



ACN 001 894 033

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

To be held

At 11.00 am (Perth time), Tuesday, 26 November 2019

at

The Celtic Club
48 Ord Street, West Perth WA 6005

The Annual Report is available online at www.kogiron.com

KOGI IRON LIMITED
ACN 001 894 033

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of Kogi Iron Limited will be held at The Celtic Club, 48 Ord Street West Perth WA at 11.00 am (WST) on 26th November 2019 to conduct the following business and to consider, and if thought fit, to pass the following Resolutions.

AGENDA

FINANCIAL & OTHER REPORTS

To receive and consider the financial report for the year ended 30 June 2019 and the accompanying Directors' Report, Directors' Declaration, and Auditor's Report.

RESOLUTION 1 – ADOPTION OF THE REMUNERATION REPORT

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **non-binding, advisory resolution**:

“That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report that forms part of the Directors' Report for the financial period ended 30 June 2019.”

The Remuneration Report is set out in the Directors' Report in the Annual Report. Please note that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 2 – RE-ELECTION OF MR DON CARROLL AS A DIRECTOR

To consider, and if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“That Mr Don Carroll, having retired in accordance with clause 13.2 the Company's Constitution and, being eligible, offers himself for re-election as a Director of the Company.”

RESOLUTION 3 – ELECTION OF DIRECTOR – DAVID TURVEY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, David Turvey, a Director who was appointed as an additional director on 7 May 2019, retires, and being eligible, is elected as a Director.”

RESOLUTION 4 – ELECTION OF DIRECTOR – PETER HULJICH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Peter Huljich, a Director who was appointed as an additional director on 7 May 2019, retires, and being eligible, is elected as a Director.”

RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,773,529 ordinary shares as set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – LISTED OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,000,000 Listed Options as set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE – SHARES IN LIEU OF PAYMENT FOR SERVICES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,903,492 ordinary shares as set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 8 – APPROVAL OF EMPLOYEE INCENTIVE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That in accordance with Exception 9 of Listing Rule 7.2, and for all other purposes, Shareholders approve the Employee Incentive Plan, as described in the Explanatory Memorandum.”

Voting Exclusion:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Directors, or any associate of those persons.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 9 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO DON CARROLL

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 8,000,000 Performance Rights to Don Carroll (or his nominee) under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 9 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 9 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 10 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO DAVID TURVEY

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Performance Rights to David Turvey (or his nominee) under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 10 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to

vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 10 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 10 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 11 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO GREG BOULTON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 8,000,000 Performance Rights to Greg Boulton (or his nominee) under the Employee Incentive Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 11 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 11 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 11 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 12 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO PETER HULJICH

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 8,000,000 Performance Rights to Peter Huljich (or his nominee) under the Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors (**Resolution 12 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 12 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 12 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

RESOLUTION 13 - APPROVAL OF 10% PLACEMENT FACILITY

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed by Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 14 – SPILL RESOLUTION

Important Note:

Please note that the following resolution is a contingent resolution, and will only be put to the meeting if more than 25% of votes validly cast on Resolution 1 in this Notice of Meeting are cast AGAINST that Resolution. **A vote for this Resolution 14 is a vote for a spill meeting.**

To consider and if thought fit pass the following Resolution as an ordinary resolution:

That:

- (a) *a meeting of shareholders of Kogi Iron Limited be held within 90 days of this Annual General Meeting (“Spill Meeting”); and*
- (b) *all of the Company’s Directors (other than the Managing Director) who were Directors of the Company when the resolution to adopt the remuneration report as contained in the Kogi Iron Limited Annual Financial Report for the period ended 30 June 2019 was passed, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.*

Voting Exclusion: Note that a voting exclusion applies to Resolution 14 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair intends to use any such proxies to vote against the Resolution. In exceptional circumstances, the Chair of the Meeting may change his voting intention on this Resolution14, in which case an ASX announcement will be made.

RESOLUTION 15 – ISSUE OF SHARES TO RELATED PARTY IN LIEU OF FEES – DON CARROLL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when determined in accordance with the formula set out in the Explanatory Memorandum, equals \$240,000 to Don Carroll (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Don Carroll (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**DATED THIS 21 OCTOBER 2019
BY ORDER OF THE BOARD**

**KEVIN HART
COMPANY SECRETARY**

Notes:**Definitions**

Terms which are used in this Notice and which are defined in Section 16 of the Explanatory Memorandum have the meanings ascribed to them therein.

Note

If you have recently changed your address or if there is any error in the name and address used for this notice please notify the Company Secretary. In the case of a corporation, notification is to be signed by a director or company secretary.

Proxies

A Shareholder who is entitled to vote at this Meeting has a right to appoint a proxy and should use the proxy form enclosed with this notice. The proxy need not be a Shareholder of the Company and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of this appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).

A proxy's authority to speak and vote for a Shareholder at the meeting is suspended if the Shareholder is present at the meeting.

The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. Joint Shareholders must each sign.

Proxy forms and the original or a certified copy of the power of attorney (if the proxy form is signed by an attorney) must be received by:

- Post to the Company, c/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235; or
- on facsimile number (+61 2) 9287 0309; or
- by hand delivery to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138; or
- lodge online at www.linkmarketservices.com.au instructions as follows:

Select 'Investor Login' and in the "Single Holding" section enter Kogi Iron Limited or the ASX code KFE in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website

not later than 11:00am (WST) on 24 November 2019.

Pursuant to regulation 7.11.37 of the Corporations Regulations, the Board has determined that the shareholding of each Shareholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the share register at 11:00am (WST) on 24 November 2019.

Bodies Corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one.

Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening the Annual General Meeting of Shareholders of Kogi Iron Limited to be held at The Celtic Club at 11:00 am (WST) on 26th November 2019. This Explanatory Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Certain terms used in the Notice and Explanatory Memorandum are defined in Section 10.

