

19 June 2014

Dear Shareholder,

### NON-RENOUCEABLE ENTITLEMENT OFFER

On 17 June 2014, Kogi Iron Limited ("Company") announced that the Company would be conducting a pro-rata non-renounceable entitlement offer of up to 64,039,713 ordinary fully paid shares in the Company ("Shares"), on the basis of one (1) Share for every five (5) Shares held on 24 June 2014 ("Record Date") to be issued at 3 cents per Share, and approximately 64,039,713 Options on the basis of 1 free attaching Option for every new Share issued, with each Option having an exercise price of \$0.08 and expiring on 31 May 2017, to raise approximately \$1,921,191 before costs ("Entitlement Offer").

The Entitlement Offer is made pursuant to a prospectus lodged with the Australian Securities and Investments Commission ("ASIC") on 17 June 2014 ("Prospectus") and released to the Australian Securities Exchange ("ASX") on the same date. The Prospectus is available on the Company's website: [www.kogiron.com](http://www.kogiron.com) or on the ASX website: [www.asx.com.au](http://www.asx.com.au).

A full copy of the Prospectus will be mailed on or about 27 June 2014 to all Shareholders with a registered address in Australia or New Zealand at the Record Date ("Eligible Shareholders").

The Entitlement Offer is partially underwritten by Terrain Capital Limited to \$625,726.

The proposed timetable for the Entitlement Offer is as follows\*:

Event	Date*
Lodgement of Appendix 3B with ASX	17 June 2014
Prospectus lodged at ASIC and ASX	17 June 2014
Notice sent to Shareholders	19 June 2014
"Ex" Date (date Shares are quoted ex-rights)	20 June 2014
Record Date to determine Entitlements	24 June 2014
Prospectus (together with Entitlement and Acceptance Form) despatched to Shareholders and the offer opens	27 June 2014
Closing Date**	8 July 2014
Shares quoted on a deferred settlement basis	9 July 2014
Notification to ASX of under subscriptions	11 July 2014
Issue date with respect to Shares and Options	15 July 2014
Despatch of holding statements	15 July 2014

\* Note: These dates are indicative only. The Directors reserve the right to vary the key dates without prior notice, subject to the Listing Rules.

\*\* Note: The Directors may extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

#### Information required to be given to you in accordance with Listing Rules:

Pursuant to the Listing Rules, the Company is required to provide to you certain information before proceeding with the Entitlement Offer. This letter contains all the information required by Appendix 3B of the Listing Rules.

- Up to 64,039,713 Shares and 64,039,713 Options will be issued pursuant to the Entitlement Offer.
- The Shares rank equally in all respects from the date of allotment with the existing class of quoted Shares. Each Option is exercisable at \$0.08 each on or before 31 May 2017.
- The issue price of the Shares will be \$0.03 each. The Options will be issued for nil consideration.
- The Company will apply for quotation of the Shares and Options issued pursuant to the Entitlement Offer on the official list of the ASX.
- The Shares will be fully paid ordinary shares in the capital of the Company
- The funds raised by the Entitlement Offer will be used towards to enabling the Company to meet the holding costs of its 100% owned Agbaja iron ore Project in Agbaja State, Federal Republic of Nigeria (Agbaja Project); to enable the Board to progress a range of alternatives to realise value from the Agbaja Project, to meet the expenses of the Entitlement Offer and for corporate costs and general working capital purposes.

- It is expected that the Shares and Options will be entered into uncertificated holdings on 15 July 2014.
- The total number and class of all securities quoted on the ASX (including the Shares and Options to be issued under the Entitlement Offer, the Lanstead Placement and the Additional Placement – refer ASX Announcement of 17 June 2014) is as follows:

Number	Class
376,671,609	Ordinary shares
102,706,379	Options exercisable at \$0.08 cents each on or before 31 May 2017

- The following are the securities of the Company not quoted on the ASX:

Number	Class
47,900,000	Ordinary shares – subject to the terms and conditions of the Company Loan Share Plan

- The Company currently has no dividend policy.
- No shareholder approval for the Entitlement Offer is required.
- The Entitlement Offer is non-renounceable. This means that shareholders who do not wish to subscribe for all or some of the Shares offered under the Entitlement Offer may not sell or trade any of their respective entitlement.
- The offer under the Entitlement Offer relates to ordinary fully paid shares in the capital of the Company.
- The Company only has one register.
- Eligible shareholders will be offered one (1) new Share for every five (5) Shares held on the Record Date. One (1) free attaching Option will be issued for every Share issued.
- The Company will not be sending an offer under the Entitlement Offer to any security holders who are not recorded on the Company register as resident in Australia and New Zealand as at the Record Date.
- The Entitlement Offer is partially underwritten to \$655,726 by Terrain Capital Markets Limited.
- There is no broker to the Entitlement Offer. Terrain Capital Markets Limited will manage the placement of any shortfall under the Entitlement Offer.
- The Company does not currently have any options on issue
- If you wish to take up all, part or apply for shares in addition to your entitlement, you must complete the Entitlement and Acceptance Form in accordance with the instructions set out in the form. Forward your completed Entitlement and Acceptance Form, together with payment for the amount shown on the form or for such lesser amount as you wish to apply for, so as to reach the Company's share registry no later than 5.00 pm (WST) on 8 July 2014 (**Closing Date**).
- If you do not wish to accept part or all of your entitlement, you are not obliged to do anything.

The above information was provided to the ASX on 17 June 2014.

This letter is not a prospectus and does not constitute an offer of securities. An offer of Shares under the Entitlement Offer will only be made in, or accompanied by, a copy of the Prospectus sent to all eligible shareholders. Before deciding whether to apply for Shares under the Entitlement Offer, you should consider the terms of the Prospectus carefully. If in doubt, consult with your professional adviser.

#### Overseas Shareholders

The offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). Therefore, if you are a shareholder with a registered address other than in Australia or New Zealand, no offer will be made to you. In making this decision, the Directors have taken into account the small number of overseas Shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

If you have any queries concerning your entitlement or participation in the Entitlement Offer, please do not hesitate to contact the Company between 8:30am and 5.00pm (WST) on telephone 08 9200 3456, or your stockbroker.

Yours faithfully  
Kogi Iron Limited



Shane Volk  
Company Secretary