

QUARTERLY REPORT – June 2016

Australian based iron ore 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 June 2016.

Key activities by the Company during the quarter were:

FEASIBILITY STUDY

During the quarter, the Company announced substantial completion of a Feasibility Study on the Agbaja iron ore and steel project in Nigeria.

The study confirmed the technical and economic viability of the project based on certain assumptions, and its ability to produce steel products for the domestic Nigerian and European markets.

Key outcomes and assumptions of the study included:

- Agbaja is a technically robust and economically viable project subject to a range of assumptions. The study was conducted and confirmed by Kogi based on extensive testing and technical inputs from major international groups such as Coffey, Mintek, Tenova and Metso;
- Funding options, including debt through international institutions are now being sought;
- Confirmation that the coal and limestone required for the project are available locally and in abundance.

Nigeria has a substantial domestic demand for steel products, which is currently met largely through imports. The Agbaja project, located about 200km south of Nigerian capital Abuja, opens the opportunity for domestic production of pig iron products.

The Company also believes there are significant market opportunities in the European market for the style of product that can be produced at Agbaja.

The Company will make further disclosures in due course on the project parameters, in line with updated ASX guidelines for DFS announcements.

Project scope

The Agbaja Iron Ore Project is based in Kogi State, 200km south of the Nigerian capital Abuja.

The Company holds six exploration licenses covering 233.6sq km, with Mineral Resources currently estimated at 586Mt with an estimated average grade of 41.3% Fe. Most of the tonnage is classified as Indicated (488Mt at 41.4% Fe), with the balance as Inferred (120Mt at 41.1% Fe).

Kogi has delineated a Stage 1 mining area of 7.2 sq km with a JORC-compliant Indicated Mineral Resource of 158Mt, an estimated average grade of 46.1% Fe and virtually no overburden.

A stage 2 mining area of 2.2sq km contains a further 66Mt of Inferred Mineral Resource, with an estimated average grade of 44.8% Fe.

The Definitive Feasibility Study will be completed when the environmental, financing, technical design and budgeting are finalised to a level in line with the ASX's updated disclosure requirements.

Mining

Subject to final feasibility and financing, Kogi intends to engage a mining contractor for mine site development, overburden and waste removal, open-pit mining, haulage and ore feed to a primary crushing plant located less than one kilometre from the boundary of the mining area.

The plan is for mining operations to be initially conducted on a 12 hour shift, 350 days of the year, with no production drilling or blasting required due to the soft, friable material. Kogi is expecting this would be essentially a 'free-dig' operation.

Processing

The plant design is based around a size reduction process, comprising a two-stage crushing and screening circuit, followed by high pressure washing for treating the oolitic ore.

Following washing, the ore would be converted to sponge iron and completed by refinement into steel.

The conversion to sponge iron and thence to steel would remove a significant portion of the impurities to within international standards.

The process has been confirmed as technically viable through extensive testing by South African group Mintek and German group Haver.

While the Agbaja plant design is specific to the oolitic orebody, Kogi's reduction process is long established as a method of making steel products throughout the world.