1. FINANCIAL AND OTHER REPORTS

As required by section 317 of the Corporations Act, the financial report for the year ended 30 June 2019 and the accompanying Directors' Report, Directors' Declaration and Auditor's Report will be laid before the Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote on the reports. However, Shareholders will have an opportunity to ask questions about the report at the Annual General Meeting. Shareholders will also be given a reasonable opportunity to ask the Auditor questions about the auditor's report and audit conduct. Written questions may be submitted 5 business days prior to the Meeting addressed to the Chairman and sent to the Company's registered office, about the management of the Company, or addressed to the Company's auditor and sent to the Company's registered office about audit conduct, accounting policies used by the Company and auditor independence. General questions about the management of the Company will also be taken.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

As required by the Corporations Act, the Board is presenting the Remuneration Report to Shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report contains:

- information about Board Policy for determining the nature and amount of remuneration of the Company's Directors and senior executives;
- a description of the relationship between remuneration policy and the Company's performance;
- a summary of performance conditions, including a summary of why they were chosen and how performance is measured against them; and
- remuneration details for each executive and non-executive Directors, and Key Management Personnel.

The Remuneration Report, which is part of the 2019 Annual Report, has been sent to Shareholders (except those who have made an election not to receive the Annual Report). Copies of the 2019 Annual Report are available by contacting the Company's Share Registry or visiting the Company's web site (www.kogiiron.com).

The Meeting presents an opportunity to discuss the Remuneration Report for Shareholders who are interested in doing so. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a **spill resolution**) on whether the Board should be put up for re-election. If the spill resolution is passed, another meeting must be held within 90 days at which all of the Company's Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report must go up for re-election.

At the Company's 2018 Annual General Meeting, more than 25% of the votes cast on the resolution to adopt the 2018 Remuneration Report were voted against the resolution. Accordingly, the Company is required to put a Spill Resolution to the meeting should it be required. Resolution 14 deals with the Spill Resolution.

The Chairman intends to vote all available proxies in favour of adopting the Remuneration Report. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form the Shareholder is considered to have provided the Chairman with express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intentions.

3. RESOLUTION 2 - RE-ELECTION OF MR DON CARROLL AS A DIRECTOR

Resolution 2 deals with the re-election of Mr Don Carroll who retires by rotation as required by the Company's Constitution and the Listing Rules and being eligible, has offered himself for re-election.

Mr Carroll is a former executive of BHP Billiton with over 30 years of experience in the mining industry, principally overseas in Asia, the United States and West Africa. Throughout his 30-year career Mr Carroll has been responsible for the early development of the Kalimantan coal projects, the marketing of minerals in Asia (including China), held the position of President for BHP Billiton in Japan and India, and also CEO for the Guinea Alumina project in West Africa.

Mr Carroll was first appointed as a Director of the Company on 8 November 2010 and is considered by the Board to be an independent Director.

Directors' recommendation

All the Directors except for Mr Carroll recommend that Shareholders vote in favour of Resolution 2.

The Chairman intends to vote all available proxies in favour of Resolution 2.

4. RESOLUTIONS 3 AND 4 – ELECTION OF DIRECTORS DAVID TURVEY AND PETER HULJICH

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr David Turvey and Mr Peter Huljich, having been appointed by other Directors on 7 May 2019, in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders.

Information relating to Mr David Turvey

a. Qualifications and other material directorships

Mr Turvey (BSc (Hons) Geol, MAusIMM) is a geologist with over 35 years' experience in the Australian and Asian mining industry. His career has involved business development and corporate M&A activities in precious and base metals, bulk commodities, industrial minerals and speciality metals. He has held key management roles in large international companies, including several international roles based in South East Asia. During the last 20 years, he has conducted independent consulting assignments in mineral exploration, research and development, technical marketing and market entry strategies, mining law and foreign investment policy, and commercial project evaluation.

Mr Turvey currently holds a directorship with Southern Gold Limited (ASX: SAU).

b. Independence

Mr Turvey has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers Mr Turvey will be an independent director.

c. Board recommendation

The Board supports the election of Mr Turvey and recommends that Shareholders vote in favour of Resolution 3.

Information relating to Mr Peter Huljich

a. Qualifications and other material directorships

Mr Huljich (BCom/LLB, GD-AppFIN, GAICD) has over 25 years' experience in the legal, natural resources and banking sectors with a particular expertise in capital markets, mining, commodities and African related matters. He has worked in London for several prestigious investment banks, including Goldman Sachs, Barclays Capital, Lehman Brothers and Macquarie Bank, with a focus on Commodities and Equity and Debt Capital Markets. He has extensive on-the-ground African mining, oil & gas and infrastructure experience as the Senior Negotiator and Advisor for Power, Mining and Infrastructure at Industrial Promotional Services, the global infrastructure development arm of the Aga Khan Fund for Economic Development (AKFED) whilst resident in Nairobi, Kenya.

Mr Huljich currently holds a directorship with AVZ Minerals Limited (ASX:AVZ).

b. Independence

Mr Huljich has no interests, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the board and to act in the best interest of the entity and its security holders generally.

If elected the board considers Mr Huljich will be an independent director.

c. Board recommendation

The Board supports the election of Mr Huljich and recommends that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5,6 AND 7 – RATIFICATION OF PRIOR ISSUES

General

Resolution 5:

On 7 February 2019, the Company announced that it completed a placement of 6,773,529 ordinary shares to professional and sophisticated investors at an issue price of \$0.085 to raise approximately \$575,750 (before costs). The Company issued the Shares under its placing capacity pursuant to Listing Rule 7.1.

Resolution 6:

On 3 July 2019, the Company issued 10,000,000 Listed Options with an exercise price of \$0.10 and expiry of 31 December 2021 to the Underwriter of the Non-renounceable Entitlement Issue completed in June 2019. The options were issued as part of fees payable as detailed in section 8.4.1 of the Prospectus dated 29 May 2019. The Company issued the Options under its placing capacity pursuant to Listing Rule 7.1.

Resolution 7:

On 22 July 2019, the Company issued 1,903,492 fully paid ordinary Shares in lieu of payment for professional services provided to the Company by consultants. The Company issued the Shares under its placing capacity pursuant to Listing Rule 7.1.

Ratification

Resolutions 5, 6 and 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the shares and options detailed above (**Ratification**).

