

QUARTERLY REPORT – MARCH 2014

Highlights

- Preliminary Feasibility Study results for the Agbaja Project announced and presented to a variety of potential investors:
 - Development of a 5 Mtpa iron ore project is economically robust and technically viable
 - Highly attractive with IRR of 23.7% and pre-tax NPV of US\$420 million (@ 12% discount)
 - Capex estimate US\$497 million and capital intensity US\$99.4/t
 - Average operating cost US\$42.98/t concentrate FOB
 - Four year capital payback
- Maiden Ore Reserve estimated for Stage1 and Stage 2 Mining Areas
- Environmental Impact Assessment completed and submitted to the Nigerian Federal Department of Environment

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 31 March 2014.

Kogi Iron is focused on becoming an African iron ore producer through the development of its 100% owned Agbaja iron ore project located in Kogi State, Republic of Nigeria ("Agbaja" or "Agbaja Project").

During the quarter, the Company announced the completion of 3 key milestones:

1. The positive and robust Preliminary Feasibility Study into the development of an iron ore mining and processing operation at Agbaja;
2. Submission of the Environmental Impact Assessment for the Agbaja Project to the Nigerian Federal Ministry of Environment; and
3. A maiden Ore Reserve of 205 million tonnes at 45.7%Fe within the Stage 1 and Stage 2 Mining Areas of the Agbaja Project.

The focus for the Company during the latter part of the quarter was the presentation of PFS results to a variety of potential investors and parties interested in the next stage of Agbaja's development, and the progress of various activities important to the proposed development.

Preliminary Feasibility Study

The Company's Preliminary Feasibility Study ("PFS") into the development of iron ore mining and processing operations at the Agbaja Project to produce 5Mtpa of iron ore concentrate was completed in January 2014 and the results of the study were announced to the ASX on 29 January 2014.

The key findings of the PFS are¹:

- Robust economic and technical viability of a 5 Mtpa iron ore project at Agbaja;
- A highly attractive project with an IRR of 23.7% and estimated pre-tax NPV of US\$420 million (12% discount rate);
- Capex estimated at \$497 million and capital intensity of US\$99.4/tonne;
- Average estimated operating costs of US\$42.98/tonne of concentrate (FOB);
- Four year capital payback;
- The project ranks in the bottom quartile for capital intensity and the bottom half of operating cost curves for magnetite iron ore projects;
- A net margin of US\$30/tonne using a long term forecast FOB iron ore price of US\$73/tonne; and
- EBITDA of US\$136 million per annum.

The executive summary from the PFS report is set out in the Company's 29 January 2014 ASX announcement. At the time of the PFS announcement Kogi Iron said: "the PFS has been completed two months ahead of schedule which is testament to the hard work put in by the high quality team involved. The highly positive results of the study determined that the development and operation of a mine and processing plant at Agbaja to produce 5Mtpa of iron ore concentrate is technically feasible, economically viable and socially and environmentally acceptable".

Environmental Impact Assessment Study

The Company submitted its Environmental Impact Assessment ("EIA") for the Agbaja Project to the Nigerian Federal Ministry of Environment during the quarter. The mandatory 21 working day EIA public exposure period commenced on 24 March 2014 and ran until 23 April 2014. The public exposure period is followed by a panel review and in due course the Company will be advised of the review outcome, most likely in the early part of the September quarter 2014.

An EIA is a mandatory requirement under the Nigerian Minerals and Mining Act 2007 for completion prior to the commencement of mining operations and/or application for the conversion of a Mineral title (e.g. from exploration licence to mining lease).

Maiden Ore Reserve for Stage 1 and Stage 2 Mining Areas

A Probable Ore Reserve estimate of 205 million tonnes at 45.7% Fe ("Maiden Ore Reserve"), was announced to the ASX on 4 March 2014 (refer Table 1 below).

The Maiden Ore Reserve was determined for the Stage 1 and Stage 2 Mining Areas only (refer Figure 1 below). These two areas contain approximately 224 million tonnes of Mineral Resources of the total Mineral Resources of 586.3 million tonnes for the entire Agbaja Project (refer ASX announcement dated 10 December 2013 for details).

The conversion rate of Indicated Mineral Resources to Probable Ore Reserves for the two Mining Areas is approximately 92 percent, reflecting the homogenous nature of the Agbaja iron ore deposit.

The estimation of ore reserves beyond the Stage 1 and Stage 2 Mining Areas is yet to be performed as sufficient ore is expected to be available from these two Mining Areas to support a mine life of in excess of 20 years, at the annual iron ore concentrate production rate of 5Mtpa assumed in the PFS.

