

QUARTERLY REPORT – JUNE 2014

Highlights:

- Share placements completed raising a total of \$1.16 million
- \$1.9 million non-renounceable Entitlement Offer initiated
- All non-executive directors subscribed to their full entitlement under the Entitlement Offer, and those that advanced loans to the Company converted them to equity
- Company reorganisation completed

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 2014.

Key activities by the Company during the quarter were:

Share Placements

On 17 June 2014, the Company announced the following capital raising initiatives:

- a share placement of 33,333,333 new ordinary shares at \$0.03 per share (including a free attaching option with an exercise price of \$0.08 expiring 31 May 2017 ("Attaching Option") for each new share) for an aggregate consideration of \$1.0 million, to Lanstead Capital L.P. ("Lanstead"); and
- a share placement of 5,333,333 ordinary shares at \$0.03 per share including an Attaching Option for each new share, to various professional and sophisticated investors, raising \$160,000 (before costs).

Lanstead

The Company placed 33,333,333 new ordinary shares at \$0.03 per share ("Lanstead Subscription Shares") and 33,333,333 Attaching Options for an aggregate consideration of \$1,000,000. Of the aggregate consideration the Company has applied \$150,000 for working capital and the balance of \$850,000 has been invested in an Equity Swap agreement with Lanstead, which allows the Company to retain much of the economic interest in the Lanstead Subscription Shares. For more details refer to the ASX Announcement dated 17 June 2014.

Share Placement

A variety of professional and sophisticated investors who are all currently shareholders of the Company subscribed for \$160,000 of new shares at \$0.03 per share with an Attaching Option. The Company acknowledges the on-going support of these individuals.

Non-renounceable Entitlement Offer

On 17 June 2014, the Company also announced the launch of a partially underwritten pro-rata, non-renounceable entitlement offer on the basis of one new share at \$0.03 including an Attaching Option, for each five shares held at the record date, to raise up to an additional \$1.9 million ("Entitlement Offer").

The Entitlement Offer closed on 15 July 2014, and as at the date of this report 77% of the available shares under the offer have been applied for and allotted by the Company. Given current capital market conditions, the level of participation for the offer was pleasing and the Directors acknowledge the on-going support for the Company from shareholders.

Non-executive director participation in the Entitlement Offer totalled \$595,000. Under the Entitlement Offer, each non-executive director subscribed to 100% of their individual entitlement, and each non-executive director that advanced a loan to the Company in May 2014, converted the entire loan to equity.

Company Reorganisation

As announced on 6 May 2014, the Company implemented a reorganisation to minimise costs in response to the general weakness in capital markets and available funding for exploration and development companies. There were no changes to the Company's Nigerian operations, where executive director Mr Kevin Joseph and his team continued to maintain the Agbaja Project, including progressing the Environmental Impact Assessment study towards formal approval.

Since the reorganisation, the Company's Chairman, Dr Ian Burston has become more actively involved with the immediate strategy of the Company and non-executive director, Mr Brian King has been overseeing day-to-day activities.

Corporate

As at the date of this report, the Company has cash at bank of approximately \$1.0 million.

As at the date of this report, the Company has 409,905,169 fully paid ordinary shares on issue (ASX: KFE) and 88,039,939 listed options (ASX: KFEO) with an exercise price of \$0.08 and an expiry date of 31 May 2017.

Mineral Tenements

As at 30 June 2014, the following mineral tenements were held by KCM Mining Limited, a 100% owned subsidiary of Kogi Iron. All of the mineral tenements are located in the Federal Republic of Nigeria and KCM Mining Limited has a 100% interest in each tenement:

Exploration Licence 8583	Exploration Licence 12124
Exploration Licence 8886	Exploration Licence 9791
Exploration Licence 6350	Exploration Licence 9792
Exploration Licence 6351	Exploration Licence 9793
Exploration Licence 6352	Exploration Licence 9794
Exploration Licence 7060	Exploration Licence 9796
Exploration Licence 7061	Exploration Licence 9797
Exploration Licence 10586	Exploration Licence 13258
Exploration Licence 14847	

For more information, please contact:

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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 of approximately 400km² covering 16 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 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.kogiron.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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8 Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10, 01/05/2013

Name of entity

KOGI IRON LIMITED

ABN

28 001 894 033

Quarter ended ("current quarter")

30 June, 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(116)	(2,758)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(419)	(1,771)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	18
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Research and Development refund	-	357
	Net Operating Cash Flows	(533)	(4,154)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(9)
1.9	Proceeds from sale of:	-	-
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	- Disposal of fixed assets	2	2
	Net investing cash flows	2	(7)
1.13	Total operating and investing cash flows (carried forward)	(531)	(4,161)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(531)	(4,161)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	160	2,375
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (Director Loans)	300	300
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - payment of finance lease	-	-
1.19	Other - share issue costs	(57)	(92)
	Net financing cash flows	403	2,583
1.20	Net increase (decrease) in cash held	(128)	(1,578)
1.21			
1.22	Cash at beginning of quarter/year to date	240	1,693
	Exchange rate adjustments to item 1.20	5	2
	Cash at end of quarter	117	117

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	81
1.24	Aggregate amount of payments to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors remuneration

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount Available \$A'000	Amount Used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and Evaluation	250
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	450

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	117	240
5.2 Deposits at call	-	-
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	117	240

Changes in interest in mining tenements and petroleum tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements and petroleum tenements acquired or increased				

+ See chapter 19 for defined terms.

Issues and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 Partly paid ⁺securities				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	360,531,896	312,631,896		Fully paid
7.4 Changes during quarter				
(a) Increases through issues	40,333,333	40,333,333	\$0.03	Fully paid
(b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities (description)				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options				
7.8 Issued during quarter				

⁺ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

7.9	Exercised during quarter				
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to the ASX (see note 5).
- 2 This statement does ~~does not~~ give a true and fair view of the matters disclosed.

Sign here:



Dated: 31 July, 2014

Print Name: Shane Volk
(Director/Company Secretary)

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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