



26 February 2012

Company Announcements
ASX Limited
Level 8, Exchange Plaza
PERTH WA 6000

Summary of the phase 1 metallurgical test work program

Kogi Iron Limited (ASX “KFE”) (“Kogi” or the “Company”) is pleased to provide a summary of the phase 1 metallurgical test work program (the “phase 1 program”) that was completed in January 2013, the results of which were contained in the Company Update that was released to the ASX on 1 February 2013 (the “Company Update”).

This summary is provided in response to feedback from a variety of shareholders that some of the technical language used in the Company Update made it difficult to comprehend the phase 1 program and the results obtained.

Summary

The phase 1 program consisted of two parts: Iron Beneficiation test work, and Mineralogy test work.

Iron Beneficiation

Simply put, the Company took samples from diamond core drilled material that represents the two principal types of iron-rich material contained within the Stage 1 Resource Area¹ (refer Figure 2) at the Agbaja Project.

Material within the Stage 1 Resource Area consists of an upper layer representing about 29% of the Inferred Mineral Resource, which is Lateritic ironstone in a sandstone bedding, and a lower layer representing about 71% of the Inferred Mineral Resource, which is Oolite ironstone predominantly goethite and maghemite.

The iron beneficiation test work involved the testing of two composite samples from each of the two “layers” of material. Each sample was subjected to crushing then either screening and gravity separation or, high intensity magnetic separation (HIMS), to determine the grade of Fe recoverable from the sample and the amount of deleterious materials (waste and impurities) removed during each test.

Results: HIMS provided superior Fe yield for “rougher” concentrates compared to screening and gravity separation. Despite Fe grades not achieving target grade (56%-58%) on a single pass HIMS test, the data suggests iron yield (recovery) can be maximised by HIMS “roughing”, followed by further crushing, “cleaning” and “re-cleaning”.

¹ The Stage 1 Resource Area is the area within which the Company's maiden Inferred Mineral Resource of 488Mt at 42.7% Fe was estimated (refer ASX announcement dated 28 September 2012 for details).

Mineralogy

Samples were taken from one diamond drill hole and subjected to microscopic study to better understand the composite nature of the mineral matrix, i.e. what did the mineral-bearing material really contain and in what form.

Results: The deportment (location) of phosphorous within the Laterite and Oolite ironstone is a combination of discrete phosphorous grains and adsorbed (surface accumulation/coating) phosphorous, consequently it is likely that iron ore from the Agbaja Project will contain phosphorous levels that are more suited to Long Products (steel used in construction).

Phase 2 program

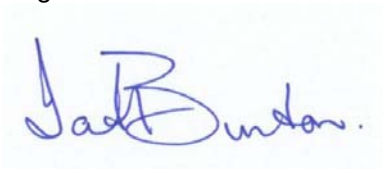
Analysis of the results from the phase 1 program has resulted in the initiation of the second phase of test work with the aim of:

- testing beneficiation of the two mineralised “layers” as a single composite; if successful this may allow for optimisation of the production process;
- lifting recovery to 58% Fe or better, and
- minimising the deleterious elements reporting to the concentrate (final product).

During phase 2, particular attention will be paid to crushing and grinding sizing with the aim of maximising the reduction of impurities and HIMS to optimise iron recovery.

