy fees		(260,612)	(169,805)
Travel and accommodation		(47,315)	(158,633)
Corporate expenses		(104,063)	(101,231)
Director & employee expenses		(198,009)	(144,246)
Exploration and evaluation expenditure		(603,155)	(322,371)
Legal fees		(17,726)	(27,465)
Occupancy		(10,852)	(10,884)
Other expenses		(2,896)	(2,656)
Finance costs	4	(323,770)	-
Profit (loss) before income tax expense		(1,578,268)	(943,519)
Income tax expense/(benefit)		-	-
Profit (loss) from continuing operations		(1,578,268)	(943,519)
Profit (loss) attributable to the owners of Kogi Iron Limited		(1,578,268)	(943,519)
Other comprehensive income			-
Items that may be reclassified to the profit and loss account:			
Exchange differences on translation of foreign operations		(4,593)	12,769
Total comprehensive income (loss) for the half year attributable to the owners of Kogi Iron Limited		(1,582,861)	(930,750)
Overall Operations			
Basic profit (loss) per share (cents per share)		(0.003)	(0.002)
Diluted earnings (loss) per share (cents per share)		n/a	n/a

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2017

	Note	31/12/2017 $	30/06/2017 $
Assets			
Current assets			
Cash and cash equivalents	3	104,729	135,182
Trade and other receivables		25,456	60,615
Total current assets		130,185	195,797
Non-current assets			
Deferred facility costs	4	-	431,971
Property, plant and equipment		1,604	4,992
Total non-current assets		1,604	436,963
Total assets		131,789	632,760
Liabilities			
Current liabilities			
Trade and other payables	5	1,541,978	1,379,324
Total current liabilities		1,541,978	1,379,324
Non-current liabilities			
Other financial liabilities	4	-	416,677
Total non-current liabilities		-	416,677
Total liabilities		1,541,978	1,796,001
Net (liabilities)/assets		(1,410,189)	(1,163,241)
Equity			
Contributed equity	6	63,333,715	62,175,602
Reserves	7	1,601,128	1,427,921
Accumulated losses		(66,345,032)	(64,766,764)
Total equity/ (total deficiency in equity)		(1,410,189)	(1,163,241)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement in Changes in Equity

For the half year ended 31 December 2017

	Contributed Equity $	Accumulated Losses $	Reserves $	Total $
Consolidated				
Balance at 1 July 2016	61,233,354	(62,792,897)	1,295,217	(264,326)
Profit (Loss) for the half year	-	(943,519)	-	(943,519)
Foreign exchange movements	-	-	12,769	12,769
Total comprehensive income (loss) as reported at 31 December 2016	-	(943,519)	12,769	(930,750)
Contributions of equity, net of transaction costs	261,570	-	-	261,570
Options granted	-	-	118,244	118,244
Balance at 31 December 2016	61,494,924	(63,736,416)	1,426,230	(815,262)

	Contributed Equity $	Accumulated Losses $	Reserves $	Total $
Consolidated				
Balance at 1 July 2017	62,175,602	(64,766,764)	1,427,921	(1,163,241)
Profit (Loss) for the half year	-	(1,578,268)	-	(1,578,268)
Foreign exchange movements	-	-	(4,593)	(4,593)
Total comprehensive income (loss) as reported at 31 December 2017	-	(1,578,268)	(4,593)	(1,582,861)
Contributions of equity, net of transaction costs	1,158,113	-	-	1,158,113
Options granted	-	-	177,800	177,800
Balance at 31 December 2017	63,333,715	(66,345,032)	1,601,128	(1,410,189)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the half year ended 31 December 2017

	Note	31/12/2017 $	31/12/2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(488,484)	(465,117)
Payments for exploration		(568,221)	(265,630)
Interest received		611	1,188
Net cash (outflow) from operating activities		(1,056,094)	(729,559)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash (outflow) from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,052,318	138,109
Payment of share issue costs		(26,677)	(5,994)
Net cash inflow financing activities		1,025,641	132,115
Net increase/(decrease) in cash and cash equivalents held		(30,453)	(597,444)
Cash and cash equivalents at beginning of financial half year		135,182	740,446
Cash and cash equivalents at end of half year	3	104,729	143,002

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

31 December 2017

Note 1. Significant accounting policies

These general purpose interim financial statements, for the half year reporting period ended 31 December 2017, have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements and are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the consolidated entity's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2017.

