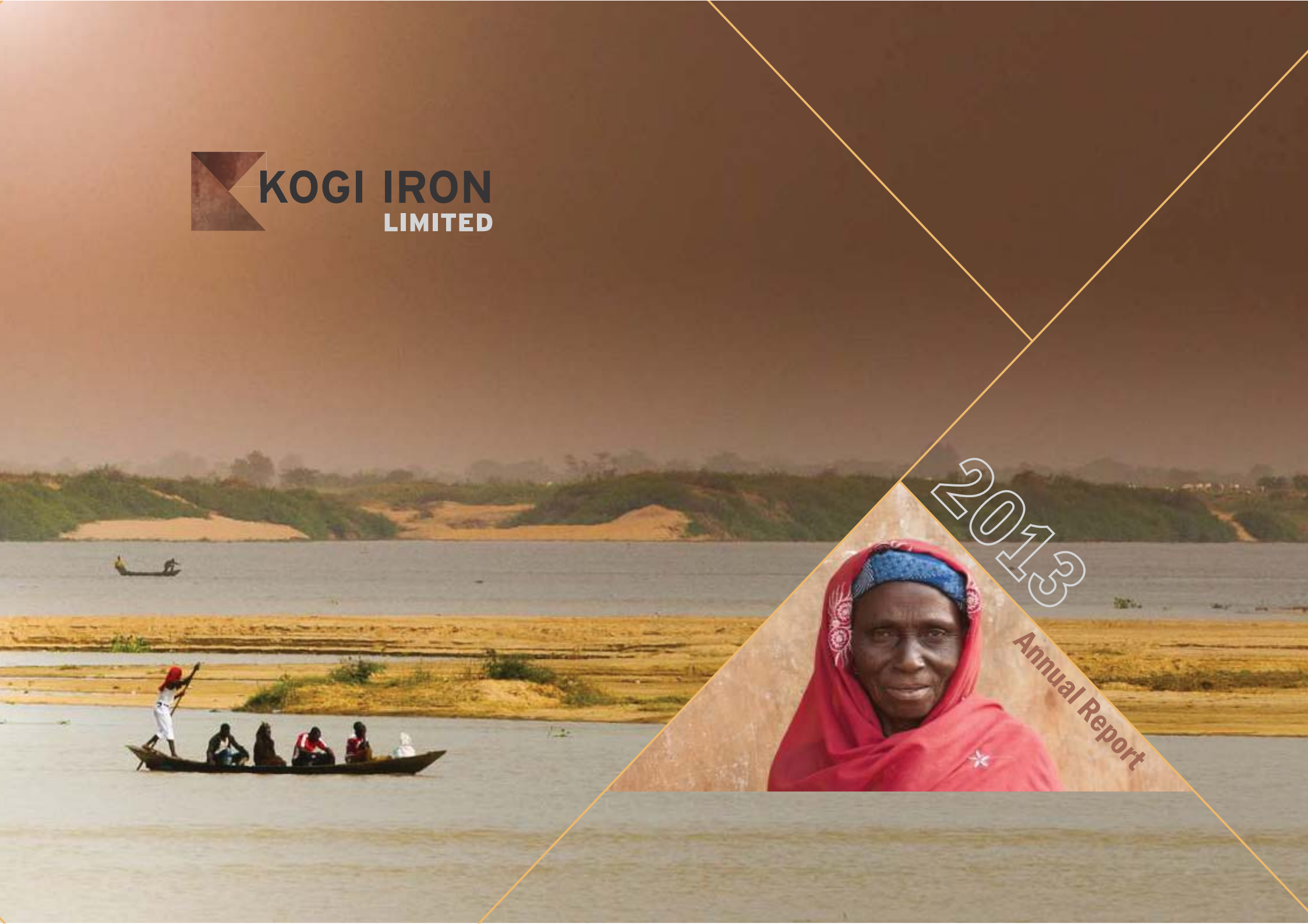




**KOGI IRON
LIMITED**

2013

Annual Report





CONTENTS

Kogi Iron Limited	1
Board of Directors	3
Chairmans' Letter	4
Managing Director's Review	6

**Discover a World Class
Iron Ore Opportunity
in Nigeria**



KOGI IRON LIMITED (ASX: KFE)

Kogi Iron Limited is a Perth-based company focused on becoming an African iron ore producer through the development of its 100% owned Agbaja Iron Ore Project located in Kogi State, Republic of Nigeria, West Africa (“Agbaja” or “Agbaja Project”).

The Company is evaluating an initial 5 million tonne per annum iron ore operation at the Agbaja Project, initially utilising barging transport along the Niger River to Port Warri for world export markets. The Company will continue to advance access and usage agreements for an existing under-utilised heavy haulage railway that runs from near the Agbaja Project to Port Warri. This existing railway remains an important part of a longer term potential transport solution for an expanded production profile beyond 5 Mtpa.

The Company holds a land position of approximately 400km² covering 15 tenements in Kogi State, Nigeria, with the main focus currently being EL12124 which covers more than half of the Agbaja plateau. The Agbaja plateau hosts an extensive, shallow, flat-lying channel iron deposit with an Inferred Mineral Resource of 488 million tonnes with an in-situ iron grade of 42.7% reported in accordance with the JORC Code, 2004 Edition. This mineral resource, which represents one of the highest grade beneficiable iron ore resources in West Africa, covers approximately 20% of the prospective plateau area within EL12124.

Vision to be an African Iron Ore Producer

Discovery and establishment of significant iron ore resource

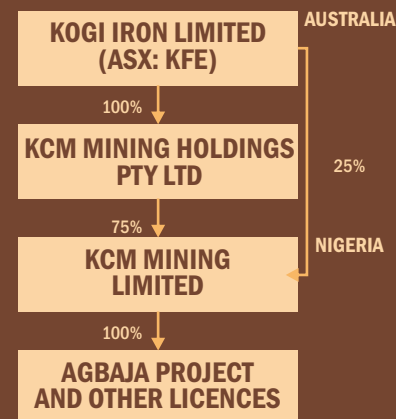
Project Scale upside

Advantages in doing business in Nigeria

Vision to be an ASX 300 company

Strong Board with credentials to develop the project

CORPORATE STRUCTURE





Large Inferred Mineral Resource

HISTORY OF AGBAJA-PLATEAU

The name Agbaja-plateau is said to come from the phraseology 'agba jo', meaning- "we came together", this depicts the assumption that people must have come together from various sources to form the settlements known as Agbaja plateau today. The settlements on the plateau comprise Agbaja, which is the district headquarters and Ibaru, Igaaki, Mantu, Oruwa, Okeremi, Ohigi, Okpaka, Opeko, Adogbe, Idiase, Oko-noke, Old Tajimi, Ilegboka, Ajara, Igbonla, Okpabu, Isegba, Lolo, Akoriko, Ayinoke, Akitikpa, Igboodun etc. the people are mainly hunters, fishermen and farmers. The people of Agbaja plateau are known as Oworo. "Oworo people", and by extension Agbaja plateau people, "are said to be an ethnic nationality that belong to the Yoruba race, and the most popular legend on their root or origin has it that their ancestors migrated as hunters from the legendary Ile-Ife, the Yoruba cradle" (OrungbamiTS. 2010).

Written by Massi HRH Abubaka Isa Alugbere

BOARD OF DIRECTORS

Dr Ian Burston (Non-Executive Chairman)

AM, DSc, FIEA, FIMM, FAICD

Dr Burston has more than 50 years of experience in Western Australian and international iron ore mining, export and sales. He has held executive management and Board positions with some of Australia's largest and most successful iron ore mining operations.

Mr Iggy Tan (Managing Director)

BSc MBA GAICD

Mr Tan is an executive with over 30 years experience in the mining and chemical industry. He is a project builder and developer having been involved with commissioning and start-ups of seven resource projects in Australia and overseas. His skills include capital raising, project study, construction and operations. During his career, he has held the position of Managing Director of ASX-listed Nickelore Ltd and Galaxy Resources Ltd.

Mr Nathan Taylor (Non-Executive Director)

LLB, BCom

Mr Taylor has extensive M&A and Capital Markets experience having worked on numerous domestic and cross border transactions throughout his career. Most recently, he was Head of Mergers and Acquisitions at BBY Limited and prior to this worked within the capital markets teams at UBSAG and Macquarie Bank.

Mr Don Carroll (Non-Executive Director)

BEng (Mining), MAusIMM, MAICD

Mr Carroll was a former executive with BHP Billiton and has over 30 years of experience in the mining industry, principally Asia, the United States and West Africa. During this time he was responsible for the marketing of minerals in Asia, including China, and was the President for BHP Billiton in Japan and India.

Mr Kevin Joseph (Executive Director)

B.Chem.Eng

Mr Joseph has extensive experience in Nigeria and the West African region, and is currently the Chief Executive Officer of KCM Mining Limited, which holds Kogi's Exploration Licences in Nigeria. As a 23 year resident and recent citizen of Nigeria, he has invaluable in-country relationships, which assists in conducting day to day business & executing the Company's development plans.

Mr Joe Ariti (Non-Executive Director)

BSc, DipMinSc, MBA, MAusIMM, MAICD

Mr Ariti is an experienced company director and mining executive with over 25 years' experience in technical, management and executive roles including developing, managing and financing mining projects in Australia, Indonesia, PNG and the West African region.

Mr Brian King (Non-Executive Director)

Mr King has over 40 years' experience in the mining industry and was the Registered Mine Manager at Rio Tinto's Tom Price and Paraburdoo mining operations from 1982 until 1990. More recently, Mr King worked with the Terex Group in various senior roles including President of the mining group for 11 years.



Kogi Iron Board of Directors and Company Secretary
L to R: Brian King, Nathan Taylor, Ian Burston, Shane Volk
(CoSec), Iggy Tan, Joe Ariti, Don Carroll, Kevin Joseph.

Discovery and
establishment
of significant
iron ore
resource

CHAIRMAN'S LETTER

Dear Shareholders,

As Chairman of Kogi Iron Limited it is with great pride and enthusiasm that I present the Company's Annual Report for 2013.