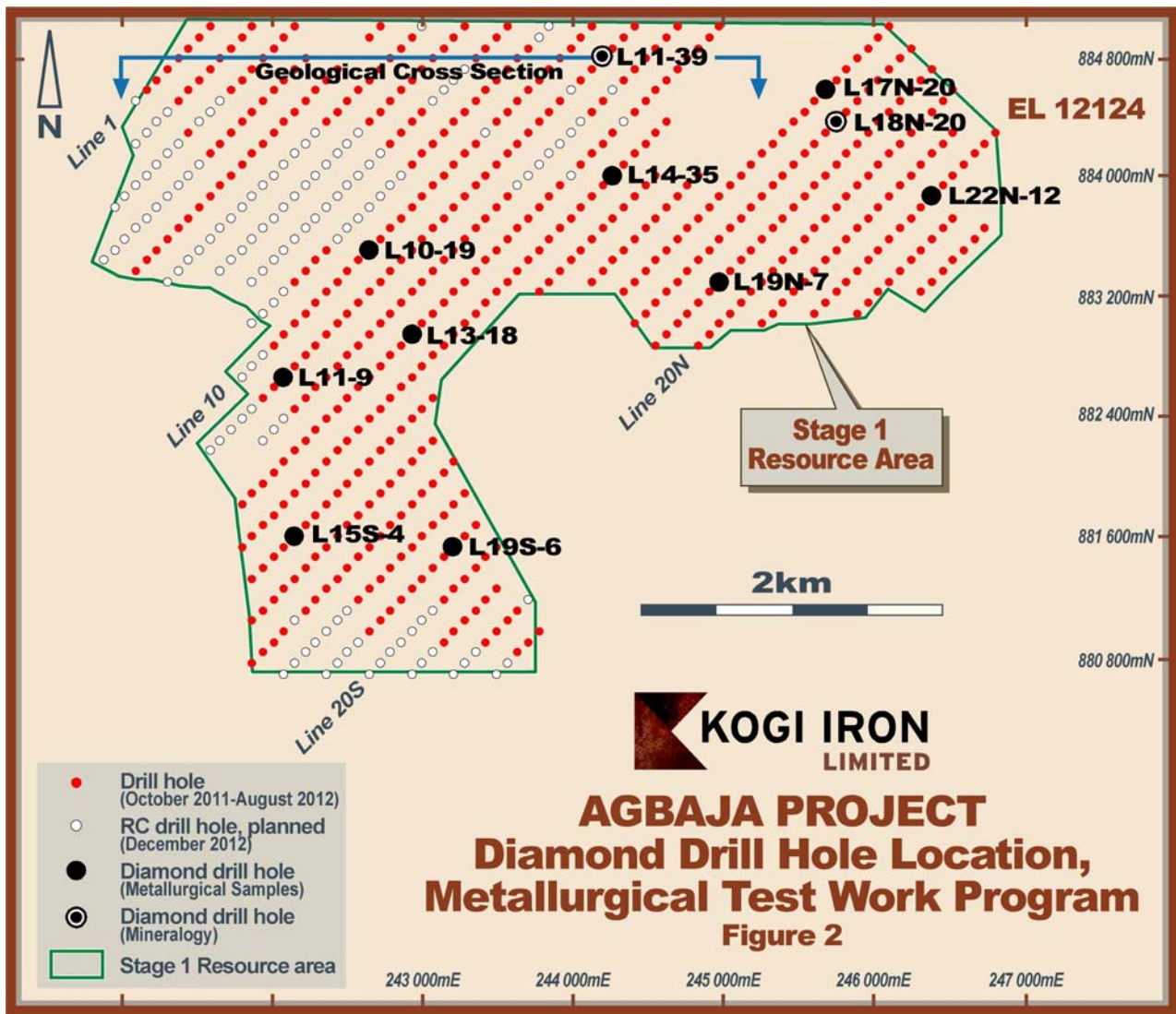
Phase 2 test work has commenced; the program will take between 4 and 6 months and the Company will keep shareholders informed as meaningful results become available.

Yours faithfully
Kogi Iron Limited



Dr Ian Burston
Non-Executive Chairman





About Kogi Iron Limited

Kogi Iron Limited (**ASX: KFE**) ("Kogi Iron" or the "Company") is an ASX listed company focused on the exploration and development of its 100% owned Agbaja Plateau Iron Ore Project located in Kogi State, Republic of Nigeria, West Africa ("Agbaja" or "Agbaja Project").

The Agbaja Project is a shallow, flat-lying channel iron deposit uniquely positioned with its proximity to existing, underutilised rail, and port infrastructure. It typically comprises iron-bearing nodules (ooids, 1-2mm and pisoids, 2-9mm) in an iron rich matrix. Iron mineralisation occurs predominantly as goethite and maghemite/magnetite.

In October 2011, the Company commenced a reverse circulation resource definition drill program at Agbaja with the objective of defining a maiden JORC resource by late Q3 2012. On 28 September 2012, the Company announced a maiden JORC compliant mineral resource at its Agbaja Project of 488 million tonnes with an in-situ iron grade of 42.7% classified as Inferred.

The Company is currently completing additional resource definition drilling, a metallurgical test program and is undertaking a number of reviews and studies to enable it to prepare a scoping study during 2013.

Kogi Iron has on issue 285,184,126 fully paid ordinary shares, and 16,517,329 listed and unlisted options.



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