

8 November 2019

## PERFORMANCE RIGHTS – FAQs

Dear Shareholders,

Resolutions 9 to 12 outlined in the recently distributed Notice of AGM and Explanatory Memorandum seeks Shareholder approval for the issue of Performance rights to the directors. These rights are to further motivate and reward the performance of Directors in achieving specified performance milestones within a specified performance period. The objective to issue shares to Directors if performance hurdles are met aligns with Shareholders driving for completion of the Bankable Feasibility Study and increase in the value of the Company. Please refer below for a series of frequently asked questions and the answers.

*1. Are the directors to be paid consulting fees in addition to the Performance Shares?*

Answer: The intention of the Performance Rights is to both compensate and provide incentives to the directors. Apart from the Managing Director which is a full time position, the directors will not be paid consulting fees over and above the usual director fees approved by Shareholders

*2. What rules are the Performance Rights subject to?*

Answer: The Employee Incentive Plan governs the rules relating to the issuing of Performance Rights. These rules are summarised in the Notice of Meeting on pages 12 -15.

*3. What happens to Performance Rights if a director resigns before the Milestones are achieved?*

Answer: Upon resignation, the Director no longer qualifies and the Performance Rights lapse unvested.

*4. When will the Performance Rights be issued, and when will they vest and be exercisable?*

Answer: If shareholder approval is received, the Performance Rights will be issued soon after the AGM. The vesting date for each class of Performance Right is different and is outlined in Schedule 3 to the Notice of Meeting in the section titled "Testing Period from Date of Issue". If the Performance Rights vest, the holder of the Performance Rights has until the expiry date (which is 5 years from the date of issue of the Performance Rights) to exercise his rights and receive Kogi shares.

5. *Will future Directors be offered the performance rights?*

Answer: Further issue of performance rights will be subject to Shareholder approval.  
Any future issue is subject to the limit of 5% of all shares issued.

6. *Why ask for Approval of Employee Incentive scheme when only a few employees exist?*

Answer: Board wants to have the ability to provide incentives to future employees in Australia and Nigeria.

7. *Are there any escrow periods when shares are issued under the Performance Rights?*

Answer: There are no escrow periods.

8. *Who did the valuation on page 34?*

Answer: RSM, an independent accounting firm completed the valuation.

If there are any further questions, please contact the Company on 9200 3456 or by email at [info@kogiron.com](mailto:info@kogiron.com)

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