Listing Rules Chapter 7

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issues listed above, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

	Resolution 5	Resolution 6	Resolution 7
a) Number of securities	6,773,529 Ordinary shares	10,000,000 Listed Options	1,903,492 Ordinary Shares
b) Issue price	\$0.085 per share	The Options were issued for nil cash consideration in satisfaction of fees payable pursuant to the agreement as detailed in the Prospectus dated 29 May 2019	646,198 Shares at \$0.0869 per Share and 1,257,294 Shares at \$0.0802 per Share
c) Terms and conditions	The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.	The Options were issued on the terms and conditions set out in Schedule 1	The Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
d) Issued to	Shares were issued to Sophisticated Investors	Shares were issued to Patersons Securities Limited	Shares were issued to consultants of the Company
e) Use of funds	The funds raised from the issue (being in total \$575,750 (before costs)) were used for ongoing studies required for the Agbaja Cast Steel Project Bankable Feasibility Study and working capital.	No funds were raised from this issue as the Options were issued in consideration of fees payable to Patersons Securities Limited as detailed in the Prospectus dated 29 May 2019.	No funds were raised from this issue as the Shares were issued in lieu of payment for professional services provided to the Company by consultants.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolutions 5, 6 and 7.

The Chairman intends to vote all available proxies in favour of Resolutions 5, 6 and 7.

6. RESOLUTION 8 – APPROVAL OF EMPLOYEE INCENTIVE PLAN

Resolution 8 is an ordinary resolution which provides for the approval of the proposed employee incentive plan of the Company (**Plan** or **Employee Incentive Plan**). A summary of the Plan is set out below.

The Plan forms what the Board considers to be an important element of the Company's total remuneration strategy for officers and staff. The Board resolved to adopt the Plan on 9 October 2019, and is now seeking Shareholder approval of the Plan.

(a) Objectives

The primary objectives of the Plan are to:

- (i) set out a method by which eligible participants can participate in the future growth and profitability of the Company;
- (ii) provide an incentive and reward for eligible participants for their contribution to the Company; and
- (iii) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

(b) Eligible Participants

Under the Plan, an award (Award) may be in the form of:

- (i) an option (Option) (a right to acquire a Share);
- (ii) a cash right (a right to be issued a cash payment with no exercise price);
- (iii) a deferred option award (an Option with no exercise price);
- (iv) a performance right (a right to receive Shares once specified performance criteria are met); or
- (v) a share appreciation right (rights to receive payment equal to the positive difference between the value of the Share as determined by the Board in the offer and the market value of the Share when the right is exercised (Appreciation Value).

The Board at its sole discretion may invite any eligible person, including Directors, selected by it to complete an application relating to a specified number and type of Award allocated to that eligible person by the Board. The Board may offer Awards to any eligible person it determines and determine the extent of that person's participation in the Plan (Participant).

An offer by the Board is required to specify, among other things, the type of Award offered, the date and maximum number of Awards being offered, the issue price, exercise price or vesting conditions (if any) and any other matters the Board deems necessary, including the terms and conditions attaching to the Awards.

No Awards have previously been issued under the Plan.

(c) 5% Limit

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] (Class Order) and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.

(d) Terms of Awards

No adjustments will be made to the number of Awards granted to a Participant under the Plan if dividends or other distributions are paid on Shares before Awards are exercised.

Shares issued to Participants on the exercise of an Award carry the same rights and entitlements as other Shares on issue. The Company will not seek quotation of any Awards, but will seek quotation for Shares issued on the exercise or conversion of Awards, provided the Company is listed on the ASX at the time.

Unless the Board determines otherwise, or as required by the law, an Award granted under the Plan is not capable of being transferred or encumbered by a Participant. The Company may buy-back Awards for an amount agreed with the Participant at any time, subject to applicable laws.

(e) Exercise of Awards

At the sole and absolute discretion of the Board, and in general terms, Awards granted under the Plan may only be exercised if particular exercise or vesting conditions have been met or waived, the exercise price (if any) has been paid to the Company, the Awards are exercised within the respective exercise period (if any) and the Participant has been issued a vesting notification. An Award granted under the Plan may not be exercised once it has lapsed.

(f) Lapse of Awards

Subject to the terms and conditions in the offer and Award, and at the Board's absolute discretion, a Participant's Awards will lapse:

- (i) 90 days after the date of the lawful termination of the Participant where the dismissal was not due to:
 - (A) serious and willful misconduct;
 - (B) a material breach of the terms of employment or engagement; or
 - (C) gross negligence; and
 - (D) the Participant does not breach any post-termination restrictions (Good Leaver); or
- (ii) 90 days after the date of death or disability of the Participant (where the disability is such that the Participant is unable to perform normal duties in the opinion of a medical practitioner nominated by the Board); or
- (iii) immediately if:
 - (A) the Participant's lawful termination was not as a Good Leaver; or
 - (B) the Participant resigned from the Board, employment or consultancy with the Company; or
 - (C) the Participant loses control of its permitted nominee and the Awards are not transferred to the Participant.

(g) Cash Rights and Deferred Option Awards

Subject to the terms and conditions of the offer, a Participant may elect to receive deferred option awards in lieu of all or a percentage of its cash rights. Such election must be made by giving written notice to the Company within 5 business days of receiving a vesting notification.

(h) Share Appreciation Rights

If a Participant exercises its share appreciation rights, subject to the terms and conditions of the offer, the Board will choose, in its sole and absolute discretion, one of the two following methods (or a combination of both) to realize the value of each of the exercised share appreciation rights.

- (i) A cash payment to the Participant of the Appreciation Value (less any tax or statutory superannuation) of the exercised share appreciation right (Cash Settled).
- (ii) An allotment and issuance, or transfer of, the number of Shares to the Participant equal in value to the Appreciation Value, calculated when the share appreciation right is exercised (Equity Settled). Fractions of a Share are disregarded.

(i) Options – Fractional Exercise Facility

Under the terms of the Plan, a Participant may request to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (Fractional Exercise Facility). By using the Fractional Exercise Facility, the holder will receive Shares to the value of the surplus after the exercise price has been set off. Any such request must be expressly made by the Participant in the exercise notice. The Board may approve or refuse the request in its sole and absolute discretion.

If the difference between the total exercise price otherwise payable and the then market value of Shares at the time of exercise is zero or negative, the Participant is not eligible to use the Fractional Exercise Facility.

