

AGBAJA PROJECT SCOPING STUDY UPGRADED TO PRELIMINARY FEASIBILITY STUDY ("PFS") LEVEL

Highlights

- Assessment of the Agbaja Project now being completed to a Preliminary Feasibility Study level
- Recently completed 466Mt Indicated Mineral Resource underpins the higher confidence level
- Timeline for completion of the Preliminary Feasibility Study remains unchanged – end of Q1 2014

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") are pleased to advise that the study underway to assess the technical and economic viability for development of the 100% owned Agbaja Iron Ore Project ("Agbaja" or "Agbaja Project") has been upgraded from a Scoping Study to a Preliminary Feasibility Study ("PFS") and remains on track for completion by the end of Q1 2014.

The upgrade to a PFS is founded on the recently completed Indicated Mineral Resource for the Agbaja Project of 466 million tonnes with an in-situ iron ore grade of 41.4% Fe. (refer 10 December 2013 ASX announcement), and the comprehensive and detailed nature of the study work that is currently underway and nearing completion.

As outlined in recent ASX announcements, the level of detail to which the various studies forming the basis of the technical and economic assessment of the Agbaja Project are being completed, are consistent with the requirements of a PFS. The studies underway include preferred mine design (with material movement schedules), a preferred mineral processing method and associated plant design, a transport study, a market study, and an environmental and social impact assessment study. Detailed capital cost and operating cost estimates (including mining, power, barging, slurry pipe and water return) are being obtained from prospective contractors and suppliers, enabling financial modeling of the proposed development.

Kogi Iron's Managing Director, Iggy Tan explained: "The study work embarked on by the Company this year was deliberately specified at a level of detail consistent with the requirement of a PFS in anticipation of the upgrade of the majority of the Mineral Resources at the Agbaja Project from Inferred to Indicated towards the end of this year. The new JORC code (2012) is quite prescriptive in that any technical and economic studies, no matter how detailed, assessing the viability of the development of Inferred mineral resources can only ever constitute a Scoping Study for the purposes of public reporting. The 10 December 2013 ASX announcement by the Company of a 466 million tonne Indicated Mineral Resource at Agbaja was the catalyst to enable the Company to consider upgrading the previously announced Scoping Study to a PFS."

"Advancing straight to a PFS is a credit to the Nigerian and Australian based members of the study team; it positions the Company well to continue to advance the Agbaja Project towards development. This strategy effectively fast tracks the time it takes to reach a development decision by completing the technical and economic assessments of the project to a high level of detail from the outset. This is consistent with Kogi's status as a first mover in Nigeria's iron ore mining industry and our stated aim of becoming an African iron ore producer."

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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 is conducting a Scoping Study on a potential iron ore operation at the Agbaja Plateau initially utilizing barging transport of its iron ore product along the Niger River to Warri Port 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 2013. 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 of approximately 400km² covering 15 tenements, with the main focus being EL12124 which covers a large part of the Agbaja Plateau. The Agbaja Plateau hosts an extensive, shallow, flat-lying channel iron deposit with Indicated and Inferred Mineral Resources 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 Person's Statements

The information in this announcement that relates to the Mineral Resource for the Agbaja Project is extracted from the report entitled "Mineral Resources at Agbaja Increase 20% to 586MT Includes an Indicated Resource of 466MT" created on 10 December 2013 and is available to view of the Kogi Iron web site www.kogiiron.com. The Company confirms that it is not aware of any new information or data that materially affect the information included in the original market announcement and, in the case of estimates of Mineral Resources, that 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.