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 March 2018.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Consolidated entity has incurred net cash outflow from operating and investing activities for the half year ended 31 December 2017 of $1,056,094 (2016: $729,559). As at 31 December 2017, the consolidated entity had net current liabilities of $1,411,793 (30 June 2017: $1,183,527).

The ability of the Group to continue as a going concern is dependent on securing additional funding. These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that sufficient funds will be available to meet the Group's working capital requirements. However, the Directors recognise that the ability of the Group to continue as a going concern is dependent on the Group being able to secure additional funding through either the issue of further shares and or options or convertible notes or a combination thereof as required to fund ongoing exploration and evaluation studies and for working capital.

The directors note that $1,024,375 (2016: $767,048) of the $1,541,978 (2016: $1,311,914) in total liabilities due are owed to the current Board members who will not call in the debt until such time as an Asset Realisation event occurs on the Agbaja Project or the Board determines the Company has sufficient cash reserves available and as long as the repayment will not cause any insolvency issue to the Company.

Subsequent to the period end, the Company successfully completed a private placement raising $2,000,000 (before costs) and has also launched a Share Purchase Plan to raise additional funds required in the next twelve months. If the current testwork programs deliver positive results, further funds will be raised at the appropriate time to complete the definitive feasibility study for the Agbaja Project.

Based on the above, the Group currently believes that it will successfully raise additional funds, as required, to meet its financial obligations in future periods. As a result the financial report has been prepared on a going concern basis. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Note 2. Changes in accounting policy, estimates, disclosures

The accounting policies adopted are consistent with those of the previous financial year.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Accounting estimates have been made on a consistent basis with those of the previous financial year.

Note 3. Cash and cash equivalents

	31/12/17 $	30/06/17 $
Cash at bank and on term deposit	104,729	135,182

Note 4. Other financial assets and liabilities

	31/12/2017 $	30/06/2017 $
(a) Deferred finance facility costs		
Deferred costs	-	431,971
(b) Other financial liabilities		
Collateral shares at fair value through profit and loss	-	183,827
Convertible advances at fair value through profit and loss	-	232,850
	-	416,677

On 3 October 2017, the Company terminated the private placement funding agreement with Bergen Global Opportunity Fund, LP ('Bergen'). The final share subscription was issued in November 2017 and all collateral shares were repaid by Bergen during the period.

During the period, the Company recognised $323,770 of finance costs in relation to the unwinding of the deferred finance facility costs.

Note 5. Trade and other payables

	31/12/2017 $	30/06/2017 $
Trade payables	60,050	68,448
Accrued director fees	1,453,702	1,236,487
Other payables	28,226	74,389
	1,541,978	1,379,324

Note 6. Contributed Equity

(a) Share Capital	31/12/17 $	30/06/17 $
Ordinary shares, fully paid	63,109,859	61,951,746
(b) Other equity securities:		
Value of conversion rights – convertible notes	223,856	223,856
Total Contributed Equity	63,333,715	62,175,602
(c) (i) Ordinary shares		
At the beginning of the reporting period	61,951,746	61,009,498
Shares issued during the year	1,685,595	1,089,635
Transaction costs relating to share issues	(527,482)	(147,387)
At the end of the reporting date	63,109,859	61,951,746

(c) (ii) Movements in Ordinary shares

Date	Details		No. of shares	Value
31-Dec-16	Balance		475,520,612	61,271,068
31- Jan-17	Issue		4,452,162	89,043
03-Mar-17	Issue		6,006,944	84,097
15-Mar-17	Issue		6,600,000	-
05-Apr-17	Issue		3,313,014	89,451
13-Apr-17	Issue		9,595,456	230,291
05-May-17	Issue		3,982,636	75,670
06-Jun-17	Issue		4,020,198	80,404
27-Jun-17	Issue		4,800,000	-
		Less transaction costs	-	(147,387)
30-Jun-17	Balance		518,291,022	61,951,746
07-Jul-17	Issue		3,885,306	73,821
27-Jul-17	Issue		5,959,191	113,225
08-Aug-17	Issue		4,238,186	76,287
08-Sep-17	Issue		5,760,302	144,008
18-Sep-17	Issue		47,666,667	715,000
12-Oct-17	Issue		4,041,645	161,665
15-Nov-17	Issue		2,312,366	184,989
	Collateral shares paid up		-	216,600
		Less transaction costs	-	(527,482)
31-Dec-17	At reporting date		592,154,685	63,109,859