(j) Participation Rights

Holders of Awards issued under the Plan are not entitled to participate or attend a meeting of the Shareholders of the Company or receive any dividends declared by the Company until the Award is exercised or converted and the Participant holds Shares as a result of the exercise or conversion.

An Award does not confer on a Participant the right to participate in new issues of Shares by the Company (including by way of bonus issue, rights issue or otherwise).

(k) Clawback

If the Board becomes aware of a material misstatement in the Company's financial statements or some other event occurred which, as a result, means the vesting conditions in respect of

certain vested Awards were not, or should not, have been determined to have been satisfied, the Participant will cease to be entitled to those vested Awards.

(l) Variation of Capital

If the event of any variations to the share capital of the Company, the Board may adjust the exercise price (if applicable) and the number of Awards to which a Participant is entitled in accordance with the ASX Listing Rules. In doing so, the Board may make any adjustments it deems necessary or desirable to ensure the consequences of the adjustments are fair as between the Participants and the holders of other securities in the Company, subject to the ASX Listing Rules.

(m) Fraudulent Behaviour

If, in the opinion of the Board, a Participant has acted fraudulently or dishonestly, or is in material breach of his duties or obligations to the Company or its subsidiaries, the Board may determine that any Award granted to that Participant should lapse, and the Award will lapse accordingly.

(n) Change of Control Event

On the occurrence of a change of control event, being, in general terms, an unconditional takeover bid under Chapter 6 of the Corporations Act, a court sanctioned scheme of arrangement or any other merger involving the Company occurs which results in the holders of Shares holding 50% or less of the voting shares in the Company, the Board may in its sole discretion determine that all or a percentage of unvested Awards will vest and become exercisable in accordance with the Plan rules.

(o) Compliance with Laws

Awards may not be granted, issued, acquired, transferred or otherwise dealt with under the Plan if to do so would contravene the Corporations Act or any other applicable laws or regulations.

The Plan contains customary and usual terms having regard to Australian law for dealing with administration (including taxation of Awards), variation and termination of the Plan.

Listing Rule 7.2, Exception 9(b)

Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Under Exception 9(b) in Listing Rule 7.2, shareholders may approve the issue of equity securities under an employee incentive scheme as an exception to Listing Rule 7.1. If such approval is obtained, Listing Rule 7.1 does not apply to an issue of equity securities in the Company made under an employee incentive plan within three years of the approval.

The grant of any securities to a director of the Company will require specific approval under Listing Rule 10.14. The Company is therefore seeking approval, pursuant to Resolutions 9 to 12, for the issue of Performance Rights under the Employee Incentive Plan to Don Carroll, David Turvey, Greg Boulton and Peter Huljich.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

7. RESOLUTIONS 9 TO 12 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES

7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 34,000,000 Performance Rights (**Related Party Performance Rights**) to Don Carroll, David Turvey, Greg Boulton and Peter Huljich (or their nominees) (**Related Parties**), pursuant to the Plan and on the terms and conditions set out below.

Resolutions 9 to 12 seek Shareholder approval for the grant of the Related Party Performance Rights to the current Directors (or their nominees).

The purpose of the issue of the Related Party Performance Rights to the Related Parties (or their nominees) is to further motivate and reward their performance as Directors in achieving specified performance milestones within a specified performance period. The Board considers the granting of the Related Party Performance Rights to be a cost-effective reward for the Company to make to appropriately incentivise the continued performance of the Related Parties and is consistent with the strategic goals and targets of the Company.

A summary of the key terms and conditions of the Related Party Performance Rights is set out in Schedule 2.

7.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Performance Rights constitutes giving a financial benefit and Messer's Don Carroll, David Turvey, Greg Boulton and Peter Huljich are related parties of the Company by virtue of being Directors of the Company.

As all of the Company's current Directors are benefitting from Resolutions 9 to 12 on similar terms, a quorum of Directors cannot be constituted to ascertain whether any exceptions set out in sections 210 to 216 of the Corporations Act apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Related Party Performance Rights to the Related Parties.

In addition, ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

7.3 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights to the Related Parties:

- (a) the related parties are Don Carroll, David Turvey, Greg Boulton and Peter Huljich and they are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Related Party Performance Rights (being the nature of the financial benefit being provided) to be issued to the Related Parties (or their nominees) is 34,000,000 Related Party Performance Rights, comprising of:
 - (i) 2,500,000 Class A Performance Rights to be issued as follows:
 - (A) 1,000,000 Class A Performance Rights to David Turvey; and
 - (B) 500,000 Class A Performance Rights to each of Don Carroll, Greg Boulton and Peter Huljich;
 - (ii) 3,750,000 Class B Performance Rights to be issued as follows:
 - (A) 1,500,000 Class B Performance Rights to David Turvey; and
 - (B) 750,000 Class B Performance Rights to each of Don Carroll, Greg Boulton and Peter Huljich;
 - (iii) 5,750,000 Class C Performance Rights to be issued as follows:

- (A) 2,000,000 Class C Performance Rights to David Turvey; and
- (B) 1,250,000 Class C Performance Rights to each of Don Carroll, Greg Boulton and Peter Huljich;
- (iv) 4,000,000 Class D Performance Rights to be issued as follows: 1,000,000 Class D Performance Rights to each of David Turvey, Don Carroll, Greg Boulton and Peter Huljich;
- (v) 5,000,000 Class E Performance Rights to be issued as follows: 1,250,000 Class E Performance Rights to each of David Turvey, Don Carroll, Greg Boulton and Peter Huljich;
- (vi) 4,000,000 Class F Performance Rights to be issued as follows: 1,000,000 Class F Performance Rights to each of David Turvey, Don Carroll, Greg Boulton and Peter Huljich
- (vii) 5,000,000 Class G Performance Rights to be issued as follows: 1,250,000 Class G Performance Rights to each of David Turvey, Don Carroll, Greg Boulton and Peter Huljich; and
- (viii) 4,000,000 Class H Performance Rights to be issued as follows: 1,000,000 Class H Performance Rights to each of David Turvey, Don Carroll, Greg Boulton and Peter Huljich;
- (c) the Related Party Performance Rights will be granted for nil cash consideration; accordingly no funds will be raised;
- (d) any full or part time employee or director (being Don Carroll, David Turvey, Greg Boulton and Peter Huljich) of the Company is entitled to participate in the Employee Incentive Plan, however, at the current time the Company does not intend to make an offer to any other employees. Accordingly, approval is being sought only for the offer to the Related Parties. None of the Related Parties have previously been issued Awards under the Employee Incentive Plan;
- (e) no loan will be provided to the Related Parties with respect to the Related Party Performance Rights;
- (f) the Related Party Performance Rights will be issued to the Related Parties no later than 12 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date;
- (g) the Related Party Performance Rights will be issued on the terms and conditions set out in Schedule 2;
- (h) the value of the Related Party Performance Rights and the pricing methodology is set out in Schedule 3;
- (i) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares ¹	Options
Don Carroll	6,095,790	1,219,159
David Turvey	-	932,760
Greg Boulton	428,056	-
Peter Huljich	-	1,399,140