During the last year the Company has made significant progress, positioning it for the commencement of a Scoping Study for the development of the Agbaja Iron Ore project ("Agbaja Project") as set out later in this report. Key achievements during the year included:

- Changing the name of the Company to Kogi Iron Limited (from Energio Limited), the final step in the transition to an iron ore exploration and development company;
- Opening a site office on the Agbaja plateau, which will serve as a working base for the Company's future activities;
- Completing an extensive resource drilling program and defining a Maiden JORC Compliant Inferred Mineral Resource of 488 million tonnes with an in-situ iron grade of 42.7%;
- Appointing a Managing Director – Mr Iggy Tan who will be responsible for leading the Company through its next phase;
- Defining a clear strategy and road map for the development of the Agbaja Project with the initiation of a Scoping Study to evaluate the viability of a 5 Mtpa iron ore operation;
- Completing initial metallurgical test work, and the adoption of a simplified beneficiation process;
- Completing a 25 hole step-out drilling program and estimating an updated Exploration Target for the Agbaja Project and nearby plateaus;
- Achieving an unblemished safety record where no lost time injuries were recorded during the year; and
- Beginning a marketing plan to raise the profile of Kogi Iron in the investment community with the target of becoming an ASX 300 company.

I am sure you will agree that these are significant achievements in such a short space of time. On behalf of the Board, I convey my sincere thanks to Kogi's Directors, Management and staff for an outstanding year. Without the hard work and commitment of these dedicated people, the Company could not have achieved what it has to date. I would also like to thank shareholders for their continued support during the year.

I look forward with anticipation to an exciting year ahead.
Yours sincerely,

Dr Ian Burston
Chairman
Kogi Iron Limited





We have a
unique project,
existing infrastructure,
a clear development plan

MANAGING DIRECTORS' REVIEW OF OPERATIONS



I was appointed as Managing Director of Kogi Iron ("Kogi") effective 26 August 2013. I would like to take the opportunity to introduce myself to you and provide an update on your investment in Kogi on behalf of the Kogi Board and Management team.

There were a number of reasons why I was delighted to accept the role of Managing Director of Kogi. Firstly, there was the potential of Kogi's Agbaja Iron Ore Project located in Kogi State, Republic of Nigeria. One of the key factors in the ultimate success of an iron ore project is scale, and Agbaja is a project with tremendous scale.

Another crucial ingredient in an iron ore operation is access to bulk commodity transport infrastructure. This is one of Agbaja's key competitive advantages. Agbaja is uniquely positioned in terms of its proximity to two potential transport solutions. It is close to both an existing heavy haulage railway line and a barge loading point on the Niger River, both of which connect to Port Warri, an established well developed port.

Finally, I would like to acknowledge the high quality Board of Directors that Kogi has assembled. Having an opportunity to work alongside Kogi Chairman Ian Burston, who is a true legend of the iron ore industry, was also a key factor in my decision to accept the role. Dr Burston's iron ore credentials include being the Managing Director of Hamersley Iron, Managing Director of Portman Mining, Non-Executive Director of Fortescue Metals Group, Chairman of Aztec Resources, Chairman of African Iron and Executive Chairman of Cape Lambert Resources. I had worked with Dr Burston previously as General Manager of Imdex Minerals and the opportunity to work alongside and learn from him again was compelling.

My role is to provide the leadership necessary to finalise the various studies for the Agbaja Project and obtain project funding as we move towards our goal of becoming an African iron ore producer. In the process, we are aiming to build the profile and market support of Kogi Iron Limited to achieve the status of an ASX 300 company.

I trust this annual report will provide a good overview of why your Board and Management team are very excited about the opportunity that is in front of us at Agbaja. We have a unique project, existing infrastructure, a clear development plan, strong Nigerian Government support and a focused Management team determined to bring the project to fruition for our shareholders.



Available Transport and Infrastructure

NAME CHANGE TO KOGI IRON



At a general meeting of shareholders in November 2012, shareholders approved the change of company name to Kogi Iron Limited (from Energio Limited), the final step in the transition from what was a toy and gaming company to an iron ore exploration and development company. Shares of the Kogi Iron Limited (“Kogi Iron” or “the Company”) now trade on the Australian Securities Exchange under the code “KFE”.

The choice of the name Kogi Iron Limited was an obvious one given the Company’s key Nigerian Exploration Licences (“ELs”) are located in the State of Kogi, within the Federal Republic of Nigeria. This year has seen Kogi Iron consolidate its position and establish a solid foundation for the continued exploration, evaluation and development of its Nigerian iron ore assets.

THE FUTURE IS NIGERIA

Nigeria is the most populous country in Africa with a population of more than 160 million people. It is Africa’s largest oil producer and oil accounts for 95% of the country’s exports. As a result of this reliance on oil, the Nigerian Government is working hard to encourage new forms of investment and the mining sector is one of the highest priority industries. Nigeria’s mining code is based on the West Australian mining act and the Nigerian Government applies a flat royalty rate to mining projects rather than taking an equity stake – two factors which encourage foreign investment.

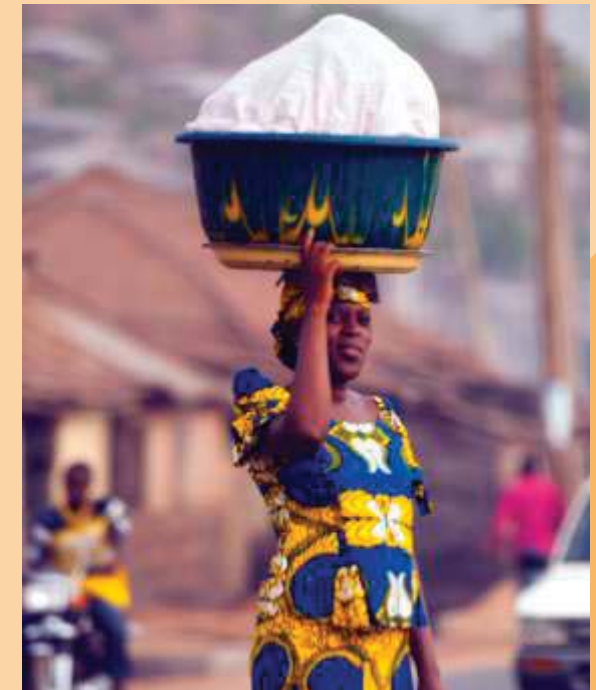
Nigeria is recognised as one of the fastest growing countries in the world. Citigroup has forecast Nigeria will grow to become the fifth largest economy in the world by 2050. As part of new economies behind the BRICs (Brazil, Russia, India and China) countries, Citigroup rank Nigeria in the top ten global growth generators (3G) in the next few decades.

Standard Bank has also identified Nigeria as one of a group of countries known as the “MINTs” (Mexico, Indonesia, Nigeria and Turkey) which it expects will replace the BRICs as the fastest growing investment destinations in the world. Standard Bank believes Nigeria has the fastest growing economy of all of the MINT countries, and has the strongest fiscal balance, lowest public debt, and is the only country in the MINT group with a Current Account surplus.

Experts believe that the Nigerian Government’s ability to implement market-oriented reforms such as modernisation of the banking systems and the recent elimination of subsidies (as urged by the International Monetary Fund) have played vital roles in positioning the country for a “take off”.

Investment opportunity among the MINTs is impressive, especially in very vibrant economies like Nigeria, which is currently utilising its huge population potential of over 160 million to attract foreign investors. Recent reports put Nigeria’s foreign direct investment (FDI) at \$8.9 billion, which is estimated to account for 16 per cent of Africa’s total FDI.

Nigeria is richly endowed with natural resources and Kogi has secured a first mover advantage in the iron ore sector at Agbaja which has the potential to become a significant resource project for the country.



EXTENSIVE RESOURCE DRILLING AND MAIDEN JORC RESOURCE

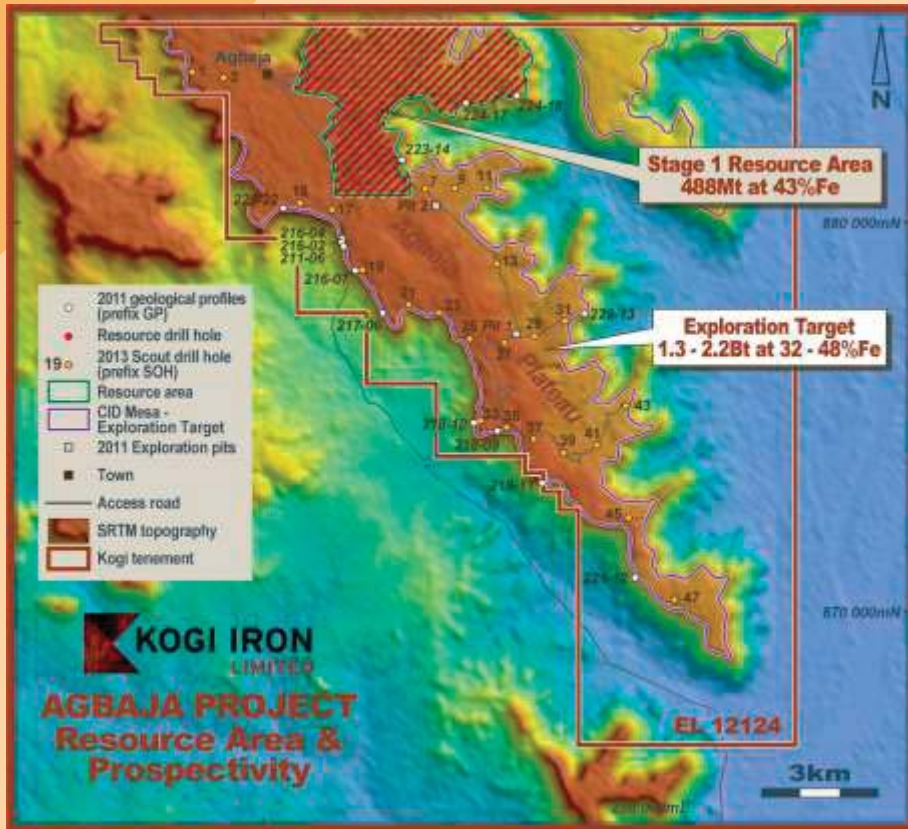


Table 1
Mineral Resource Classification Table

Zone	MT	Fe(%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P(%)	S(%)	TiO ₂ (%)	LOI(%)
INFERRED MINERAL RESOURCE								
A (LATERITE)	140.5	35.4	22.0	14.5	0.33	0.04	0.95	10.7
B (OOLITE)	347.2	45.7	10.4	10.4	0.92	0.06	0.26	10.6
TOTAL	487.7	42.7	13.7	11.6	0.75	0.06	0.46	10.6

Notes: Above 20% Fe lower cut-off. For full details refer Company announcement dated 28 September 2012.

