



KOGI IRON
LIMITED



DIRECTORS' OPTIONS

8 FEBRUARY 2022

Australian based iron ore and steel development company, Kogi Iron Limited (ASX: KFE) (Kogi, Kogi Iron, or the Company) and its 100% owned Nigerian operating company, KCM Mining Limited (KCM), provide the following update on the application for legal proceedings.

As advised in the ASX announcement dated 24 December 2021, an application has been made to the Federal Court of Australia by Leadenhall Australia Pty Ltd challenging the issue of options awarded to the Directors of Kogi Iron Limited (Company).

The application relates to an incentive plan, comprising options, that was presented to shareholders and approved at the 2020 Annual General Meeting (AGM) held on 15 December 2020. The application was not served on the Company until 14 December 2021, the day prior to the 2021 AGM.

In summary, the application alleges that the options have been unlawfully granted and that the Directors have acted in breach of their duties in relation to the circumstances of the options that were submitted for shareholder approval. The Directors reject and deny these allegations and it is the view of the Board that the application is both unmeritorious and vexatious.

It is the position of the Directors that the Company is within its rights to defend the action and hold its position with respect to the options that have been granted and which were passed by a considerable majority of shareholders now some fourteen months ago.

Notwithstanding, the Board has decided to cancel all Director options that were approved by shareholders on 15 December 2020, whether vested or not.

The reasons for this decision are as follows:

1. The recently released scoping study and the quarterly report define 2022 as being a significant year for the Company in terms of achieving clear milestones for the progression of the Nigerian Agbaja project and also the expeditious approach for progressing the Macro Metals Limited Western Australia projects.
2. The Non-Executive Board members are already committing to hours that significantly exceed what a Non-Executive

Board member should commit in each week and each month. That has been a considered decision to ensure that the operational costs of the business are kept to a manageable level. While the Board will continue to commit to these extra hours it would be challenging to commit even further time in relation to an application, that may take months and consume considerable human and financial resources of the Company.

3. The Board cannot be distracted from achieving the Company's published strategic goals for 2022.

The clear deliverables last year in term of capital raised, feasibility studies completed, the publishing of the scoping study and the Macro Metals acquisition has put the Company on a purposeful path for delivering shareholder value.

When the agendas of some exiting shareholders has run its course we expect the market perception of the merits of the Company's projects will be reflected appropriately by the market and new shareholder interest that will continue to be attracted to the Kogi business and its plans.

It is therefore the position of the Board that, irrespective of the Board's view on defending each of the alleged claims in this application, it would not be in the interests of the company or the shareholders to engage in a protracted legal dispute. Further, the fees would be better directed to progressing project work.

It is important that the Board has in place a remuneration plan to appropriately incentivise, reward and retain the Directors in support of the important milestones in front of the Company over the next 12 to 18 months.

The Board will, at the appropriate time, be taking an appropriate structure to the shareholders for their consideration and approval.

Authorised for release by the Board

For further information, please contact:

Craig Hart
Non-Executive Chairman
Kogi Iron Limited
Tel (office): +61 8 7324 4047
Email: info@kogiiron.com