Notes:

¹ Fully paid ordinary shares in the capital of the Company (ASX: KFE)

² Quoted Options exercisable at \$0.10 each on or before 31 December 2021 (ASX: KFEO)

- (j) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and current financial year are set out below:

Related Party	FY 2019	FY 2020*
Don Carroll	\$82,258	\$100,000
David Turvey	\$9,385	\$60,000
Greg Boulton	\$35,500	\$60,000
Peter Huljich	\$9,385	\$60,000

* The directors may receive additional consulting fees at market rates if they are required to perform duties over and above that expected of a Non-Executive Director.

- (k) if the maximum number of Related Party Performance Rights granted to the Related Parties are exercised, a total of 34,000,000 Shares would be issued. This will increase the number of Shares on issue from 662,548,234 being the total number of Shares on issue as at the date of this Notice) to 696,548,234 (assuming that no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 4.88% comprising 1.44% by David Turvey, 1.15% by Don Carroll, 1.15% by Greg Boulton and 1.15% by Peter Huljich;
- (l) the primary purpose of the grant of the Related Party Performance Rights to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (m) Don Carroll declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 10 to 12 Don Carroll recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of Related Party Performance Rights to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Related Party Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Performance upon the terms proposed;
- (n) David Turvey declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 9, 11 and 12, David Turvey recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (o) Greg Boulton declines to make a recommendation to Shareholders in relation to Resolution 11 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 9, 10 and 12, Greg Boulton recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (p) Peter Huljich declines to make a recommendation to Shareholders in relation to Resolution 12 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 9, 10 and 11, Peter Huljich

recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);

- (q) in forming their recommendations, each Director considered the experience of each other Related Party, the existing and proposed contribution of each Related Party to the Company and the current market practices when determining the number of Related Party Performance Rights to be issued; and
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 9 to 12.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights to the Related Parties (and/or their respective nominee/s) as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Related Party Performance Rights will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 13 – APPROVAL OF 10% PLACEMENT FACILITY

8.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$33,789,960 (based on the number of Shares on issue and the closing price of Shares on the ASX on 7 October 2019).

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 8.2(c) below).

The primary purpose for the 10% Placement Facility is to enable the Company to raise additional capital without additional regulatory impediments and to pursue possible future investment opportunities that may arise.

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

8.2 Description of Listing Rule 7.1A

a. Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

b. Equity Securities

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue two classes of quoted Equity Securities:

- i) Shares (ASX code: KFE)

- ii) Listed Options with exercise price of \$0.10 expiring 31 December 2021 (ASX code: KFEOA)

c. Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 662,548,234 quoted Shares and has a capacity to issue 75,346,642 Equity Securities under Listing Rule 7.1. The Company currently does not have capacity to issue Equity Securities under Listing Rule 7.1A 10 % placement capacity.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2.

d. Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (d)(i) above, the date on which the Equity Securities are issued.

e. 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

("10% Placement Period").

8.3 Listing Rule 7.1A

The effect of Resolution 13 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 13 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

8.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days, on which trades in those securities were recorded, immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or

- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a)(i) above, the date on which the Equity Securities are issued.
- (b) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in Table A (below). There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset.

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

Table A shows the dilution of existing Shareholders on the basis of the current market price of Shares (as at 7 October 2019) and the current number of ordinary securities for variable "A" (being 662,548,234) calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

TABLE A		Dilution		
Variable "A" in Listing Rule 7.1A.2		\$0.0255 50% decrease in issue price	\$0.051 Issue price	\$0.102 100% increase in issue price
Current Variable "A" 662,548,234 Shares	10% voting dilution	66,254,823 shares	66,254,823 shares	66,254,823 shares
	Funds raised	\$1,689,498	\$3,378,996	\$6,757,992
50% Increase in current Variable "A" 993,822,351 Shares	10% voting dilution	99,382,235 shares	99,382,235 shares	99,382,235 shares
	Funds raised	\$ 2,534,247	\$5,068,494	\$10,136,988
100% Increase in current Variable "A" 1,325,096,468 Shares	10% voting dilution	132,509,646 shares	132,509,646 shares	132,509,646 shares
	Funds raised	\$3,378,996	\$6,757,992	\$13,515,984

The table has been prepared on the following assumptions:

- (i) There are currently 662,548,234 quoted Shares on issue;
- (ii) The issue price set out above is the share price on 7 October 2019;
- (iii) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (iv) No Options are exercised into Shares before the date of the issue of the Equity Securities.
- (v) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example at 10%.

- (vi) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
 - (vii) The table shows only the effect of the issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (viii) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (ix) The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or without approval under Listing Rule 7.1.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 13 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new assets and investments and for services provided to the Company from time to time. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new assets or investments.

- (e) The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its 2017 Annual General Meeting. The Company did not obtain Shareholder approval at its 2018 Annual General Meeting and therefore has not issued any Equity Securities under Listing Rule 7.1A during the 12 months preceding the date of the Meeting.