Note 6. Contributed Equity (continued)

(c) (iii) Number of ordinary shares (summary)

	31/12/2017	30/06/2017
	(number of shares)	
At the beginning of the reporting period	518,291,022	453,069,815
Shares issued during the reporting period	73,863,663	65,221,207
At reporting date	592,154,685	518,291,022

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands.

(d) Options

	(number of options)	
At the beginning of the period	9,800,000	114,716,606
Options issued during the period	20,000,000	9,800,000
Options expired during the period	-	(114,716,606)
	29,800,000	9,800,000

Options issued during the period were granted to Leadenhall Australia Pty Ltd, in accordance with an agreement for corporate advisory services and assistance with capital raisings. The options are exercisable on or before 16 November 2019 at an exercise price of $0.0305. (Refer note 8)

Summary of options on issue	Exercise price	Expiry	(number of options)	
Unlisted options	$0.0305	16 Nov 2019	29,800,000	9,800,000
			29,800,000	9,800,000

Note 7. Reserves

	31/12/2017 $	30/06/2017 $
Share based payments reserve	1,657,374	1,479,574
Foreign currency translation reserve	(56,246)	(51,653)
	1,601,128	1,427,921
Movements:		
Share based payments reserve		
Balance at beginning of period	1,479,574	1,361,330
Fair value adjustment, based on probability of vesting conditions being achieved	177,800	118,244
Balance at end of period	1,657,374	1,479,574
Foreign currency translation reserve		
Balance at beginning of period	(51,653)	(66,113)
Currency translation differences arising during the period	(4,593)	14,460
Balance at end of period	(56,246)	(51,653)
Total Reserves	1,601,128	1,427,921

(a) Nature and Purpose of Reserves

(i) Share based payment reserve

The share based payments reserve is used to record the fair value of equity instruments issued by the consolidated entity to directors as part of remuneration and to third parties for the provision of services settled in equity.

(ii) Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve.

Note 8. Share based payments

The Company had the following equity settled transactions:

Unlisted options

In September 2017, the Company announced the completion of a placement to sophisticated investors raising $715,000, in conjunction with the capital raising, the Company entered into an agreement with Leadenhall Australia Pty Ltd whereby Leadenhall received corporate advisory fees (including for among other things providing assistance with capital raisings) for the period to 31 December 2017. In addition to fees paid, the Company granted 20,000,000 unlisted options exercisable by the payment of $0.0305 cents per option on or before 16 November 2019.

The valuation of the options has been determined based upon a Black Scholes calculation on date of grant giving a total value of $247,791. The following are the inputs of the Black Scholes valuation:

Grant date	18 September 2017
Number of options	20,000,000
Expiry date	16 November 2019
Estimated volatility (%)	150%
Risk-free interest rate (%)	1.96%
Exercise price	$0.0305
Share price at grant date	$0.019
Discount for lack of marketability	30%
Valuation per option	$0.0089
Total Value	$177,800

Note 9. Contingencies

There have been no changes in contingent liabilities or contingent assets since the end of the previous annual reporting period, 30 June 2017.

Note 10. Commitments

Annual licence fees payable to the government of Nigeria for the Mining and Exploration licences the group plans to retain in the next twelve months have increased to $170,853 (30 June 2017: $51,340).

Other than the above, there have been no material changes in commitments since the end of the previous annual reporting period, 30 June 2017.

Note 11. Financial instruments

Carrying amounts and fair values

At 31 December 2017 the Group carries the following financial instruments, which are not measured at fair value:

- Current receivables
- Current payables
- Cash & cash equivalents

Due to their short term nature, the carrying amount of current receivables, current payables and cash and cash equivalents is assumed to approximate their fair value.

