

1 March 2016

Dear Shareholder

Invitation to Participate in Shareholder Share Purchase Plan

On 26 February 2016, Kogi Iron Limited ("**Kogi**" or "**the Company**") announced its intention to offer shareholders the chance to participate in a share purchase plan to subscribe for additional shares in the Company (**Plan**).

The Board of Directors of the Company is now pleased to make that offer to eligible shareholders on the terms and conditions enclosed with this letter (**Terms and Conditions**).

Shareholders Eligible to Participate in the Plan

The right to participate in the Offer is optional and is available exclusively to shareholders who are registered as holders of fully paid ordinary shares in the capital of Kogi Iron Limited (**Shares**) at 5pm (WST) on the Record Date of 25 February 2016 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares at an issue price of \$0.013 per Share free of brokerage and commission (**Offer**). The issue price represents a 13% discount to the last traded price of \$0.015 and a 15% discount to the average market price of the Company's shares on ASX during the 5 trading days immediately prior to the announcement date of the Offer.

Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Application Form.

Current Activities

Details of the Company's current activities are set out in the announcements made by Kogi to the ASX and are available from the ASX or Kogi's website at www.kogiiron.com.

The funds raised under the Plan will be used towards completing the bankable feasibility study by mid-2016 for construction of a demonstration plant, and improve the Company's working capital position.

How much can you invest?

Under the Plan, Eligible Shareholders may only acquire a maximum of up to \$15,000 worth of Shares under the Plan.

Subscription and Application Procedure

If you would like to participate in the Offer, please follow the application instructions on the enclosed Application Form. Please note that the **Closing Date of the Offer is 5pm WST on 18 March 2016**. No late applications will be accepted.

Eligible Shareholders may participate by selecting one of the following Offers to purchase Shares under the Plan:

	Amount	Number of Shares
Offer A	\$15,000	1,153,846
Offer B	\$10,000	769,230
Offer C	\$5,000	384,615
Offer D	\$2,000	153,846

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the Closing Date of 5pm WST on 18 March 2016.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the Shares the subject of the application and any other shares and interests in the class applied for by you under the Plan or any similar arrangement in the 12 months prior to the date of submission does not exceed \$15,000.

Calculation of the Purchase Price and Acceptance of Risk Factors

The purchase price of Shares under the Offer is \$0.013, which represents an 15% discount to the average market price of the Company's shares on ASX during the 5 trading days immediately prior to the announcement date of the Offer, being \$0.015.

On the trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.015. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer.

By accepting the Offer and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the purchase price is at a discount to the market price, Shares are a speculative investment and the price of Shares on ASX may change between the date of the Company announcing its intention to make an Offer and the date of issue of Shares under that Offer and that the price and/or value and/or number of the Shares received under the Plan may rise or fall accordingly.

The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

Additional Information and Important Dates

The offer of Shares under the Plan is made in accordance with ASIC Class Order 09/425 and therefore does not require a prospectus for the purposes of Chapter 6D of the Corporations Act (2001) (Cth).

The Offer cannot be transferred and the Directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. Shares allotted under the Plan will be issued as soon as practicable after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum number of Shares that may be issued pursuant to this Offer is set out in the Terms and Conditions. In the event of an oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back all applications on a pro-rata basis.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Shortfall Placement

In the event that less than maximum amount of Shares set out in the Terms and Conditions of the Plan are applied for pursuant to this Offer, the shortfall may be placed at the discretion of the directors subject to compliance with necessary legal requirements.

Indicative Timetable

Record Date 5pm WST	25 February 2016
Announcement of Plan	26 February 2016

Opening Date of Offer	1 March 2016
Closing Date of Offer	18 March 2016
Lodge Appendix 3B, Issue of Shares under the Plan*	22 March 2016
Dispatch date for holding statements*	24 March 2016
Quotation of Shares on ASX*	29 March 2016

* These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Application Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact myself on +61 8 9200 3455.

Yours faithfully

Ian Burston
Director
Kogi Iron Limited

Kogi Limited
ACN 110 884 252
Shareholder Share Purchase Plan - Terms and Conditions

PURPOSE

The purpose of the Shareholder Share Purchase Plan (**the Plan**) is to offer shareholders of Kogi Iron Limited (**Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Company Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at an issue price of \$0.013 per Share (which represents a 15% discount to the average market price of Company Shares quoted on the financial market operated by ASX Limited (**ASX**) during the period 5 trading days immediately prior to the date the Plan was announced without the need to pay brokerage costs and without the need for Company to issue a Prospectus, upon such terms and conditions as the board of directors of Company, in its absolute discretion, sees fit.