During the preceding 12-month period before the date of the Meeting, a total of 8,677,021 Shares and 142,328,948 Listed Options were issued; which represents 23.06 % of the total diluted number of Equity Securities on issue 12 months prior to the Meeting, which was 654,871,213 Shares. Information relating to the issue of Equity Securities in the preceding 12 months before the date of the meeting is set out in Table B below.

TABLE B

Date of Appendix 3B	Number of Equity Securities	Class of Equity Securities and summary of terms	Names of recipients or basis on which recipients determined	Issue price of Equity Securities and discount to Market Price (if applicable) ¹	If issued for cash – the total consideration, what it was spent on and the intended use of any remaining funds If issued for non-cash consideration – a description of the consideration and the current value of the consideration
7 February 2019	6,773,529	Fully paid Ordinary Shares	Issued to sophisticated investors under a placement	Issue Price: \$0.085 per Share	<p>Consideration received of \$575,750 (before costs) The Company has spent all of the funds raised.</p> <p>The purpose of the funds raised was for ongoing studies required for the Agbaja Cast Steel Project Bankable Feasibility Study and working capital.</p>
30 May 2019	132,328,948	Listed Options exercise price of \$0.10 expiring 31 December 2021	Issued to shareholders pursuant to an Entitlement Offer	Issue Price: \$0.01 per Listed Option	<p>Consideration received of \$1,323,289 (before costs). The Company has spent \$953,750 of the total funds raised.</p> <p>Funds raised has provided working capital whilst the Company arranges further funding required to complete the Bankable Feasibility Study for the Agbaja Cast Steel Project in Nigeria.²</p>
3 July 2019	10,000,000	Listed Options exercise price of \$0.10 expiring 31 December 2021	Issued to Patersons Securities Limited	Issue Price: \$0.01 per Listed Option	<p>No funds were raised from this issue</p> <p>These Options were issued in consideration of fees payable to Patersons Securities Limited as detailed in the Prospectus dated 29 May 2019.</p> <p align="right">Current value³ = \$100,000</p>
22 July 2019	1,903,492	Fully paid Ordinary Shares	Issued to consultants of the Company	Issue Price: 646,198 Shares at \$0.0869 per Share and 1,257,294 Shares at \$0.0802 per Share	<p>No funds were raised from this issue</p> <p>The Shares were issued in lieu of payment for professional services provided to the Company by consultants.</p> <p align="right">Current value³ = \$97,078</p>

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
 - (a) When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:
 - (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
 - (ii) the information required by Listing Rule 3.10.5A for release to the market.
 - (b) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.
3. In respect of quoted Equity Securities, the value is based on the closing price of the Shares (\$0.051) and closing price of the Listed Options (\$0.01) as the context requires on the ASX on 7 October 2019.

Directors' recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommends that Shareholders approve this Resolution.

The Chairman intends to vote all available proxies in favour of this Resolution.

9. RESOLUTION 14 – SPILL RESOLUTION

As set out above in the Explanatory Memorandum relating to Resolution 1, the Annual Report for the year ended 30 June 2019 contains a Remuneration Report which sets out the policy for the remuneration of the Directors and executives of the Company (Remuneration Report). In accordance with section 250R(2) of the Corporations Act the Company is required to put the Remuneration Report to its Shareholders for adoption.

At the Company's 2018 Annual General Meeting, over 25% of the votes cast were against the adoption of the Remuneration Report. If at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report, the Company will be required to put this Resolution 14 (Spill Resolution) to the 2019 Annual General Meeting, to approve calling a general meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene a Spill Meeting within 90 days of the 2019 Annual General Meeting. All of the Directors who were in office when the relevant Directors' Report was approved, other than the Managing Director, cease to hold office immediately before the end of the Spill Meeting. Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

Shareholders should be aware that the convening of a spill meeting will result in the Company incurring material additional expense in conducting a meeting (including legal, printing, mail out and registry costs) as well as potential disruption to its focus on core business operations as a result of management distraction, the time involved in organising such a meeting and the diversion of resources.

Moreover shareholders should note that there are no voting exclusions applicable to resolutions appointing Directors at any subsequent meeting of Shareholders. This would mean there is no barrier to the existing major shareholders of the company exercising their voting rights to reappoint the existing Directors of the Company without any changes to the composition of the Board.

In the Board's view it would be inappropriate to remove all of the non-executive directors in the circumstances. However, the Board recognises that Shareholders can remove a director by a majority Shareholder vote at any time for any reason.

As a public company is required to have a minimum of three directors, the Corporations Act includes a mechanism to ensure that the Company will have at least three directors (including the Managing Director) after the Spill Meeting. If at the Spill Meeting, three Directors are not appointed by ordinary resolution, the persons taken to be appointed are those with the highest percentage of votes favouring their appointment cast at the Spill Meeting on the Resolution for their appointment (even if less than half the votes cast on the Resolution were in favour of their appointment).

As the Directors' have an interest in the outcome of Resolution 14, the Directors do not make any recommendation to Shareholders as to how the Shareholders should vote on Resolution 14.

Voting Exclusion:

Note that a voting exclusion applies to Resolution 14 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair intends to use any such proxies to vote against the Resolution. In exceptional circumstances, the Chair of the Meeting may change his voting intention on Resolution 14, in which case an ASX announcement will be made.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

15. RESOLUTION 15 – ISSUE OF SHARES TO RELATED PARTY IN LIEU OF FEES – MR DON CARROLL

15.1 General

Resolution 15 seeks Shareholder approval in accordance with Listing Rule 10.11 for the issue of Shares in lieu of director's fees to Director, Mr Don Carroll (or his nominee).

Subject to obtaining Shareholder approval, the Company has agreed to issue Mr Carroll (or his nominee) Shares in lieu of directors fees accrued for the period 1 January 2014 to 31 December 2017 (inclusive), being \$240,000.

If Shareholders do not approve the issue of Shares to Mr Carroll, he will be entitled to be paid these fees in cash when an asset realisation event occurs on the Agbaja Project or sufficient funds are raised and as long as the repayment does not cause an insolvency issue to the Company.

If this Resolution is approved, the number of Shares to be issued to Mr Carroll will be calculated by dividing \$240,000 by the price of Shares which is a 10% discount to the volume weighted average price of the Company's Shares (**VWAP**) over the five trading days prior to the date of issue of this Notice of Meeting (**Issue Price**).