Liquidity risk

Vigilant liquidity risk management implies maintaining sufficient cash balances and access to equity funding to enable the group to pay its debts as and when they become due and payable.

The Board of directors' monitor the cash levels of the group on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage liquidity risk.

As at the reporting date the group had sufficient cash reserves to meet its immediate requirements, having completed a recent private placement to sophisticated investors of $2million. The group may need to secure additional equity or debt funding to enable it to meet its ongoing requirements and expand its operations.

Note 12. Segment Reporting

The Company engages in a single main operating segment, being mineral exploration and evaluation, from which it currently earns no revenue and incurs costs associated with carrying out exploration and evaluation. The Company's results are analysed as a whole by the Board of Directors.

Segment information

Segment information for the 6 months ended 31 December 2017 is as follows:

31 December 2017	Exploration and Evaluation	Total
Segment revenue		
Interest Income	611	611
Total segment revenue/income	611	611
Segment result		
Loss after income tax	(1,578,268)	(1,578,268)
Segment assets		
Cash and cash equivalents	104,729	104,729
Property, plant and equipment	1,604	1,604
Other assets	25,456	25,456
Total assets	131,789	131,789
Segment liabilities		
Trade and other payables	1,541,978	1,541,978
Total Liabilities	1,541,978	1,541,978

31 December 2016	Exploration and Evaluation	Total
Segment revenue		
Interest Income	1,188	1,188
Total segment revenue/income	1,188	1,188
Segment result		
Loss after income tax	(943,519)	(943,519)

30 June 2017		
Segment assets		
Cash and cash equivalents	135,182	135,182
Property, plant and equipment	4,992	4,992
Other assets	492,586	492,586
Total assets	632,760	632,760
Segment liabilities		
Trade and other payables	1,379,324	1,379,324
Total Liabilities	1,379,324	1,379,324

Note 13. Related party transactions

Unpaid director fees

The table below details as at the reporting date the amount of accrued director fees owing to current Board members. The Directors have agreed that they will not call in the debt until such time as an Asset Realisation event occurs on the Agbaja Project or sufficient funds are raised and as long as the repayment will not cause any insolvency issue to the Company.

Name	Balance 01/07/17 $	Remuneration incurred but not paid for the period $	Loan balance as at 31/12/17 $
Dr Ian Burston	350,000	50,000	400,000
Martin Wood	-	12,500	12,500
Kevin Joseph	247,122	34,753	281,875
Don Carroll	210,000	30,000	240,000
Michael Tilley	60,000	30,000	90,000
Ajakpovi Mena^^	-	56,640	56,640
Total	867,122	213,893	1,081,015

*amount accrued as payable to Mr Kevin Joseph is US$220,000

^^ amount accrued as payable to Mr Mena as local director of Nigerian subsidiary KCM Mining Limited

The table below details as at the reporting date the amount of accrued and unpaid director fees owing to previous Board members.

Name	Balance 01/07/17 $	Remuneration incurred but not paid for the period $	Loan balance as at 31/12/17 $
Estate Late Brian King	180,000	n/a	180,000
Joe Ariti	99,032	n/a	99,032
Nathan Taylor	90,333	n/a	90,333
Total	369,365	-	369,365

Note 14. Events subsequent to the end of the reporting period

Subsequent to the period end, on 9th February 2018, the Company successfully completed a private placement raising $2 million (before costs). On 22 February 2018, the Company announced a Share purchase plan whereby shareholders may subscribe for shares at a price of $0.10 per share. The Share purchase plan is due to close on 16th March 2018.

Other than that disclosed elsewhere in this report, no other matter or circumstance has arisen since 31 December 2017, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

Declaration by Directors

In the opinion of the Directors of Kogi Iron Limited:

(a) The interim financial statements and notes thereto are in accordance with the Corporations Act 2001 and:

- (i) comply with Australian Accounting Standard AASB134 "Interim Financial Reporting", the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date.

(b) There are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Ian Burston
Non-Executive Chairman

Dated this 14th day of March 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kogi Iron Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Kogi Iron Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter – Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

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Director

Perth, 14 March 2018