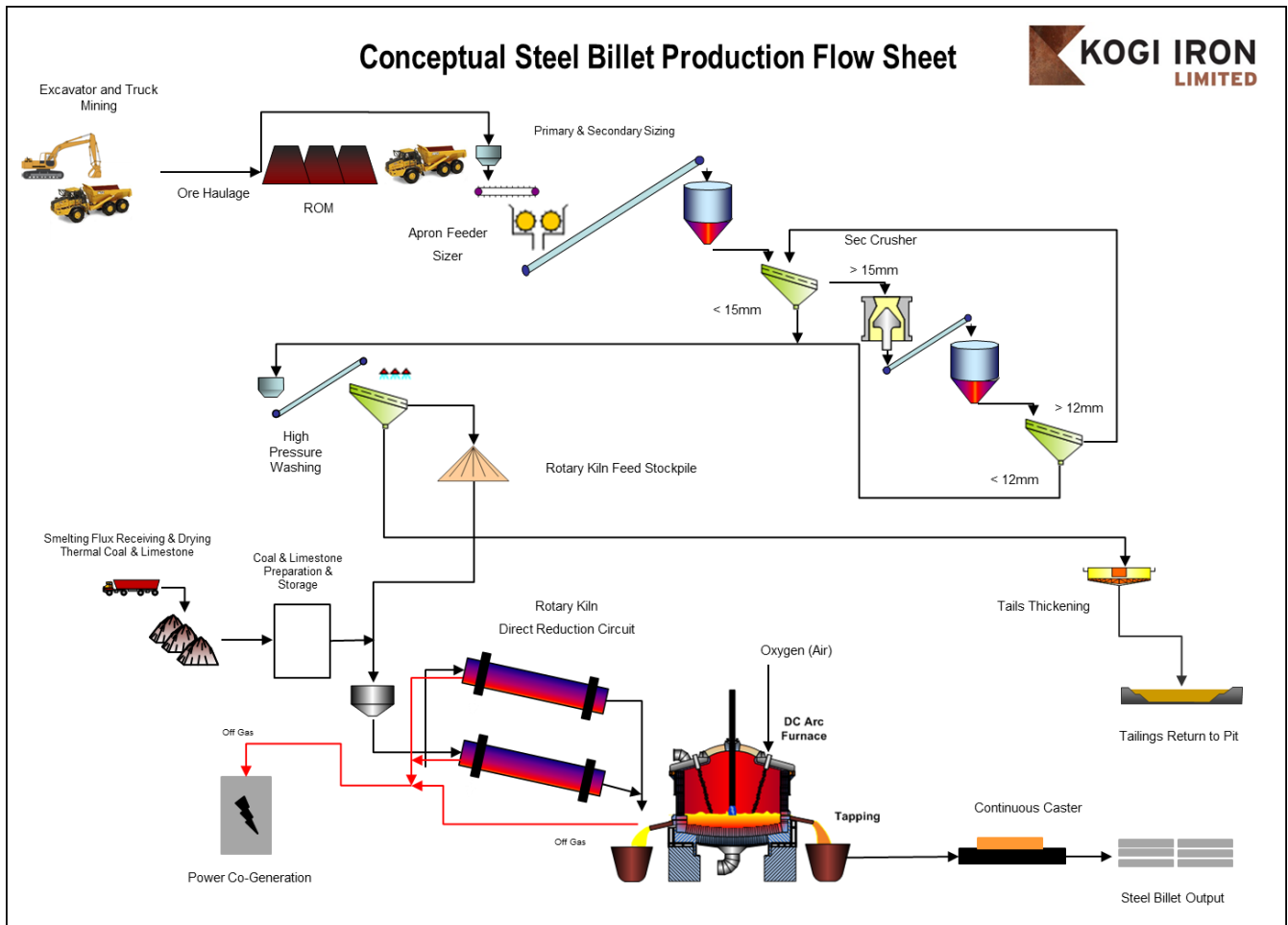


Illustration 1 – Conceptual Production Flow Sheet

CAPITAL RAISING

During the quarter the Company announced it had finalised a placement of ordinary shares to Institutional and Sophisticated investors, as announced to the market on 11 May 2016. In total, the placement raised gross proceeds of \$546,000 through the issue of 36,400,000 shares at 1.5 cents.

Earlier in the quarter, the Company also completed a successful Share Purchase Plan (“SPP”). A total of seventy-five shareholders applied for 38,999,979 shares under the SPP at an issue price of 1.3c/share.

DIRECTOR APPOINTMENT

Subsequent to the quarter end, the Company announced the appointment of Michael Tilley as a Non-Executive Director.

Mr Tilley is the Chairman and founder of Melbourne-based corporate advisory firm Terrain Capital. He brings to Kogi a long career in advising a wide range of listed companies on all facets of corporate finance. He is also Chairman of ASX-listed Elysium Resources Limited.

The appointment of Mr Tilley to the Board was part of Kogi’s move to expand internal capability as it moves to the next stage of developing the Agbaja iron ore and steel project in Nigeria.

Corporate

At the end of the quarter, the Company had cash at bank of approximately \$0.7 million.

As at 30 June 2016, the Company has 453,069,815 fully paid ordinary shares on issue and 114,716,606 ASX quoted options (exercise price \$0.08, expiry date 31 May 2017).

Mineral Tenements

As at 30 June 2016, 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:

Exploration Licence	6350	Exploration Licence	12124
Exploration Licence	8583	Exploration Licence	12847
Exploration Licence	8886	Exploration Licence	16998

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About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a Perth-based company with the objective of becoming an African iron ore producer through the development of its 100% owned Agbaja iron ore project located in Kogi State, Republic of Nigeria, West Africa ("Agbaja" or "Agbaja Project"). The Company has completed a Preliminary Feasibility Study which determined that the development and operation of a mine and processing plant at Agbaja to produce 5 Mtpa of iron ore concentrate is technically feasible, economically viable and socially and environmentally acceptable. Concentrate from Agbaja will initially be transported via river barge along the Niger River to the Gulf of Guinea and world export markets. The Company will continue to advance access and usage agreements for an existing under-utilised heavy haulage railway that runs from near the Agbaja Project to Port Warri. This existing railway remains an important part of a longer term transport solution for an expanded production profile.

In recent years Nigeria has sought to diversify its economy, which is dominated by hydrocarbons, into minerals and related industries. Nigeria is the largest country by population in Africa with a GDP growth rate of 7.2% in 2014. The country has very transparent and consistent mining regulations and very favourable fiscal terms for foreign investment in mining.

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 EL12124.

Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

Competent Persons' Statements

The information in this announcement that relates to Mineral Resources at Agbaja is extracted from the ASX announcement entitled "Mineral Resources at Agbaja Increase 20% to 586MT includes an Indicated Resource of 466MT" and is available to view on www.kogiiiron.com. The Company confirms that it is not aware of any information or data that materially affects the information included in the original market announcement and, in the case of estimated Mineral Resources or Ore Reserves, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 announcement.