Set out below are worked examples of the number of Shares that may be issued to Mr Carroll based on issue prices of \$0.04, \$0.045 and \$0.05 (assuming no further Shares are issued, and no Options are exercised).

Assumed Issue Price	Number of Shares ¹	Dilution effect on existing Shareholders ¹
\$0.040	6,000,000	0.90%
\$0.045	5,333,333	0.80%
\$0.050	4,800,000	0.72%

Note:

1. This table assumes that there are 662,548,234 Shares as at the date of this Notice of Meeting.

15.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in Section 7.2 above.

The issue of Shares constitutes giving a financial benefit and Mr Carroll is a related party of the Company by virtue of being a Director. The Directors (other than Mr Carroll who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares because the agreement to issue of the Shares, reached as part of the remuneration package for Mr Carroll, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

As the issue of the Shares involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

15.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to this Resolution:

- (a) the Shares will be issued to Mr Carroll (or his nominee);
- (b) the maximum number of Shares to be issued will be calculated based on the value of the salary and fees payable for the relevant period (being \$240,000) divided by the Issue Price, rounded down to the nearest whole Share;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the Shares will be issued for nil cash consideration, as they are being issued in lieu of directors fees owing to Mr Carroll, accordingly no funds will be raised; and
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Shares to Mr Carroll (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

16. DEFINITIONS

In this Notice and Explanatory Memorandum:

"10% Placement Facility" has the meaning given to it in Section 8.1;

"10% Placement Period" has the meaning given to it in Section 8.2(e);

"Annual Report" means the annual report of the Company for the financial year ended 30 June 2019;

"ASIC" means the Australian Securities and Investments Commission;

"ASX" means ASX Limited ACN 008 624 691;

"Auditor's Report" means the auditor's report contained in the Annual Report;

"Board" means the board of Directors;

"Business Day" has the meaning given to it in the Listing Rules;

"Chair" means the chair of the Meeting.

"Chairman" means the chairman of the Board;

"Closely Related Party" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

"Company" means Kogi Iron Limited (ACN 001 894 033);

"Constitution" means the constitution of the Company;

"Corporations Act" means the Corporations Act 2001 (Cth);

"Director" means a director of the Company;

"Employee Incentive Plan or Plan" has the meaning given in Section 6;

"Equity Securities" has the same meaning as in the Listing Rules;

"Explanatory Memorandum" means this Explanatory Memorandum;

"Key Management Personnel" has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

"Listing Rules" means the official listing rules of the ASX;

"Notice" and **"Notice of Meeting"** means the notice of meeting to which this Explanatory Memorandum is attached;

"Official List" means the official list of ASX;

"Performance Right" has the meaning given to it in Section 6 (b) (iv);

"Proxy Form" means the proxy form attached to this Notice;

"Remuneration Report" means the remuneration report contained in the Annual Report;

"Resolution" means a resolution set out in this Notice;

"Schedule" means a schedule to this Notice and Explanatory Memorandum;

“Section” means a section of this Explanatory Memorandum;

“Share” means an ordinary fully paid ordinary share in the capital of the Company and **“Shareholder”** has a corresponding meaning;

“Trading Day” has the meaning ascribed to that term in the Listing Rules;

“WST” means Western Standard Time.

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

The amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 December 2021 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) Quotation

The Company will seek Official Quotation of the Options, subject to the satisfying the quotation conditions of the ASX Listing Rules.

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The Performance Rights will be issued in accordance with the terms and conditions of the Employee Incentive Plan and the terms set out below:

- (a) **(Milestones):** The Performance Rights will have the following milestones attached to them:
- (i) **Class A Performance Rights:** At any time on, or prior to that date which is six months from the date of issue of the Performance Rights, the Company completes a fund raising of not less than \$2,000,000.
 - (ii) **Class B Performance Rights:** At any time on, or prior to the date which is one year from the date of issue of the Performance Rights, the volume-weighted average share price (**VWAP**) for 30 consecutive business days of the Company's shares trading on the ASX exceeds A\$0.10/share.
 - (iii) **Class C Performance Rights:** At any time on, or prior to that date which is 15 months from the date of issue of the Performance Rights, the Company completes a fund raising of not less than \$8,000,000.
 - (iv) **Class D Performance Rights:** At any time on, or prior to the date which is 18 months from the date of issue of the Performance Rights, the VWAP for 30 consecutive business days of the Company's shares trading on the ASX exceeds A\$0.15/share.
 - (v) **Class E Performance Rights:** At any time on, or prior to that date which is two years from the date of issue of the Performance Rights the Company:
 - (A) completes a bankable feasibility study on the Agbaja Cast Steel Project (**BFS**);
 - (B) the BFS returns a positive outcome that delivers an internal rate of return in excess of 20% and allows the Company to immediately pursue funding for the development of the Agbaja Cast Steel Project.
 - (vi) **Class F Performance Rights:** At any time on, or prior to the date which is two years from the date of issue of the Performance Rights, the VWAP for 30 consecutive business days of the Company's shares trading on the ASX exceeds A\$0.20/share.
 - (vii) **Class G Performance Rights:** At any time on, or prior to that date which is three years from the date of issue of the Performance Rights the Company completes financial close for the funding required to bring the Agbaja Cast Steel Project into production.
 - (viii) **Class H Performance Rights:** At any time on, or prior to the date which is three years from the date of issue of the Performance Rights, the VWAP for 30 consecutive business days of the Company's shares trading on the ASX exceeds A\$0.25/share.
- (Each a **Milestone**).
- (b) **(Vesting):** The Performance Rights are deemed to have vested if and when the Milestone applicable to a holder's Performance Rights have been satisfied, waived by the Board, or are deemed to have been satisfied under the Employee Incentive Plan, and where the Company has issued a vesting notification to the holder informing them that some or all of its Performance Rights have vested and will convert into Shares upon being exercised by the holder.
- (c) **(Method of Exercise of Performance Rights):** Following the issuing of a vesting notification to a holder, a vested Performance Right may be exercised by the Participant at any time prior to the expiry date and by delivery of a signed exercise notice to the registered office of the Company or such other address as determined by the Board. In the event that the holder does not exercise a

vested Performance Right prior to the expiry date, the relevant Performance Right will automatically lapse.