A significant first step for the Company in evaluating the potential for development of the Agbaja Project was the establishment of a JORC compliant mineral resource. This important milestone was achieved on 28 September 2012 with the announcement of a maiden Inferred Mineral Resource of 488 million tonnes at 42.7% Fe above a 20% Fe lower cut-off. A summary of the Inferred Mineral Resource estimate is set out in Table 1:

The Mineral Resource was based on all drilling and assay results received to 28 August 2012, prior to the onset of the 2012 wet season in Nigeria, and comprised 535 RC drill holes on a 100 x 200m grid spacing totalling 13,264m.

The estimate covers the Stage 1 Resource Area in the north of Exploration Licence 12124 on the Agbaja plateau, which represents only approximately 20% of the prospective plateau area within the licence, and as such the Company is confident that the size of the resource can be increased substantially.

Resource drilling resumed in January 2013 immediately following the end of the wet season, and the remaining planned 129 reverse circulation (“RC”) and 30 diamond drill holes in the Stage 1 Resource Area were completed. These holes increased the coverage and confidence within the Stage 1 area, and will provide additional mine planning and metallurgical sample data for the next mineral resource update. Total drilling now completed in the Stage 1 Resource Area comprises 718 RC holes for 20,292m and 41 PQ diamond drill holes for 865m.

COMPETENT PERSON'S STATEMENTS:

The information in this report that relates to Mineral Resources is based on information compiled by Mr Kim Bischoff, a member of The Australasian Institute of Mining and Metallurgy. Mr Bischoff is a consultant to Kogi Iron Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Bischoff consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this report is a summary. Refer to ASX announcement by the Company dated 28 September 2013, titled “Maiden 468 Million Tonne JORC Resource” for full details. The information in this report that relates to Exploration Results is based on information compiled by Mr Kim Bischoff, a member of The Australasian Institute of Mining and Metallurgy. Mr Bischoff is a consultant to Kogi Iron Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Bischoff consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this presentation, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this document will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements.

SCOPING STUDY

Evaluation of a 5Mtpa Iron Ore Operation



SCOPING STUDY

The September 2013 announcement by the Company marking the launch of a Scoping Study to evaluation an initial 5 Mtpa iron ore operation at the Agbaja Project is a pivotal first step in advancing towards iron ore production. The Scoping Study is due for completion in the March quarter 2014 (subject to funding) with key contractors and consultants appointed.

Key assumptions to be tested in the Scoping Study include mining at Agbaja which is assumed to commence in the north of EL 12124. With mined ore, at an anticipated grade of 42% Fe, to be hauled to a crushing plant and crushed to around <10mm by a simple low intensity two stage crushing system. It is envisaged that the crushed ore will be further milled and fed to a beneficiation plant and through a simple magnetic separation process, a final iron ore concentrate of 55-56% Fe is anticipated.

The final concentrate is proposed to be slurried and pumped from the Agbaja Plateau down to the Banda Barge Facility about 20 kilometers south east of the Agbaja Project where it will be dewatered, stockpiled and loaded onto 3,000 tonne river barges. River barges will likely transport via the Niger River to a stockpile facility at Port Warri and from there a separate fleet of deep draft sea-going barges will ship the iron ore concentrate to an offshore transshipment facility where Cape sized ocean going vessels are proposed to be loaded.

A positive outcome from the Scoping Study will see advancement to a Feasibility Study and the resultant realisation of firmer time lines, costs and infrastructure requirements for the project.

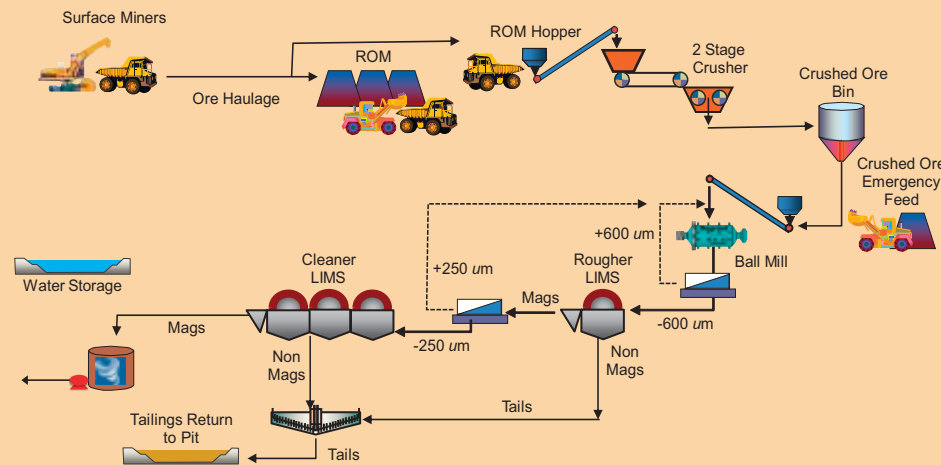
SIMPLIFIED BENEFICIATION

The results of initial laboratory scale metallurgical testwork commissioned by the Company confirmed the ability to produce a saleable iron ore concentrate from the Agbaja Project (as announced in July 2013) and proposed an initial conceptual flowsheet. Additional testwork has demonstrated that the beneficiation process can be further simplified by adopting only wet low intensity magnetic separation to upgrade the Agbaja iron ore product.

This important processing breakthrough has positive operating and capital cost implications, especially given the softness of the Agbaja ore and the coarse grind size, which can be achieved with modest grinding power. The simplified process flow sheet design is illustrated in the diagram below and will be adopted for the purpose of the Scoping Study.



Jeffery Okpara, Agbaja Administration



Conceptual illustration of the proposed simpler beneficiation process for the Agbaja Project



Typical LIMS used in iron ore industry



Kogi's Nigerian Team

SIGNIFICANT RESOURCE POTENTIAL

The Company has recently announced a substantial upgrade to the Exploration Target for the Company's tenements hosting Channel Iron Deposits ("CID"). This upgrade was facilitated by new geological information obtained from the Company's resource definition and exploration programs completed since 2011.

The new Exploration Target now totals 1.8 – 3.0 billion tonnes at a grade of 32 - 48% Fe, including 1.3 - 2.2 billion tonnes at 32-48% Fe within EL12124, and represents a 50% increase in tonnage from the previously reported Exploration Target (refer ASX announcement dated 17 September 2013 for details). The Exploration Target mentioned in this report is an estimate of the exploration potential for the type of mineral deposit and geological setting referred to in this report and the September 2013 announcement. The Exploration Target is quoted with a range of tonnages and grades, and should not be misunderstood or misconstrued as estimates of Mineral Resources. There has been insufficient exploration completed to date to more confidently determine the quantity and grade, or to estimate a Mineral Resource in accordance with the JORC Code 2012 guidelines. Further, it is uncertain if future exploration will result in the determination of a Mineral Resource.

A key component of this new work was completion of 25 step-out scout RC drill holes in the March 2013 quarter on EL12124 and EL8886 on the Agbaja plateau. These holes demonstrated the continuity of the CID iron mineralisation to the south, west and northeast of the Stage 1 Resource Area, at similar thicknesses and grades to the maiden Mineral Resource. The new Exploration target supports the Company's belief in the significant potential size of the iron ore resource at Agbaja.

GOVERNMENT RELATIONS

The Company continues to work with the Federal Government of Nigeria as well as the Kogi State Government in advancing the Agbaja Iron Ore Project. In August 2013 Kogi Chairman Ian Burston, Executive Director Kevin Joseph and Managing Director Iggy Tan had the opportunity to host Nigeria's Minister of Mines and Steel Development, Mr Musa Mohammed Sada, and Director General Mr Mohammed Amate at Kogi's offices in Perth. We were very encouraged by the strong support shown for our development plans and believe Kogi has been identified as a leader of Nigeria's burgeoning mining industry.

The Federal Government of Nigeria has a stated policy to diversify its economy beyond the dominant oil and gas sector and the development of the mining industry is one of the key priorities. Nigeria is richly endowed with natural resources and Kogi has secured a first mover advantage in the iron ore sector at Agbaja which has the potential to become a significant resource project for the country.

SAFETY

The Company did not record any lost time injuries during the year which was an excellent achievement considering the extensive drilling campaign that was completed. Safety will continue to be a strong focus for Kogi as it advances the Agbaja Iron Ore Project.

EXPLORATION TARGETS

The Exploration Targets mentioned in this announcement are an estimate of the exploration potential for the type of mineral deposit and geological setting referred to in ASX announcement dated 16 Sept 2013. The Exploration Target is quoted with a range of tonnages and grades, and should not be misunderstood or misconstrued as estimates of Mineral Resources. There has been insufficient exploration completed to date to more confidently determine the quantity and grade, or to estimate a Mineral Resource in accordance with the JORC Code 2012 guidelines. Further, it is uncertain if future exploration will result in the determination of a Mineral Resource.

