

ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT STUDY COMPLETED

Highlights

- Environmental and Social Impact Assessment (ESIA) completed
- No environmental or social impediments to the development of Agbaja Project
- Strong support from Government and host communities
- ESIA concludes Agbaja Project will positively impact local communities, Kogi State and Nigeria

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"), are pleased to report that the Environmental and Social Impact Assessment ("ESIA") for its 100% owned Agbaja Iron Ore Project ("Agbaja" or "Agbaja Project") has been completed on schedule.

The ESIA work was conducted by Greenwater Environmental Services Limited ("Greenwater") and commenced in January 2013. As previously advised, the ESIA is a key component of the Company's Preliminary Feasibility Study ("PFS") evaluating the technical and economic viability of a 5 million tonne per annum iron ore operation at Agbaja.

The ESIA concluded that there are no environmental or social impediments for the development of the Agbaja Project.

In terms of environmental impact, the ESIA reported that the areas directly affected by Kogi Iron's proposed mining and processing activities are predominantly low value scrub land and savannah woodland intercepted by grasslands, all of which have limited agricultural use or environmental significance. There were no rare or endangered species of flora or fauna identified in the proposed mine and operational areas, and furthermore the ESIA stated that anticipated environmental impacts from planned mining, processing and associated activities can be mitigated and managed via the requisite Environmental Management Plan, submitted as part of the ESIA.

The overall assessment of the potential and associated social impacts of the Agbaja Project was positive. The ESIA gauged that the project would positively impact the local stakeholder economy and the Local Government area and communities of the Agbaja plateau generally, with similar positive impacts on Kogi State and Nigeria. The proposed mine development will contribute to socio-economic development within the host communities and result in economic empowerment for the indigenes and residents of the Agbaja plateau, predominantly by way of direct and indirect employment opportunities (including contract opportunities during the construction and operational phases of the proposed mine).



Assessing the Agbaja Project in a national development context, the ESIA stated: *"Nigeria is richly endowed in human and natural resources and has great potential for rapid socio-economic development. The national ambition to become one of the top 20 economies in the world by the year 2020 is not misplaced and the ambition can be realised if close attention is paid to the diversification of the nation's economy by significantly increasing non-oil contribution to GDP and matching economic growth with the empowerment of the people and social welfare".*

"In the Vision 2020 blueprint for the development of the Nigerian minerals and metals sector, the path towards the transformation of the sector is clearly outlined and the strategy is anchored on attracting and encouraging exploration companies with the aim of achieving detailed resource evaluation of all prospective mineral deposits in Nigeria in a timely manner."

Beneficial Impacts (from the Agbaja Project):

- *Creation of jobs and job opportunities for locals during site preparation, construction and installation and operational phases;*
- *Improvement in the socio-economic standing of the host communities;*
- *Increment in income of the local populace;*
- *Accommodation of an increase in the availability of iron ore for local and international market;*
- *Stimulation of local economy resulting in economic empowerment;*
- *Acquisition of job skills by host communities.*

The Company will now submit the ESIA to the Federal Ministry of Environment in January 2014, where there will be a mandatory 21 working day public exposure period, followed by a panel review of the ESIA conducted by the Nigerian Federal Ministry of Environment and Mines Environmental Compliance Department. Approval of the ESIA is anticipated at the completion of this process.

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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 is conducting a Preliminary Feasibility Study on a potential iron ore operation at the Agbaja Plateau initially utilising barging transport of its iron ore product along the Niger River to Warri Port 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 2013. 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 15 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 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 Person's Statements

The information in this announcement that relates to the Mineral Resource for the Agbaja Project is extracted from the report entitled "Mineral Resources at Agbaja Increase 20% to 586MT Includes an Indicated Resource of 466MT" created on 10 December 2013 and is available to view of the Kogi Iron web site www.kogiiiron.com. The Company confirms that it is not aware of any new information or data that materially affect the information included in the original market announcement and, in the case of estimates of Mineral Resources, 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.

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