Table 1 – Stage 1 and Stage 2 Mining Areas Ore Reserve Summary

Classification	Ore Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	Mn (%)	LOI (%)
Probable	205	45.7	9.93	10.56	0.93	0.08	10.51

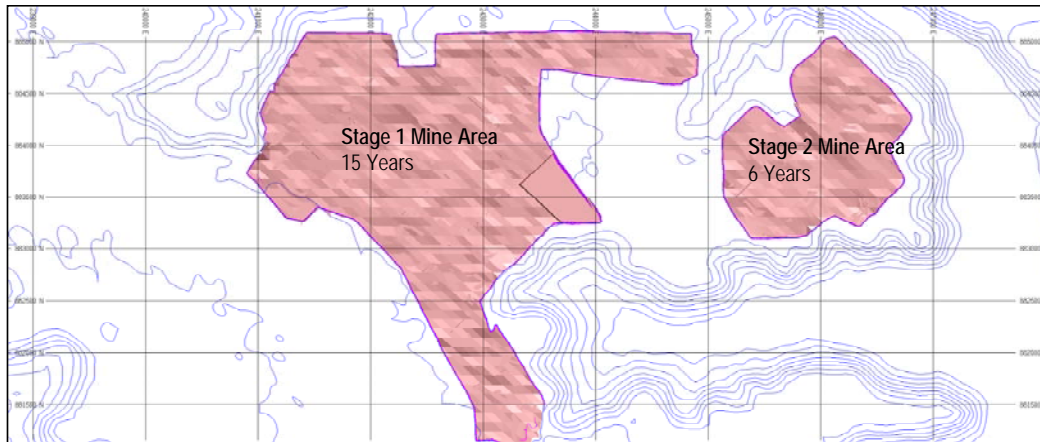
Note 1. Tonnes are expressed in dry metric tonnes

The Maiden Ore Reserve was determined in accordance with the JORC Code (2012) by Mr Harry Warries of independent, international mining consultancy, Coffey Mining Pty Ltd ("Coffey") and closely followed the 29 January 2014 ASX announcement by the Company of a positive Preliminary Feasibility Study ("PFS") into the development of the Agbaja Project.

¹ The material assumptions underpinning the Agbaja Preliminary Feasibility Study and the associated forecast financial information derived from it are described in the 29 January 2014 ASX Announcement by the Company titled "Positive Preliminary Feasibility Study for Agbaja Project". These material assumptions continue to apply as at the date of this report.

A detailed summary of the supporting Project assumptions and data (Table 1 as per JORC (2012) guidelines) was provided in the Company's 4 March 2014 ASX Announcement.

Figure 1 – Proposed Stage 1 & Stage 2 Mining Areas, within which the Maiden Ore Reserve is estimated



Corporate

Kogi Iron's Chairman, Dr Ian Burston, Managing Director, Mr Iggy Tan and Nigerian resident Executive Director, Mr Kevin Joseph all attended Mining Indaba 2014 in Cape Town, South Africa from 3 to 6 February 2014 to meet with a variety of potential investors and other stake-holders.

On 19 March 2014, the Company's Managing Director Mr Iggy Tan presented at the "Stars in 2014 Series" Proactive Investors forum in Sydney.

During the quarter, the Company released a Corporate Video, which presents an animation of the proposed mine, processing, bio-leaching, slurry, barging and transhipment facilities associated with the proposed development of the Agbaja Project. The corporate video is available for viewing on the Company's web site: www.kogiiron.com.

On 15 March 2014 the Company released 87,766,667 ordinary fully paid shares from a 24 month ASX imposed escrow period. As at 31 March 2014, the Company had 320,198,563 fully paid ordinary shares on issue and no options on issue (refer the attached Appendix 5B for details).

Funding

On 31 March 2014, the Company had cash at bank of approximately \$0.240 million.

The Company continues to engage with potential investors, in respect to the next tranche of funding to enable the implementation of a number of value adding initiatives building on the PFS.

Mineral Tenements

As at 31 March 2014 the following mineral tenements were held by KCM Mining Limited, a 100% owned subsidiary of Kogi Iron Limited. 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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Email: info@kogiron.com

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, 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.

The information in this announcement that relates to the Maiden Ore Reserve for the Agbaja Project is extracted from the ASX announcement entitled "Kogi Iron Announces 205 million tonne Ore Reserve at Agbaja" 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, 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.

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")

31 March, 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(1,064)	(2,642)
(b) development	-	-
(c) production	-	-
(d) administration	(238)	(1,352)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and Development refund	357	357
Net Operating Cash Flows	(941)	(3,621)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(9)	(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 - Other	-	-
Net investing cash flows	(9)	(9)
1.13 Total operating and investing cash flows (carried forward)	(950)	(3,630)

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(950)	(3,630)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	2,215
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - payment of finance lease	-	-
1.19	Other - share issue costs	-	(35)
	Net financing cash flows	-	2,180
1.20	Net increase (decrease) in cash held	(950)	(1,450)
1.21			
1.22	Cash at beginning of quarter/year to date	1,199	1,693
	Exchange rate adjustments to item 1.20	(9)	(3)
	Cash at end of quarter	240	240

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	319
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

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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

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Financing facilities available

+ See chapter 19 for defined terms.

Mining exploration entity and oil and gas exploration entity quarterly report

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	300
4.2 Development	-
4.3 Production	-
4.4 Administration	200
Total	500

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	240	1,199
5.2 Deposits at call	0	0
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	240	1,199

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	320,198,563	272,298,563		Fully paid
7.4 Changes during quarter				
(a) Increases through issues	-	-		
(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: 30 April, 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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