COMMUNITY RELATIONS

Kogi Iron, through its Nigerian team has established very strong local relationships with all of the Agbaja communities, building on the initial land consent agreements that were entered into. One of the key principals incorporated in the consent agreements was the engagement of local employees, and consistent with this principal, 75% of Kogi's Nigerian employees are indigenous to the Agbaja plateau and the remaining 25% are indigenous to Kogi State. Kogi Iron also ensures high levels of local content in its operations where possible, with procurement from local suppliers and service providers.

Supporting the social development initiatives of local communities is integral to the way Kogi Iron operates in Nigeria. Ongoing support is provided to locally appointed committees and traditional rulers in their social development endeavours, this has assisted in improving local infrastructure and services, and consequently the well-being of the respective communities.



L to R: Alabi Samuel (Senior Geologist), Kevin Joseph (Executive Director), Massi HRH Abubaka Isa Alugbere

CORPORATE DIRECTORY

Kogi Iron Limited
ABN: 28 001 894 033

BOARD OF DIRECTORS

Dr Ian Burston - Non Executive Chairman & Director
Mr Iggy Tan - Managing Director
Mr Kevin Joseph - Executive Director
Mr Nathan Taylor - Non Executive Director
Mr Don Carroll - Non Executive Director
Mr Brian King - Non Executive Director
Mr Joe Ariti - Non Executive Director

COMPANY SECRETARY

Mr Shane Volk

REGISTERED OFFICE

13 Colin Street West Perth
Western Australia 6005
T: +61 (8) 9200 3456
F: +61 (8) 9200 3455
E: info@kogiiron.com
www.kogiiron.com

SHARE REGISTRY

Link Market Services
Level 2 178 St Georges Terrace
Perth Western Australia 6000
T: +61 (8) 9211 6651
www.linkmarketservices.com.au

AUDITORS

BDO Audit (WA) Pty Ltd
128 Hay Street
Subiaco Western Australia 6008

SOLICITORS

Gibert & Tobin
1202 Hay Street West Perth
Western Australia 6005
T: +61 (8) 9413 8400

EMPLOYEE PROFILE

Alabi Samuel (Senior Geologist - Top Right)

Mr Samuel is a Senior Geologist with the Kogi's Nigerian team. Alabi graduated from Ahmadu Bello University, Zaria, Kaduna State, Nigeria and is an "Indigene" of Kogi State. Alabi has been with the Agbaja Project since its inception and during this time he has headed up the field team, and supervised the ground probe, electromagnetic and various other pre-exploration surveys prior to the commencement of drilling. Alabi was a key leader of the Nigerian geological team for the various drilling programs during 2012 and 2013, during which time Kogi Iron announced its maiden JORC mineral resource of 488 Mt @ 42.7% Fe classified as inferred. Alabi also plays a key role in federal and state Government liaisons, as well as community and social development programs in the Agbaja communities. Alabi is highly trained capable member of Kogi Iron team.



www.kogiiron.com





(formerly Energio Limited)

ABN 28 001 894 033



**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
Remuneration Report	9
AUDITOR INDEPENDENCE DECLARATION	18
CORPORATE GOVERNANCE STATEMENT	19
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	28
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	29
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	30
CONSOLIDATED STATEMENT OF CASH FLOWS	31
NOTES TO THE FINANCIAL STATEMENTS.....	32
DIRECTORS' DECLARATION	66
INDEPENDENT AUDITOR'S REPORT	67
ASX ADDITIONAL INFORMATION	69

Directors

Dr Ian Burston	Non-Executive Chairman
Ignatius Tan	Managing Director (appointed 26 August 2013)
Kevin Joseph	Executive Director
Don Carroll	Non-Executive Director
Nathan Taylor	Non-Executive Director
Brian King	Non-Executive Director
Giuseppe (Joe) Ariti	Non-Executive Director

Company Secretary

Shane Volk	(Appointed 19 July 2012)
Peter Hunt and George Yatzis	(Appointed 29 February, Resigned 19 July 2012)

Registered Office and Principal Place of Business

13 Colin Street West Perth WA 6005 Tel: +61 8 9200 3456 Fax: +61 8 9200 3455 Email: info@kogiiron.com	Nigeria:	KCM Mining Limited 139B Eti-Osa Way Dolphin Estate Ikoyi, Lagos
---	----------	--

Share Register

Link Market Services Ltd
Level 2, 178 St Georges Terrace
Perth WA 6000
Tel: +61 8 9211 6651
Fax: +61 8 9211 6660

Auditor

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
Tel: +61 8 6382 4600
Fax: +61 8 6382 4601

Solicitors

Gilbert & Tobin
1202 Hay Street
West Perth WA 6005
Tel: +61 8 9413 8400
Fax: +61 8 9413 8444

Bankers

Commonwealth Bank

Stock Exchange Listing

Kogi Iron Limited shares are listed on the Australian Securities Exchange (ASX).
ASX Code: KFE

Website

www.kogiiron.com

Your Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the “consolidated entity”) consisting of Kogi Iron Limited (formerly Energio Limited) (referred to hereafter as the “company” or “parent entity”) and the entities it controlled for the year ended 30 June 2013.

Directors

The following persons were directors of Kogi Iron Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Dr Ian Burston	Non-Executive Chairman
Ignatius Tan	Managing Director (appointed 26 August 2013)
Kevin Joseph	Executive Director
Nathan Taylor	Non-Executive Director
Don Carroll	Non-Executive Director
Brian King	Non-Executive Director
Giuseppe (Joe) Ariti	Non-Executive Director

Company Secretary

Shane Volk	Company Secretary (Appointed 19 July 2012)
Peter Hunt and George Yatzis	Joint Company Secretaries (1 July 2012 to 19 July 2012)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of mineral exploration and associated development evaluation studies at the Agbaja Plateau Exploration Licence (EL12124), in Kogi State, Federal Republic of Nigeria (“Nigeria”)(“Agbaja Project”).

Review of operations

The loss for the consolidated entity amounted to \$16,096,719 (30 June 2012: profit \$10,187,549).

The loss for the year ended 30 June 2013 was attributable to the ongoing exploration and evaluation activities of the consolidated entity’s iron ore exploration licences in Nigeria. The company is continuing with exploration and evaluation activities at its iron ore exploration licences in Nigeria. In the near term, the company is aiming to complete a scoping study for the development of mining operations at its Agbaja Project, which is due to be finalised in the first quarter of 2014, consequently exploration and evaluation expenditure will continue to be incurred, and operating losses.

An impairment charge of \$15,707,929 (2011: nil) against capitalised exploration and evaluation expenditure was recorded at 30 June 2013. The charge relates to mineral tenements for which no future exploration and evaluation expenditure is planned (\$7,000,000) and the write down to recoverable amount of capitalised exploration and evaluation expenditure for the company’s exploration licences prospective for channel iron deposits (CID’s) (\$8,707,929), for details refer to Note 13 of the accounts.

A reconciliation of total underlying profit for the period is:

	2013	2012
	\$	\$
Net Profit/(Loss) after income tax	(388,790)	10,187,549
Impairment – exploration and evaluation	(15,707,929)	-
Total underlying loss	(16,096,719)	10,187,549

As at 30 June 2013, post impairment, the company had capitalised \$40,316,248 in exploration expenditure, the majority of which relates to the company's Agbaja Project in Nigeria.

During the year, the company has incurred net cash outflows from operating and investing activities of \$4,541,380 (2012: \$4,043,203) and as at 30 June 2013, the company had net current assets of \$1,089,300 (30 June 2011: \$3,658,791). On the matter of the company continuing as a going-concern (refer Note 1 – "going concern" in the attached accounts for details), at the date of this report the Directors believe that there are currently sufficient funds to meet the company's immediate working capital requirements, and on September 25 2013, the company announced that it had successfully completed a share placement and that a Share Purchase Plan had been initiated.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 23 August 2013, the company announced the appointment of Mr Ignatius Tan as Managing Director. Mr Tan commenced in this position on 26 August 2013.

On 25 September 2013, the company announced that it had successfully raised \$1.2 million via a capital book build and share placement to professional and sophisticated investors ("Placement"). Shares issued under the Placement are fully paid ordinary with an issue price of \$0.09 each. The placement was made pursuant to the company's 15% annual placement capacity available under the ASX listing rules. The Directors of the company intend to participate in the Placement for \$600,000 which shall be subject to Shareholder approval at the company's 2013 Annual General Meeting.

Also on 25 September 2013, the company announced a Share Purchase Plan ("SPP") which enables existing shareholders of the company as at the record date of 24 September 2013, to subscribe to up to \$15,000 of new fully paid ordinary shares of the company at a price of \$0.09 each, the SPP is open until 25 October 2013, unless extended by the directors.

As at the date of this Directors' Report, the Directors are not aware of any other matter or circumstance that has arisen that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company in the financial years subsequent to 30 June 2013.

Likely developments and expected results of operation

On 12 September 2013, the company announced that it has initiated a Scoping Study on the evaluation of a 5 million tonne per annum iron ore operation for the Agbaja Project and that it is targeting the announcement of the results of the study by the end of the March quarter 2014.

Environmental regulation

The company holds various exploration licences that regulate its exploration activities in Nigeria. These licences include conditions and regulations with respect to the rehabilitation of areas disturbed during the course of the company's exploration activities.

At the date of this report no agency has notified the company of any environmental breaches during the financial year, or are the Directors aware of any environmental breaches.

