28 August 2014

Company Update

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 provide an update to shareholders in respect of the Company.

Completion of Entitlement Offer

Further to its 8 August 2014 announcement in relation to the completion of the placement of the remaining shortfall shares from the 1:5 non-renounceable Entitlement Offer at $0.03 per share with a free attaching option (exercise price $0.08 expiring 31 May 2017), the Board of Directors acknowledge the support of existing shareholders and the participation of new investors in the fully subscribed Entitlement Offer, which raised approximately $1.921 million, before costs and the set-off of director loans to the Company.

The capital structure of the Company following the close of the Entitlement Offer is:

Ordinary shares listed on ASX	376,669,836
Loan performance shares not listed on ASX and subject to vesting conditions	47,900,000
Total ordinary shares	424,569,836
31 May 2017 options listed on ASX (exercise price $0.08)	102,704,606

The Company is now well positioned with no debt, significant costs taken out of the business, cash of approximately $1.1 million and a completed preliminary feasibility study to underpin discussions in relation to realising value from the Agbaja project, located in Kogi State, Republic of Nigeria ("**Agbaja Project**").

Agbaja Project

The Company has commenced a process to realise value from the Agbaja Project, which could involve a joint development with a strategic partner, or a partial sell down of Kogi's interest in the Agbaja Project, or acquisition by a counterparty of all the issued capital in Kogi Iron.

To that end, the Company has engaged with several diversified and vertically integrated Nigerian industrial groups that have all expressed an interest in possible involvement in the Agbaja Project. Following the approaches, initial meetings have been held in London and Dubai with the respective groups, and confidentiality deeds executed to facilitate the exchange of more detailed information about the Company and the Agbaja Project.

Although discussions with the groups are at an early stage, commercial-in-confidence and incomplete, the Board is encouraged by the early progress, and depth of understanding of the Agbaja Project and the Company that the groups have demonstrated to date, based on available public domain information. The Company anticipates further meetings with the groups in coming months to progress discussions. Shareholders will be informed in a timely manner of any significant developments, albeit the process is expected to take a minimum of six months.

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In support of the process to realise value, the Company is holding discussions with potential customers for iron ore product from the Agbaja Project. These discussions are of a preliminary nature and have the objective of securing indicative offtake quantities and investment interest.

For more information, please contact:

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About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a Perth-based company which owns 100% of the 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 is initially proposed to 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 400km^2 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.kogiiron.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, 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.