

23 January 2020

CONSULTING AGREEMENT WITH MANAGING DIRECTOR

Australia's Kogi Iron Limited (ASX: KFE) ("Kogi", "Kogi Iron" or the "Company") is pleased to announce details of the Consulting Agreement entered into between the Company and the Managing Director, Mr David Turvey. As previously announced, Mr Turvey has agreed to step up from the role of Non-Executive Director to the position of Managing Director. The terms and conditions of this engagement have now been finalised and are disclosed in Appendix 1.

Mr Turvey 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 will be responsible for advancing funding and the feasibility study for the Agbaja Cast Steel Project.

For and on behalf of the Board

Kevin Hart
Company Secretary

For more information, please contact:
Kogi Iron Limited
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KFE Capital Summary	Board of Directors	Contact
Ordinary Shares: 774,061,174 Listed Options: 142,328,948 Performance Rights: 26m Share price: \$0.06 Market capitalisation: \$46m	Mr Greg Boulton AM – <i>Non-Executive Chairman</i> Mr David Turvey – <i>Managing Director</i> Mr Don Carroll – <i>Non-Executive Director</i> Mr Peter Huljich – <i>Non-Executive Director</i>	Unit 23, 4 Ventnor Avenue, West Perth WA 6005 Tel: +61 8 9200 3456 Email: info@kogiiron.com W: www.kogiiron.com

Appendix 1

In accordance with ASX Listing Rule 3.16.4, the material terms of Mr Turvey's remuneration package as Kogi's Managing Director are as follows:

Consulting Fees

- An hourly rate of \$250 per hour or \$2,000 per capped 8-hour day will apply for consulting services exclusive of GST. Previous fees as a Non-executive Director are not applicable.
- Estimate of monthly consulting fees are ~15 days per month x \$2,000 / day = ~\$30,000 (exclusive of GST) depending on work load.
- Consultancy fees are chargeable based on actual work periods, supported by an itemised timesheet.
- The term of this agreement will continue until the earlier of 31st December 2020 (or such later date as the parties may agree or revise the Contract) or on termination of the agreement.
- Either Kogi or Mr. Turvey may, at any time and without cause, terminate this agreement by giving the other party at least 10 days written notice or may terminate this agreement with immediate effect, by notice in writing if the other party fails to discharge its obligations under or is in breach of this agreement. Amounts payable on termination will be limited to fees owing for approved services rendered up until the date of termination.

Equity Incentives

Following the receipt of shareholder approval at the Annual General Meeting held on 26 November 2019, 10m Performance Rights were issued to Mr. Turvey in December 2019 in accordance with the Kogi Employee Incentive Plan. The Plan underpins Kogi's employment strategy of rewarding performance and retaining key talent. The terms and conditions of the Performance Rights ("Rights") are outlined in the table below:

Class of Rights	Quantum	Performance Hurdle	Vesting Date
A	1,000,000	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.	9 June 2020
B	1,500,000	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.	9 December 2020
C	2,000,000	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.	9 March 2021
D	1,000,000	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.	9 June 2021

E	1,250,000	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.	9 December 2021
F	1,000,000	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.	9 December 2021
G	1,250,000	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.	9 December 2022
H	1,000,000	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.	9 December 2022
Total	10,000,000		

Full details of the Performance Rights can be found in the Notice of Meeting for the AGM held on 26 November 2019.

Scope of Work and Deliverables

Administration - review previous activities, operating policies and business relationships, especially in support of KCM's Nigerian team.

Funding – secure equity funding to enable work on the Feasibility Study and provide Working Capital. Progress previous work and relationships with project debt funding organisations.

Management of the Feasibility Study including:

- a) **Technical** – resource to reserve conversion and mine plan, de-phosphorisation steel test work using conventional production technologies, steel plant design engineering and costings, EPCM contract or alternative development options.
- b) **Marketing** – review previous Fastmarkets survey of Nigerian steel industry, establish scope of work for detailed market survey to obtain non-binding offtake contracts, develop a market entry strategy via key target customers.
- c) **Environmental, Social and Government** – initiate Community Development Agreement and enshrine 'best practice' principles, establish inter-ministerial MoU via the Minister for Mines and Steel development for tangible support Project development.
- d) **Commercial** – obtain estimates of Capital & Operating Costs and Sales Revenues to create a financial model with key profitability metrics and sensitivity analysis.

- e) **Strategic Business Plan** – risk & opportunity analysis, assess co-funding options (infrastructure, power), consider partnerships and alternate business structures.

Stakeholder Relationships – develop a public / investor relations strategy (PR/IR) to improve relationships and communication with all stakeholders e.g. Community, Government, shareholders and potential investors.

Reporting to Board with periodic presentations to shareholders.

About Kogi Iron (ASX: KFE)

Kogi Iron Limited is a Perth-based company with the objective of becoming a producer of cast steel billet product that can be sold to fabricators of finished steel products through the development of its 100% owned Agbaja Cast Steel project located in Kogi State, Republic of Nigeria, West Africa (“Agbaja” or “Agbaja Project”).

Nigeria has substantial domestic demand for steel products, which is currently met largely through imports of scrap steel raw materials. The Agbaja project, located on the Agbaja plateau approximately 15km northwest of Lokoja city in Kogi State and 200km southwest of Abuja, the capital city of Nigeria, opens the opportunity for domestic production of steel.

The Company holds a land position which covers a large part of the Agbaja Plateau. The Agbaja Plateau hosts an extensive, shallow, flat-lying channel iron deposit with an Indicated and Inferred Mineral Resource of 586 million tonnes with an in-situ iron grade of 41.3% reported in accordance with the JORC Code (2012). This mineral resource covers approximately 20% of the prospective plateau area within ML24606 and ML24607.

Table 1 – Summary Grade and Tonnage for Agbaja Iron Ore Resource

Laterite (Zone A) and Oolitic (Zone B) Horizons (20% Fe lower cut off is applied)

Refer ASX announcement 10 December 2013.

Classification	Tonnes (Mt)	Fe (%)
Zone A (Laterite Mineralisation)		
Indicated	147.5	33.2
Inferred	33.9	31.7
Total Indicated + Inferred (Zone A)	181.4	32.9
Zone B (Oolitic Mineralisation)		
Indicated	318.7	45.2
Inferred	86.3	44.7
Total Indicated + Inferred (Zone B)	405.0	45.1
Combined Zone A and Zone B		
Total Indicated	466.2	41.4
Total Inferred	120.1	41.1
Total Indicated + Inferred	586.3	41.3

The Company confirms that it is not aware of any information or data that materially affects the information included in the original market announcements and, in the case of estimated Mineral Resources, which all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.