Information on directors

<u>Name:</u>	Ian Fred Burston
Title:	Chairman and Non-Executive Director
Qualifications:	AM, CitWA, B.Eng, Dip AeroEng HonDSc
Experience and expertise:	<p>Dr Burston has more than 30 years of experience in Western Australian and international iron ore mining and export sales, where he has held executive management and Board positions with some of WA's largest and most successful mining operations. His distinguished career includes the development of several multi-million tonnes per year iron ore export operations with outstanding track records in maximising production, transport efficiencies and project development.</p> <p>Dr Burston has also held pivotal roles in industry associations and local government and was awarded Citizen of the Year (Industry and Commerce) 1992, Member of the Order of Australia (General Division) 1993, and Honorary Doctor of Science (Curtin) 1995, he is a Fellow of the Institute of Engineers of Australia, the Institute of Mining and Metallurgy and the Institute of Company Directors.</p>
Other current directorships:	NRW Holdings Limited (chairman and non-executive director) and Mincor Resources NL (non-executive director).
Former directorships (in the last 3 years):	African Iron Limited from January 2011 to March 2012, Fortescue Metals Group from October 2008 to August 2011, Kansai Mining Corporation (from March 2004) (de-listing from the TSXV on 8 May 2011).
Special responsibilities:	Chair of the Board and member of the Audit and Risk Committee.
Interests in shares:	8,500,000 ordinary shares in Kogi Iron Limited, of which 7,500,000 were issued pursuant to the company Loan Performance Share Plan and remain subject to various vesting conditions (refer Note 25).
Interests in options:	Nil

<u>Name:</u>	Ignatius Kim-Seng Tan
Title:	Managing Director
Qualifications:	BSc, MBA, GAICD
Experience and expertise:	<p>Mr Tan is an executive with over 30 years' experience in the mining and chemical industry, who is a proven and established managing director of an ASX 300 mining company. Mr Tan is a project builder and developer, having been involved with commissioning and start-ups of seven resource projects in Australia as well as overseas.</p> <p>Previously, he held the position of Managing Director of Galaxy Resources Limited between 2008 and 2013, where he was responsible for the capital raising, finance, construction and start-up of the Mt Cattlin Spodumene mine (\$80m) and the Jiangsu Lithium Carbonate Plant (\$100m), allowing Galaxy to become the preeminent producer of high grade lithium carbonate in the world. He also oversaw the corporate takeover and acquisition of Canadian company, Lithium One.</p> <p>Mr Tan is a Member of the Australian Institute of Company Directors.</p>
Other current directorships:	None
Former directorships (in the last 3 years):	Galaxy Resources Limited (from September 2008 until July 2013)
Interests in shares:	Nil
Interests in options:	Nil

Name: **Kevin Joseph**

Title: Executive Director

Qualifications: B.Chem.Eng

Experience and expertise: Mr Joseph has extensive experience in Nigeria and the West African region. A 24 year resident of Nigeria, he has invaluable in-country relationships which assist the consolidated entity in executing its exploration and evaluation programs.

Mr Joseph is a former Executive Director of Operations for OANDO Petroleum, one of two major local marketers of petroleum in Nigeria. In this role he headed up supply chain development in the West African Region and held executive responsibility for new upstream business development.

Other current directorships: None

Former directorships (in the last 3 years): None

Interests in shares: 6,000,000 ordinary shares in Kogi Iron Limited which were issued pursuant to the company Loan Performance Share Plan and remain subject to various vesting conditions (refer Note 25).

Interests in options: None

Name: **Don Carroll**

Title: Non-Executive Director

Qualifications: B.Eng

Experience and expertise: 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.

Other current directorships: None

Former directorships (in the last 3 years): None

Interests in shares: 8,000,000 ordinary shares in Kogi Iron Limited, of which 6,000,000 were issued pursuant to the company Loan Performance Share Plan and remain subject to various vesting conditions (refer Note 25).

Interests in options: 2,000,000 options over ordinary shares each with an exercise price of \$0.20, expiring 30 November 2013.

Name: **Nathan Taylor**

Title: Non-Executive Director

Qualifications: LLB, B.Com

Experience and expertise: Mr Taylor has M&A and capital markets experience having worked on numerous domestic and cross border transactions throughout his career. Mr Taylor started his career as a corporate lawyer for Ashurst Lawyers (Blake Dawson) before working for UBS AG and Macquarie Bank Limited in their equity capital markets divisions. Most recently, Mr Taylor was Head of Mergers and Acquisitions at BBY Limited prior to which he was a co-founder and Head of Capital Markets at StoneBridge Group (which was sold to BBY Limited).

Other current directorships: Meridien Resources Limited (non-executive director); Stonewall Resources Limited (non-executive director); Mandalong Resources Limited (non-executive director and company secretary); Torian Resources Limited (chairman).

Former directorships (in the last 3 years): None

Special responsibilities: Member of the Audit and Risk Committee

Interests in shares: 9,321,250 ordinary shares in Kogi Iron Limited, of which 6,000,000 were issued pursuant to the company Loan Performance Share Plan and remain subject to various vesting conditions (refer Note 25).

Interests in options: 2,000,000 options over ordinary shares each with an exercise price of \$0.20, expiring 30 November 2013.

Name: **Brian King**

Title: Non-Executive Director

Qualifications: -

Experience and expertise: Mr King has more than 40 years' experience in technical, management and executive roles within the mining sector. Throughout his career he has held various roles including Registered Mine Manager of Rio Tinto's Tom Price and Paraburdoo mining projects from 1982 until 1990.

More recently Mr King has worked with the Terex Group in various senior roles including President of the mining company for 11 years.

Other current directorships: None

Former directorships (in the last 3 years): None

Interests in shares: 6,280,000 ordinary shares in Kogi Iron Limited, of which 6,000,000 were issued pursuant to the company Loan Performance Share Plan and remain subject to various vesting conditions (refer Note 25).

Interests in options: None

Name: **Giuseppe (Joe) Ariti**

Title: Non-Executive Director

Qualifications: B.Sc, Dip MinSc, MBA

Experience and expertise: Mr Ariti is an experienced company director and mining executive with over 25 years' experience in technical, management and executive roles in assessing, developing, managing and financing mining projects and companies in Australia and overseas.

He has been involved in the development and management of both open cut and underground mining project in Australia, Africa, Indonesia and Papua New Guinea.

Other current directorships: None

Former directorships (in the last 3 years): Territory Resources Limited from August 2008 to July 2011, DMC Mining Limited from August 2009 to September 2010, African Iron from January 2011 to March 2012, Swick Mining Services from February 2008 to February 2012 and Matrix Metals Limited from December 2010 to July 2013.

Special responsibilities: Chair of the Audit and Risk Committee

Interests in shares: 6,600,000 ordinary shares in Kogi Iron Limited, of which 6,000,000 were issued pursuant to the company Loan Performance Share Plan and remain subject to various vesting conditions (refer Note 25).

Interests in options: None

“Other directorships” quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

“Former directorships (in the last 3 years)” quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Shane Volk (B Bus (Accounting), Grad Dip Corp Gov., ACSA) has held the role of Company Secretary since 19 July 2012. Mr Volk is an experienced Company Secretary and Chief Financial Officer having most recently served in these positions for ASX listed company’s African Iron Limited (2011-2012) and Emmerson Resources Limited (2007-2011). Mr Volk is a member of Chartered Secretaries Australia and has in excess of 25 years of experience in the resources industry.

Meetings of Directors

The number of meetings of the company’s Board of Directors (“the Board”) and of each board committee held during the year ended 30 June 2013, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Ian Burston	6	6	2	2
Kevin Joseph	6	6	-	-
Don Carroll	6	6	-	-
Nathan Taylor	6	6	1	2
Brian King	6	6	-	-
Giuseppe (Joe) Ariti	5	6	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Additional information

A Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency.

The company does not have a Nomination and Remuneration Committee, rather the Board as a whole is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

Alignment to shareholders' interests:

- Has key milestone achievement as a core component of plan design
- Focuses on growth in shareholder wealth, consisting of growth in share price which should follow from the achievement of key milestones, as well as focusing the executive on key non-financial drivers of value
- Attracts and retains high calibre executives.

Alignment to program participants' interests:

- Rewards capability and experience
- Reflects competitive reward for contribution to growth in shareholder wealth
- Provides a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors and the participation by non-executive directors in the company Loan Performance Share Plan (refer Note 25) reflect the demands which are made on, and the responsibilities of, the directors.

Non-executive directors' fees and payments, including participation in the company Loan Performance Share Plan, are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting of shareholders. The most recent determination was at the annual general meeting held on 30 November 2011, where shareholders approved an aggregate non-executive director remuneration of \$500,000 per annum.

Executive remuneration

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:

- Base pay and other benefits
- Loan Performance Share Plan
- Other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and other benefits, are reviewed annually by the Board, based on individual and the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Share based payments (company Loan Performance Share Plan) is designed to incorporate both short-term incentives ('STI') and long-term incentives ('LTI'). Loan Performance Shares are offered to executives by the Board from time to time. Loan Performance Shares are typically subject to vesting conditions attached to the shares for the attainment of various short term and longer term milestones. The milestones typically include the attainment of key project milestones, the securing of equity funding, and/or the completion of periods of service. The Board introduced the company Loan Performance Share Plan during the year ended 30 June 2013, following shareholder approval in a general meeting on 30 November 2012. Details of the plan are set out in Note 25.

Consolidated entity performance and link to remuneration

The Board is of the opinion that the incorporation of Loan Performance Shares into the total overall remuneration for certain individuals is an appropriate mechanism for directly linking the performance of the company (which is reflected in the price of the company's shares) to the total remuneration of the individuals.

Use of remuneration consultants

The Board did not engage the services of a remuneration consultant during the year to review its existing remuneration policies, however the Board did engage the services of international professional services firm PricewaterhouseCoopers to assist it with the Loan Performance Share Plan. PricewaterhouseCoopers were paid fees of \$20,000 for these services.

