

1 February 2019

ASX Limited
Central Park
152-158 St George's Terrace
PERTH WA 6000

Attention: Maria Gimik

By email: ListingsCompliancePerth@asx.com.au

Dear Maria

Kogi Iron Limited ('Kogi' or "KFE") – Response to Queries on Appendix 5B

I refer to your letter to Kogi dated 24 January 2019 and our subsequent discussions and respond to your questions as follows.

1. Does KFE expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

Yes, KFE expect to continue to have negative operating cash flows whilst it continues to progress the development of the Agbaja Cast Steel Project in Nigeria.

2. Has KFE taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

KFE has retained Novus Capital to conduct an equity raising for the Company. Details of the firm commitments received for this fund raising are provided in an ASX announcement dated 1 February 2019.

KFE has retained RFC Ambrian as its London broker to provide equity raising advice for the equity funds needed for the completion of all studies required to progress the Agbaja Cast Steel Project to the point of being suitable for Export Credit Agency debt finance. RFC Ambrian together with KFE's debt advisor SD Capital continue to work on funding options available to bring the Agbaja Cast Steel Project to completion.

The directors are confident that further funds can be raised as and when required in a timely manner.

3. Does KFE expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes. It should be noted that a significant portion of the estimated cash outflows for the next quarter is discretionary expenditure that will only be committed / incurred if the directors are comfortable there are adequate cash reserves available for these and future costs.

If necessary, activity levels and expenditure can be reduced in the short term to provide KFE with time (ie. in excess of six months) to raise funds for the next stage of its activities. The level of activity and the speed at which its activities are progressed will depend on the timing and quantum of future capital raisings.

4. Please confirm that KFE is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

Confirmed.

5. Please confirm that KFE's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of KFE with delegated authority from the board to respond to ASX on disclosure matters.

Confirmed.

Yours sincerely

Kevin Hart
Company Secretary



24 January 2019

Mr Kevin Hart
Company Secretary
Kogi Iron Limited

By email: kevinh@endeavourcorp.com.au

Dear Mr Hart

Kogi Iron Limited ('KFE'): Appendix 5B Query

ASX refers to KFE's Appendix 5B quarterly report for the period ended 31 December 2018 lodged with ASX Market Announcements Platform on 24 January 2019 (the 'Appendix 5B').

ASX notes that KFE has reported:

- negative net operating cash flows for the quarter of \$723,000;
- cash at the end of the quarter of \$336,000; and
- estimated cash outflows for the next quarter of \$623,000.

It is possible to conclude, based on the information in the Appendix 5B that if KFE were to continue to expend cash at the rate indicated by the Appendix 5B, KFE may not have sufficient cash to continue funding its operations.

In view of that, ASX asks KFE to respond separately to each of the following questions and requests for information:

1. Does KFE expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has KFE taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does KFE expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that KFE is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that KFE's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of KFE with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **6:30 AM AWST Wednesday, 30 January 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in KFE's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, KFE's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to KFE's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that KFE's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in KFE's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Maria Gimik
Adviser, Listings Compliance (Perth)