

6 May 2014

COMPANY STATUS AND REORGANISATION

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") wishes to advise immediate plans to reorganise Company activities.

In the context of the current weakness in capital markets, and available funding for exploration and development companies, the changes are intended to minimise costs and enable the Company to complete a number of low cost, value adding activities.

Kogi Iron recently completed a Preliminary Feasibility Study of its 100% owned Agbaja iron ore project located in Kogi State, Republic of Nigeria ("Agbaja" or "Agbaja Project").

Cost Control Initiatives

Management

Managing Director, Mr Iggy Tan and Chief Financial Officer and Company Secretary Mr Shane Volk, have agreed to step down with immediate effect. Mr Volk has agreed to act as Company Secretary on a consultancy basis to the Company. The Board takes this opportunity to thank Mr Tan and Mr Volk for their significant contribution to the Company, in particular the successful completion of the Preliminary Feasibility Study ("PFS") for the Agbaja Project.

All other Perth based Company employees have been released.

The Company's Chairman, Dr Ian Burston, will henceforth become more actively involved with the immediate strategy of the Company and non-executive director, Mr Brian King will oversee day-to-day activities. Together with non-executive directors Don Carroll and Joe Ariti, they are experienced and highly competent iron ore industry executives.

"Despite the current challenges facing exploration and development companies, our team remains convinced of the quality and deliverability of the Agbaja Project. I have been in this game for more than 30 years and am determined to ensure our shareholders capture the value locked up at Agbaja" Dr Burston said.

Board

As part of the reorganisation, the Company has commenced a process of reviewing the size, composition and skill sets of the Board, to ensure they reflect the Company's available resources and complement the proposed work programmes.

The non-executive directors have agreed to suspend the payment of their quarterly board fees, effective 1 January 2014.

Nigerian Operations

There are no changes to the Company's Nigerian operations, where executive director Kevin Joseph and his Nigerian team will continue to advance the Agbaja Project. Mr Joseph is a 23 year resident of Nigeria with extensive experience in the West African region.

Next Steps

Building on the positive results from the recently completed PFS, Kogi Iron will continue its engagement with steel mills, iron ore buyers, traders and potential customers to increase the awareness of the proposed Agbaja Fines iron ore concentrate and consolidate the understanding of the Agbaja Project's ore reserves, processing method, transport solution, mineral resources and overall project size and scale.

Commenting on Agbaja's potential size and scale Dr Burston said: "It is the Company's intention to also highlight to potential investors the iron ore deposits in those parts of the Company's existing Exploration Licences not addressed in PFS. The 16 September 2013 announcement by the Company of a significant new Exploration Target for its Nigerian Exploration Licences is testament to the large volumes of iron ore mineralisation on the Agbaja Plateau".

Funding

As reported in its March 2014 Quarterly Activities Report, 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.

In order to provide the Company with sufficient working capital during ongoing funding discussions, various non-executive directors have agreed to advance loans to the Company for \$300,000 in aggregate. The loans are unsecured, non-interest bearing and it is proposed that in due course shareholder approval be sought to convert the loans to fully paid ordinary shares of the Company at a premium to the prevailing market price.

The Company is committed to realising value for its shareholders from Agbaja and the current reorganisation will allow the Company to clearly focus on this important objective.

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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 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.kogiiiron.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.