Voting and comments made at the company's 2012 Annual General Meeting

The company received 99.6% of proxy votes in favour of its 2012 remuneration report at the 2012 Annual General Meeting. The company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Kogi Iron Limited:

- Ian Burston - Non-Executive Chairman
- Kevin Joseph - Executive Director
- Don Carroll - Non-Executive Director
- Nathan Taylor - Non-Executive Director
- Brian King - Non-Executive Director
- Giuseppe (Joe) Ariti - Non-Executive Director

And the following persons:

- Tom Revy - Chief Executive Officer (KCM Mining Holdings Pty Ltd)
- Shane Volk - Company Secretary and Chief Financial Officer

Name	Short-term benefits			Post-employment benefits	Long-term benefits	Loan Performance Share Plan	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long Service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$ ^{Note (a)}	\$
<i>Non-Executive Directors:</i>							
Ian Burston	100,000	-	-	-	-	663,561	763,561
Don Carroll	60,000	-	-	-	-	530,850	590,850
Nathan Taylor	60,000	-	-	-	-	530,850	590,850
Brian King	60,000	-	-	-	-	530,850	590,850
Giuseppe (Joe) Ariti	60,000	-	-	-	-	530,850	590,850
<i>Executive Directors:</i>							
Kevin Joseph	301,200	-	-	-	-	530,850	832,050
<i>Other Key Management Personnel:</i>							
Tom Revy *	234,367 ^A	-	-	17,629	-	-	251,996
Shane Volk [^]	159,600	-	-	-	-	16,171	175,771
	1,035,167	-	-	17,629	-	3,333,982	4,386,778

* Represents from 1 July 2012 to 11 September 2012

[^] Represents from 19 July 2012 to 30 June 2013

^A Includes a Termination Benefit of \$165,000 representing 6 months' salary, being 3 months' salary in lieu of Mr Revy working out his required period of notice, and an ex-gratia payment of 3 months' salary.

Note (a): As at 30 June 2013 none of the Loan Performance Shares issued to directors and other key management personnel had vested.

Name	Short-term benefits			Post-employment benefits	Long-term benefits	Loan Performance Share Plan	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long Service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Ian Burston	98,405	-	-	-	-	-	98,405
Don Carroll	48,000	-	-	-	-	-	48,000
Nathan Taylor	51,000	-	-	-	-	-	51,000
Brian King ^B	177,502	-	-	-	-	-	177,502
Giuseppe (Joe) Ariti ^C	12,000	-	-	-	-	-	12,000
<i>Executive Directors:</i>							
Kevin Joseph	291,771	-	-	-	-	-	291,771
<i>Other Key Management Personnel:</i>							
Tom Revy ^{**}	99,678	-	-	11,961	-	-	111,639
	778,356	-	-	11,961	-	-	790,317

^{**} Represents from 8 February 2012 to 30 June 2012

^B Represents \$157,502 in consulting fees

^C Represents from 19 April 2012 to 30 June 2012.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk remuneration	
	2013	2012	2013	2012
<i>Non-Executive Directors:</i>				
Ian Burston	13%	100%	87%	- %
Don Carroll	10%	100%	90%	- %
Nathan Taylor	10%	100%	90%	- %
Brian King	10%	100%	90%	- %
Giuseppe (Joe) Ariti	10%	100%	90%	- %
<i>Executive Directors:</i>				
Kevin Joseph	36%	100%	64%	- %
<i>Other Key Management Personnel:</i>				
Tom Revy	100%	100%	- %	- %
Shane Volk	91%	- %	9%	- %

Performance based incentive remuneration

Each non-executive director of the company and Mr Joseph (an executive director) have been issued Loan Performance Shares pursuant to the company Loan Performance Share Plan (refer Note 25). The Loan Performance Shares are considered performance based incentive remuneration and the Loan Performance Shares do not vest until the following performance conditions (milestones) are achieved:

- 1/3rd of the shares vest when an Australian Securities Exchange (“ASX”) announcement is made by the company of a JORC compliant mineral resource estimation of 500Mt or more with an in-situ iron ore grade of 40% or more to an indicated (or higher) level of confidence at the Agbaja Project, on or before 31 December 2014
- 1/3rd of the shares vest when an ASX announcement is made by the company that it has secured at least \$15 million of funding to enable commencement of a pre-feasibility (or equivalent) study into the development of mining operations of the Agbaja Project, on or before 31 December 2014; and
- 1/3rd of the shares vest when an ASX announcement is made by the company that it has entered into a formal agreement to access the existing heavy haul rail infrastructure currently running from Itakpe to Warri for the purpose of transporting of iron ore from the Agbaja Project, on or before 31 December 2014.

The Board considers equity based incentive compensation to be an integral component of the company’s remuneration platform enabling it to offer market-competitive remuneration arrangements, the Loan Performance Share Plan is intended to enable participants to share in any increase in the company’s value (as measured by share price) beyond the date of allocation of the Loan Performance Shares, provided the specific performance conditions (milestones) are met.

The performance conditions that were chosen for the Loan Performance Shares issued to the directors of the company were on the basis that the achievement of each milestone will represent a significant and challenging performance outcome which will require the directors to devote effort, time and skill above and beyond what would normally be expected for their respective fixed compensation. The attainment of each vesting condition (milestone) is not certain, but if achieved could be expected to see an increase in the value of the company (as measured by share price), enabling the individuals to participate in this increase in value. Each milestone is transparently measurable, with the vesting condition either achieved or not achieved, with the achievement publicly announced to the ASX. The respective director must be director of the company at the time of vesting, for the Loan Performance Shares subject to a milestone to vest.

In the case of Mr Shane Volk, 1,500,000 Loan Performance Shares were issued subject to the following performance conditions (milestones):

- 1/3rd of the shares will vest on the date that the company secures \$5.0 million of additional equity and/or debt funding but only if the funding is secured on or before 31 December 2013;

- 1/3rd of the shares will vest when the company has secured in aggregate (which may occur over several tranches) at least \$15 million of funding to enable commencement of a pre-feasibility (or equivalent) study into the development of mining operations at the Agbaja Project; and
 - 1/3rd of the shares will vest on the rectification, to the satisfaction of the Board, of matters arising from the PWC Nigerian compliance review,
- subject to the last two vesting conditions being satisfied on or before 31 December 2014 and no tranche of shares (as set out above) is conditional upon the vesting of another tranche.

The performance conditions that were chosen for the Loan Performance Shares issued to Mr Volk were on the basis that the achievement of each mile-stone will represent a significant and challenging performance outcome which will require him to devote effort, time and skill above and beyond what would normally be expected in his service for the company considering his compensation arrangements. The attainment of each vesting condition (milestone) is not certain, but if achieved could be expected to see an increase in the value of the company (as measured by share price), enabling Mr Volk to participate in this increase in value. Each milestone is transparently measureable, with the vesting condition either achieved or not achieved as determined by the Board. Mr Volk must remain as a consultant to the company at the time of vesting, for the Loan Performance Shares subject to the milestone to vest.

C Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Kevin Joseph
 Title: Executive Director
 Agreement commenced: December 2010
 Term of agreement: on-going
 Details: Mr Joseph is paid an annual remuneration of US\$300,000 by the company's wholly owned Nigerian subsidiary KCM Mining Limited. The agreement may be terminated at any time by Mr Joseph or the company without notice.

Name: Tom Revy
 Title: Chief Executive Officer – KCM Mining Holdings Pty Ltd
 Agreement commenced: March 2012
 Term of agreement: Mr Revy resigned on 11 September 2012
 Details: Base salary of \$330,000 pa plus 12% superannuation, \$20,000 pa vehicle allowance. The agreement may be terminated without cause by Mr Revy providing 3 months' notice to the company, or by the company serving 3 months' notice to Mr Revy and making a payment of an additional 3 months remuneration at the end of the notice period, or by serving notice and making payment of 6 months remuneration. The agreement may be terminated for cause by either party serving one month notice.

Name: Shane Volk
 Title: Company Secretary & Chief Financial Officer
 Agreement commenced: 19 July 2012
 Term of agreement: on-going
 Details: Mr Volk is a director and employee of Hamersley Consulting Pty Ltd which is engaged by the company to provide business services for Company Secretary and Chief Financial Officer. Services are provided at a daily rate of \$1,200 and the agreement with Hamersley Consulting Pty Ltd can be terminated by either party on 30 days written notice, or without notice should Mr Volk cease as an employee of Hamersley Consulting Pty Ltd.

D Share-based compensation

Issue of Loan Performance Shares

Details of Loan Performance Shares, subject to vesting conditions, issued to directors and other key management personnel as part of compensation during the year ended 30 June 2013 are set out below:

Name	Record Date	No. of Loan Performance Shares	Issue price	Value \$	Vested 30/06/13	Un-vested 30/06/13	Final date for vesting
Ian Burston	10/12/12	7,500,000	\$0.28	2,100,000	-	7,500,000	31/12/14
Kevin Joseph	10/12/12	6,000,000	\$0.28	1,680,000	-	6,000,000	31/12/14
Don Carroll	10/12/12	6,000,000	\$0.28	1,680,000	-	6,000,000	31/12/14
Nathan Taylor	10/12/12	6,000,000	\$0.28	1,680,000	-	6,000,000	31/12/14
Brian King	10/12/12	6,000,000	\$0.28	1,680,000	-	6,000,000	31/12/14
Giuseppe (Joe) Ariti	10/12/12	6,000,000	\$0.28	1,680,000	-	6,000,000	31/12/14
Shane Volk	15/04/13	1,500,000	\$0.14	210,000	-	1,500,000	31/12/14

All shares were issued pursuant to the company Loan Performance Share Plan (as approved by shareholders in general meeting on 30 November 2012), the shares are subject to various performance based vesting conditions and the terms and conditions of the Loan Performance Share Plan, all of which is detailed in Note 25 - Loan Performance Share Plan (Share Based Payments).

E Additional information

The earnings of the consolidated entity for the five years to 30 June 2013 are summarised below:

	2013	2012	2011	2010	2009
Revenue	101,425	14,467,716	44,870	1,623,219	3,673,137
Net Profit/(Loss)	(16,096,719)	10,187,549	(8,386,569)	1,694,309	(7,168,819)
Share price at financial year end (\$A)	0.10	0.15	0.03	-	-
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	-	-	-	-	-

Note: The company operated as a Toy and Gaming Company until 30 November 2011, when shareholders approved a change in the nature of activities to a mineral exploration and mine development company.