- (d) **(Actions on exercise of Performance Rights):** On completion of the exercise of Performance Rights:
 - (i) the Performance Rights will automatically lapse;
 - (ii) the Company will, within 10 business days of the vesting date, issue the number of Shares for which the holder is entitled to subscribe for or acquire through the conversion of the Performance Rights;
 - (iii) the Company will deliver to the holder a holding statement for the Shares;
 - (iv) the Company will issue a substitute certificate for any remaining Performance Rights.
- (e) **(Expiry date):** The Performance Rights will expire at 5.00pm Western Standard Time in Australia on the day which is 5 years after the date of issue of the Performance Right, after which the Performance Rights lapse and may no longer be exercised or converted.
- (f) **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.
- (g) **(Application to ASX)** The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (h) **(Transfer of Performance Rights):** The Performance Rights are not transferable except in accordance with the terms of the Employee Incentive Plan.
- (i) **(Lapse of a Performance Right):** The Performance Rights will lapse:
 - (i) if the relevant Milestone is not achieved by the dates set out in paragraph (a);
 - (ii) on their expiry date;
 - (iii) upon exercise of a Performance Right; or
 - (iv) otherwise in accordance with the terms of the Employee Incentive Plan.
- (j) **(Participation in new issues)** A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
- (l) **(Dividend and Voting Rights):** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- (m) **(Deferral of conversion if resulting in a prohibited acquisition of Shares):** If the conversion of a Performance Right would result in any person being in contravention of section 606(1) of the *Corporations Act 2001 (Cth)* (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition;
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- (n) **(No rights to return of capital)** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (o) **(Rights on winding up)** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- (p) **(No other rights)** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (q) **(Subdivision 83AC-C):** Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Performance Right.

SCHEDULE 3 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to the Related Parties pursuant to Resolutions 9, 10, 11 and 12 have been independently valued.

Using a binomial barrier pricing model and based on the assumptions set out below, the Performance Rights were ascribed the following values:

Assumptions and Key Inputs:	
Valuation date	14 October 2019
Market price of Shares	4.7 cents
Exercise price	Nil
Testing period from date of issue	Class A Performance Right – 6 months Class B Performance Right – 1 year Class C Performance Right – 1.25 years Class D Performance Right – 1.5 years Class E Performance Right – 2 years Class F Performance Right – 2 years Class G Performance Right – 3 years Class H Performance Right – 3 years
Expiry date	5 years from date of issue
Risk free interest rate	0.69%
Volatility	95%
Dividend yield	Nil
Indicative value per Performance Right	
Tranches A, C, E and G	4.70 cents
Tranche B	2.37 cents
Tranche D	2.14 cents
Tranche F	2.15 cents
Tranche H	2.61 cents
Weighted Average	3.60 cents
Number of Performance Rights Issued	
- David Turvey	10,000,000
- Don Carroll	8,000,000
- Greg Boulton	8,000,000
- Peter Huljich	8,000,000
Total	34,000,000

Total Value of Performance Rights	
- David Turvey	\$363,050
- Don Carroll	\$286,525
- Greg Boulton	\$286,525
- Peter Huljich	\$286,525
Total	\$1,222,625

Note: The valuation ranges noted above are not necessarily the market prices that the Performance Rights could be traded at and they are not automatically the market prices for taxation purposes.

LODGE YOUR VOTE

	ONLINE www.linkmarketservices.com.au
	BY MAIL Kogi Iron Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
	BY FAX +61 2 9287 0309
	BY HAND Link Market Services Limited 1A Homebush Bay Drive, Rhodes NSW 2138
	ALL ENQUIRIES TO Telephone: 1300 554 474 Overseas: +61 1300 554 474

LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am (WST) on Sunday, 24 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged:

 ONLINE www.linkmarketservices.com.au Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).	 BY MOBILE DEVICE Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding. To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.	QR Code 
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HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM**YOUR NAME AND ADDRESS**

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a member(s) of Kogi Iron Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (WST) on Tuesday, 26 November 2019 at the Celtic Club, 48 Ord Street, West Perth WA 6005** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 9, 10, 11, 12, 14: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 9, 10, 11, 12, 14, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of items 1 - 13, 15, and against item 14 (if it is put to the meeting).

STEP 2

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

Resolutions

Resolutions	For	Against	Abstain*	Resolutions	For	Against	Abstain*								
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of Related Party Performance Rights to David Turvey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								
2 Re-Election of Mr Don Carroll as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Issue of Related Party Performance Rights to Greg Boulton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								
3 Election of Director – David Turvey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Issue of Related Party Performance Rights to Peter Huljich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								
4 Election of Director – Peter Huljich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>								
5 Ratification of Prior Issue – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Board Recommendation: The Board recommends shareholders vote AGAINST resolution 14.											
6 Ratification of Prior Issue – Listed Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<table border="1"> <thead> <tr> <th></th> <th>For</th> <th>Against</th> <th>Abstain*</th> </tr> </thead> <tbody> <tr> <td>14 Spill Resolution</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>					For	Against	Abstain*	14 Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	For	Against	Abstain*												
14 Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>												
7 Ratification of Prior Issue – Shares in Lieu of Payment for Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<table border="1"> <thead> <tr> <th></th> <th>For</th> <th>Against</th> <th>Abstain*</th> </tr> </thead> <tbody> <tr> <td>15 Issue of Shares to Related Party in Lieu of Fees – Don Carroll</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table>					For	Against	Abstain*	15 Issue of Shares to Related Party in Lieu of Fees – Don Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	For	Against	Abstain*												
15 Issue of Shares to Related Party in Lieu of Fees – Don Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>												
8 Approval of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>												
9 Issue of Related Party Performance Rights to Don Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>												

Note – Resolution 14 will only be put to the Annual General Meeting if at least 25% of votes cast on Resolution 1 (Adoption of the Remuneration Report) are “against” that Resolution. If less than 25% of the votes cast on Resolution 1 are against that Resolution, then there will be no second strike and Resolution 14 will not be put to the Annual General Meeting.

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

KFE PRX1901N