SHAREHOLDERS ELIGIBLE TO PARTICIPATE

Eligible shareholders of Company Shares that are registered with an Australian or New Zealand address at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable (i.e. eligible shareholders may not transfer their rights to any Company Shares offered under the Plan).

An offer may, at the discretion of the directors of Company, be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is \$15,000. The directors of the Company may also determine in their discretion the minimum amount for participation, the multiple of Company Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

Custodians, trustees and nominees

If you are an eligible shareholder and hold the Company Shares as a custodian (as defined in ASIC Class Order CO 09/425 (refer below) (**Custodian**) or in any more specific ASIC relief granted to the Company in relation to the Plan), you may apply for up to the maximum of new Shares for each beneficiary for whom you act as custodian provided you annex to your Application Form a certificate to the Company (**Custodian Certificate**) with the following information:

- that you held Shares in the Company on behalf of one or more other persons (each a **Participating Beneficiary**) at 5pm WST on 25 February 2016 who have subsequently instructed you to apply for Shares under the Plan on their behalf;
- the number of Participating Beneficiaries and their names and addresses;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the dollar amount of Shares that each Participating Beneficiary has instructed you, either directly or indirectly through another custodian, to apply for on their behalf;
- that the application price for Shares applied under the Offer for each Participating Beneficiary for whom you act plus the application price for any other Shares issued to you as custodian for that Participating Beneficiary under any arrangement similar to the Plan in the prior 12 months does not exceed \$15,000;
- that a copy of the written offer document was given to each beneficiary; and
- where you hold shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed custodian.

For the purposes of ASIC Class Order CO 09/425 you are a 'custodian' if you are a registered holder that:

- holds an Australian financial services licence that allows you to perform custodian or depositary services or operate IDPS accounts;
- is exempt from holding an Australian financial services licence by virtue of Class Order CO 03/184 or by relying on the Australian financial services licence of your master custodian under regulation 7.1.06(k) of the *Corporations Regulations 2001*;
- is a trustee of a self managed superannuation fund;
- is a trustee of superannuation master trusts;
- is a responsible entity of IDPS like schemes;
- is noted on the Company's register of members as holding the shares on account of another person.

If you hold Company Shares as a trustee or nominee for another person or persons but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner describes above. In this case, the rules for multiple single holdings (above) apply.

Custodians should request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request Custodian Certificate and if you would like further information on how to apply, you should contact Link Market Services at any time from 9am to 5pm WST Monday to Friday during the Offer period.

The Company reserves the right to reject any application for Plan Shares to the extent it considers that the application (whether alone or in conjunction with other applications) does not comply with these requirements. The Company reserves the right to reject applications in accordance with these Terms and Conditions.

PRICE OF COMPANY SHARES

The issue price of Company Shares to be issued under the Plan will be \$0.013, which represents an 15% discount to the average market price of Company Shares quoted on ASX during the period 5 trading days immediately prior to the date the Plan was announced.

APPLICATIONS AND NOTICES

At the discretion of the directors of the Company, the Company will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Shares under the Plan, and accompanied by the terms and conditions of the Plan and an application form. Applications will not be accepted after the closing date of an offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by the Company to participants may be given in any manner prescribed by its Constitution.

PLACEMENT OF SHORTFALL

The maximum number of Shares able to be issued under the ASX SPP rules equates to 30% of the issued capital of the Company. Based on the current issued capital of 377,669,836 the maximum number of shares able to be issued under the SPP would be 113,300,950. Any shortfall from the Offer may be placed at the discretion of the Directors.

ISSUE OF COMPANY SHARES

Company Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of the Company in the relevant offer.

Company Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in the Company from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Shares issued under the Plan. The Company will, promptly after the issue of Company Shares under the Plan, make application for those Shares to be listed for quotation on the official list of ASX.

MODIFICATION AND TERMINATION OF THE PLAN

The Company may modify or terminate the Plan at any time. The Company will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, the Company may issue to any person fewer Shares than the person applied for under the Plan if the issue of the Shares applied for would contravene any applicable law or the Listing Rules of ASX.

DISPUTE RESOLUTION

The Company may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Shares. The decision of the Company in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

The Company reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of the Company under these conditions may be exercised by the directors of the Company or any delegate of the directors of the Company.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Piers Lewis, Company Secretary on +61 8 6555 2950.

ENDS