Due to the nature of the operations of the company (iron ore exploration and development), there is no link between the financial performance of the company, as measured by profit and loss, and the remuneration of the executives of the company.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Kogi Iron Limited under options at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number under option
27 April 2010	30 November 2013	\$0.20	15,020,002

Shares issued on the exercise of options

The following ordinary shares of Kogi Iron Limited were issued during the year ended 30 June 2013 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise Price	Number of shares issued
27 April 2010	\$0.20	100,000

Indemnity and insurance of officers

The company has indemnified the directors and officers of the company for costs incurred, in their capacity as a director or officer, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and officers of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

No amounts were paid or are payable to the auditor for non-audit services provided during the financial year by the auditor (2012: \$20,090).

Officers of the company who are former audit partners of BDO Audit (WA) Pty Ltd

There are no officers of the company who are former audit partners of BDO Audit (WA) Pty Ltd.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Ian Burston
Non-Executive Chairman
27 September 2013

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF KOGI IRON LIMITED

As lead auditor of Kogi Iron Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kogi Iron Limited and the entities it controlled during the period.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 27 September 2013

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2013



The Board of Directors ('the Board') of Kogi Iron Limited (the 'company') is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of the company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The table below summarises the company's compliance with the ASX Corporate Governance Council's Principles and Recommendations, in accordance with ASX Listing Rule 4.10.3.

Principles and Recommendations		Compliance	Comply
Principle 1 – Lay solid foundations for management and oversight			
1.1	Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	The Board is responsible for the overall corporate governance of the company. On appointment of a director, the company issues a letter of appointment setting out the terms and conditions of appointment to the Board.	Complies
1.2	Disclose the process for evaluating the performance of senior executives.	The performance of senior executives is conducted on an annual basis against individual pre-determined objectives as is customary for their respective positions and role in the organisation. The induction procedure for new senior executives consists of a briefing on the background of the company, the key strategies and objectives, and the respective roles and responsibilities of other senior executives and the Board.	Complies
1.3	Provide the information indicated in Guide to reporting on Principle 1.	A Board Charter is under development and will be disclosed on the company's website, once adopted.	Does not comply, however the Charter in being developed and shall be disclosed once adopted.
		A performance evaluation process will be included in the Board Charter.	Does not comply, but an evaluation process shall be included in the Board Charter.
		The Board has not conducted a performance evaluation for senior executives in the financial year as the company has been managed by the Board during this period.	Does not comply

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2013



Principles and Recommendations		Compliance	Comply
Principle 2 – Structure the Board to add value			
2.1	A majority of the Board should be independent directors.	<p>Half of the Board’s directors are not independent as three of the directors are either currently, or were directors of the company’s largest shareholder (TGP Limited). The company acquired 75% of the shares of KCM Mining Holdings Limited from TGP Limited in March 2012.</p> <p>Nathan Taylor is an independent non-executive director.</p> <p>Brian King is an independent non-executive director.</p> <p>Joe Ariti is an independent non-executive director.</p> <p>Dr Ian Burston is not an independent non-executive director as he is a director of TGP Limited.</p> <p>Don Carroll is not an independent non-executive director, as he is a former director of TGP Limited.</p> <p>Kevin Joseph is an executive director and is a director of TGP Limited.</p> <p>At the end of each Board meeting, or more frequently if required, non-executive directors are able discuss matters without management present.</p>	Does not comply however the skills and experience of both the independent and non-independent directors allow the Board to act in the best interests of shareholders and is appropriate for the size of the company.
2.2	The chair should be an independent director.	Dr Ian Burston is the Chairman and is not an independent non-executive director, being a director of TGP Limited.	Does not comply, but is appropriate for the company, considering its size and stage of development.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Dr Ian Burston is the Chairman, there was no managing director for the majority of the period of this report, Kevin Joseph is an executive director.	Complies
2.4	The Board should establish a nomination committee.	The Board has not formally established a nomination committee, however board sub-committees are formed, as required, to manage matters that would normally be dealt with by a formally constituted nomination committee, as was the case in with the recently completed search and appointment of a Managing Director.	A board sub-committee is formed from time to time, as required to attend to nomination committee matters.

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2013



2.5	Disclose the process for evaluating the performance of the Board, its committees and individual directors.	The Board does not currently formally evaluate the performance of the Board, its committees and individual directors. However the Board Chairman provides informal feedback to individual board members on performance and contributions to Board meetings on an ongoing basis.	Complies
2.6	Provide the information indicated in the <i>Guide to reporting on Principle 2</i>	<p>The information has been disclosed, where applicable, in the directors' report.</p> <p>Nathan Taylor, Brian King and Giuseppe (Joe) Ariti are independent directors of the company. A director is considered independent when that director substantially satisfies the test for independence as set out in the ASX Corporate Governance Recommendations.</p> <p>Members of the Board are able to take independent professional advice at the expense of the company.</p>	Complies

Principle 3 – Promote ethical and responsible decision making									
3.1	Establish a code of conduct and disclose the code or a summary of the code.	<p>A Code of Conduct is under development, the Code will establish a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct. The Code will confirm the company’s belief in treating all individuals with respect and recognises that different skills and diversity are essential to enrich the company’s perspective, improve corporate performance, increase shareholder value and maximise the achievement and goals of the company.</p> <p>The Code of Conduct will be available on the company’s website.</p>	Does not comply						
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	The Board has not yet formally adopted a Diversity Policy. However, given the nature and geographic basis of the company’s operations the company has a diverse workforce.	Does not comply						
3.3	Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.		Does not comply						
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	<p>The proportion of women employees in the consolidated entity as at 30 June 2013 are as follows:</p> <table border="0"> <tr> <td>Women on the board</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>Women in senior executive positions</td> <td style="text-align: right;">0%</td> </tr> <tr> <td>Women in the organisation</td> <td style="text-align: right;">14%</td> </tr> </table>	Women on the board	0%	Women in senior executive positions	0%	Women in the organisation	14%	Complies
Women on the board	0%								
Women in senior executive positions	0%								
Women in the organisation	14%								
3.5	Provide the information indicated in <i>Guide to reporting on Principle 3</i>	The formal development and adoption of a Diversity Policy is in progress.							

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2013



Principle 4 – Safeguard integrity in financial reporting			
4.1	The Board should establish an audit committee.	The Board has established an Audit and Risk Committee to focus on risk and issues relevant to the integrity of the company's financial reporting.	Complies
4.2	The audit committee should be structured so that it: consists of only non- executive directors; consists of a majority of independent directors; is chaired by an independent chair, who is not chair of the Board; and have at least 3 members.	The committee consisted of three non-executive directors (Joe Ariti, Nathan Taylor and Ian Burston), two of whom are independent directors. Joe Ariti is the chairman of the committee, an independent director and not chair of the Board.	Complies
4.3	The audit committee should have a formal charter.	A formal Audit and Risk Committee Charter is under development.	Does not comply
4.4	Provide the information indicated in <i>Guide to reporting on Principle 4</i> .	This information has been disclosed in the directors' report attached to this Corporate Governance Statement and is summarised in this Corporate Governance Statement. The members of the Audit and Risk Committee are appointed by the Board and recommendations from the committee are presented to the Board for further discussion and resolution. The number of meetings held by the Audit and Risk Committee held is disclosed in the directors' report. The Audit and Risk Committee meets at least twice per annum. The Audit And Risk Committee Charter, and information on procedures for the selection and appointment of the external auditor, and for the rotation of external audit engagement partners, which is determined by the Audit and Risk Committee, is under development.	Complies

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2013



Principles and Recommendations		Compliance	Comply
Principle 5 – Make timely and balanced disclosure			
5.1	Establish written policies designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Board has not yet adopted a formal Continuous Disclosure Policy, however the company and the directors are well aware of the continuous disclosure obligations and operate to ensure that these obligations are met, as required.	Does not comply
5.2	Provide the information indicated in the <i>Guide to reporting on Principle 5</i> .		Does not comply
Principle 6 – Respect the rights of shareholders			
6.1	Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose that policy or a summary of that policy.	Although the company does not have a documented Shareholder Communications Policy, the company uses its website (www.kogiironlimited.com), its annual report, market announcements, and media disclosures to communicate with its shareholders, as well as encourages participation at general meetings.	Complies
6.2	Provide the information indicated in the <i>Guide to reporting on Principle 6</i> .	The company is in the process of formally documenting its Shareholder Communication Policy.	Complies

CORPORATE GOVERNANCE STATEMENT

For the year ended 30 June 2013



Principles and Recommendations	Compliance	Comply	
Principle 7 – Recognise and manage risk			
7.1	Establish policies for the oversight and management and management of material business risks and disclose a summary of these policies.	The company has not adopted a formal risk management statement within the Audit and Risk Committee Charter, this is being developed. The Audit and Risk Committee is responsible for managing risk; however, ultimate responsibility for risk oversight and risk management rests with the Board.	Complies
7.2	The Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The company has not formally documented key risks within the business. However, In the ordinary course of business management monitors and manage identified business risks and keeps the board informed accordingly.	Complies
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	The board has received a statements from the chief executive officer and the chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects in relation to the financial reporting risks.	Complies
7.4	Provide the information indicated in <i>Guide to reporting on Principle 7</i> .	An Audit and Risk Committee Charter which includes a statement of the company's risk policies is under development.	Complies

Principle 8 – Remunerate fairly and responsibly			
8.1	The Board should establish a remuneration committee.	The Board has not formally established a remuneration committee, however a Board sub-committee is formed, as required, to manage matters that would normally be dealt with by a formally constituted remuneration committee, as was the case in setting the remuneration for the recently appointed Managing Director.	Complies
8.2	The remuneration committee should be structured, so that it: consists of a majority of independent directors; is chaired by an independent director; and has at least three members.	Remuneration sub-committees of the Board do constitute a majority of independent directors.	Complies
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The company complies with the guidelines for executive remuneration packages and non-executive director remuneration. The remuneration structure has been disclosed in the directors' report attached to the Corporate Governance Statement. No senior executive is involved directly in deciding their own remuneration.	Complies
8.4	Provide the information indicated in <i>the Guide to reporting on Principle 8</i> .	Given the size of the company and its stage of development the Board will continue with its practice of constituting Board sub-committee's on an as required basis to deal with matters of remuneration.	Complies

SUMMARY

During the period covered by this report, the Board has focused on the integration of the acquisition of KCM Mining Holdings Pty Ltd and KCM Mining Limited and the development of its Agbaja Project, including the key milestones of estimating an initial inferred mineral resource and the progression of metallurgical test work. The company now intends to formalise the policies and charters underpinning its operations, including a Board Charter, Corporate Code of Conduct, Continuous Disclosure Policy, and Shareholder Communication Policy. Other corporate practices will continue to evolve with the growth and development of the company over time.

Contents

Financial report:

- Consolidated statement of profit or loss and other comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Notes to the financial statements
- Directors' declaration

Independent auditor's report to the members of Kogi Iron Limited

General information

The financial report covers Kogi Iron Limited as a consolidated entity consisting of Kogi Iron Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Kogi Iron Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Kogi Iron Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office
13 Colin Street
West Perth WA 6005

Principal place of business
13 Colin Street
West Perth WA 6005

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 27 September 2013. The directors have the power to amend and reissue the financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2013



	Note	2013 \$	2012 \$
Revenue from continuing operations			
Interest	3	101,425	147,336
Other income			
Gain on acquisition of subsidiary	26	-	14,420,380
Total Income		101,425	14,567,716
Expenses			
Accounting and audit fees		(259,823)	(315,956)
Consultancy fees		(278,436)	(1,206,792)
Travel and accommodation		(257,732)	(73,053)
Impairment – exploration and evaluation expenditure	13	(15,707,929)	-
Impairment expense		-	(2,000,000)
Corporate expenses		(273,132)	(181,647)
Director & employee expenses		(493,882)	(343,735)
Legal fees		(98,815)	(224,364)
Occupancy		(153,798)	(29,002)
Share based payments	25	(3,372,150)	-
Interest expense	4	-	(102)
Other expenses	5	(14,826)	(5,516)
Profit /(Loss) before income tax from continuing operations attributable to the owners of the company		(20,809,098)	10,187,549
Deferred income tax benefit	6	4,712,379	-
Profit /(Loss) after income tax from continuing operations attributable to the owners of the company		(16,096,719)	10,187,549
Profit /(Loss) from discontinued operations		-	-
Net Profit /(Loss) after income tax		(16,096,719)	10,187,549
Other comprehensive income			
<i>Items that may be subsequently reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations		2,917,222	827,084
Total comprehensive income /(loss) for the year attributable to the owners of the company		(13,179,497)	11,014,633
Basic Profit (loss) per share (cents per share)	9	(6.58)	6.48
Diluted earnings (loss) per share (cents per share)		n/a	n/a
Earnings per share for profit /(loss) attributable to the ordinary equity holders of the company			
Basic earnings (loss) per share (cents per share)	9	(6.58)	6.48
Diluted earnings (loss) per share (cents per share)		n/a	n/a

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2013



	Note	2013 \$	2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	1,693,500	4,185,601
Trade and other receivables	11	414,282	255,289
Total current assets		2,107,782	4,440,890
Non-current assets			
Property, plant and equipment	12	246,730	304,661
Exploration and evaluation expenditure	13	40,316,248	50,156,180
Total non-current assets		40,562,978	50,460,841
Total assets		42,670,760	54,901,730
LIABILITIES			
Current liabilities			
Trade and other payables	14	1,018,482	775,713
Provisions	15	-	6,386
Total current liabilities		1,018,482	782,099
Non-current liabilities			
Deferred Tax Liability	6	9,387,621	14,100,000
Total non-current liabilities		9,387,621	14,100,000
Total Liabilities		10,406,103	14,882,099
Net assets		32,264,657	40,019,631
EQUITY			
Contributed Equity	16	55,252,931	53,200,557
Reserves	17	10,381,883	4,092,511
Accumulated losses		(33,370,157)	(17,273,437)
Total equity		32,264,657	40,019,631

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2013



	Contributed Equity	Accumulated Losses	Reserve	Total
Consolidated				
Balance at 1 July 2011	29,386,502	(27,460,986)	2,685,922	4,611,438
Profit for the year	-	10,187,549	-	10,187,549
Foreign exchange movements	-	-	827,084	827,084
Total comprehensive profit (loss) for the year as reported in the 2012 financial statements	-	10,187,549	827,084	11,014,633
Issue of consultant options	-	-	579,505	579,505
Contributions of equity, net of transaction costs	23,814,055	-	-	23,814,055
Balance at 30 June 2012	53,200,557	(17,273,437)	4,092,511	40,019,631
Consolidated				
Balance at 1 July 2012	53,200,557	(17,273,437)	4,092,511	40,019,631
Loss for the year	-	(20,809,098)	-	(20,809,098)
Deferred Income Tax Benefit	-	4,712,378	-	4,712,378
Foreign exchange movements	-	-	2,917,222	2,917,222
Total comprehensive profit (loss) for the year as reported in the 2013 financial statements	-	(16,096,719)	2,917,222	(13,179,497)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,052,374	-	-	2,052,374
Issue of Loan Performance Shares	-	-	3,372,150	3,372,150
Balance at 30 June 2013	55,252,931	(33,370,157)	10,381,883	32,264,657

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2013



	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,648,223)	(1,208,668)
Interest received		99,767	137,856
Research and Development tax refund received		231,818	-
Net cash used in operating activities	19	(1,316,638)	(1,070,812)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets		(39,402)	(57,942)
Payments for exploration		(3,185,340)	(2,329,095)
Acquisition of subsidiary, net of cash acquired		-	1,414,646
Loans to/(from) other parties		-	(2,000,000)
Net cash used in investing activities		(3,224,742)	(2,972,391)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,220,000	3,801,501
Payment of share issue costs		(167,626)	(300,892)
Net cash inflow from financing activities		2,052,374	3,500,609
Net increase/(decrease) in cash and cash equivalents held		(2,489,006)	(542,594)
Effects of exchange rate changes on cash		(3,095)	-
Cash and cash equivalents at beginning of financial year		4,185,601	4,728,195
Cash and cash equivalents at end of financial year	10	1,693,500	4,185,601

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive

The consolidated entity has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kogi Iron Limited ('company' or 'parent entity') as at 30 June 2013 and the results of all subsidiaries for the year then ended. Kogi Iron Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial report is presented in Australian dollars, which is Kogi Iron Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Kogi Iron Limited (the 'head entity') and its wholly-owned Australian controlled entities have not formed an income tax consolidated group under the tax consolidation regime. The head entity and each controlled entity continue to account for its own current and deferred tax amounts.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Vehicles	4 years
Computer equipment	3 years
Office equipment	4 years
Furniture, fixtures and fittings	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on the bank overdraft
- interest on short-term and long-term borrowings
- interest on finance leases
- unwinding of the discount on provisions.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share Based Payment/Loan Performance Share Plan

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- During the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- From the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability. Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Exploration and Evaluation

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that the consolidated entity's rights of tenure to that area of interest are current and that the costs are expected to be recouped through the successful development of the area or where activities in the area have not reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Where appropriate the consolidated entity makes application for a Research and Development Tax Incentive, which is a 45 per cent refundable tax offset to eligible entities with an aggregated turnover of less than \$20 million per annum, for expenditure incurred in Australia in relation to innovation associated with the evaluation of its exploration and evaluation activities. Any funds received by the consolidated entity in relation to this tax incentive are credited against capitalised exploration and evaluation expenditure, which in 2013 was \$528,058 (2012:Nil).

The application of the company's accounting policy for exploration and evaluation necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of mineral reserves may be determined. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure, it is determined that recovery of the expenditure by future exploitation or sale is unlikely, then the relevant capitalised amount is expensed in the statement of profit and loss and comprehensive income.

Going concern

This report has been prepared on the going concern basis, which contemplates the continuation of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Consolidated entity has incurred net cash outflow from operating and investing activities for the year ended 30 June 2013 of \$4,541,380 (2012: \$4,043,203). As at 30 June 2013, the Consolidated entity had net current assets of \$1,089,300 (30 June 2011: \$3,658,791).

The Directors believe that there are sufficient funds to meet the Consolidated entity's immediate working capital requirements. However, the Directors recognise that the ability of the Consolidated entity to continue as a going concern is dependent on the Consolidated entity being able to secure additional funding through either the issue of further shares and or options or convertible notes or a combination thereof as required to fund ongoing exploration and evaluation studies and for working capital.

Based on the above, the Consolidated entity currently believes that it will successfully raise additional funds, as required, to meet its financial obligations in future periods. As a result the financial report has been prepared on a going concern basis. However should the entity be unsuccessful in securing future funding the entity may not be able to continue as a going concern.

Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Kogi Iron Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

New and Updated Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2013. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments eliminate the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The amendments also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. This will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 is expected to reduce the reported annual leave liability and increase disclosures of the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors' report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12

and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039

This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the consolidated entity.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the consolidated entity.

AASB 10 (issued August 2011) Consolidated Financial Statements

This standard is applicable to annual reporting periods commencing on or after 1 January 2013. It introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present:

- Power over investee (whether or not power used in practice)
- Exposure, or rights, to variable returns from investee
- Ability to use power over investee to affect the consolidated entity's returns from investee.
- Introduces the concept of 'defacto' control for entities with less than 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. This could result in more instances of control and more entities being consolidated.

When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the consolidated entity does not have any special purpose entities.

The 'Entity' does not have 'defacto' control of any entities with less than 50% ownership interest in an entity. The adoption of the standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 11 (issued August 2011) Joint Arrangements

This standard is applicable to annual reporting periods commencing on or after 1 January 2013. Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement). When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the consolidated entity has not entered into any joint arrangements. The adoption of the standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 12 (issued August 2011) Disclosure of Interests in Other Entities

The adoption of the standard from 1 July 2013 will not have a material impact on the consolidated entity. 1 January 2013. Combines existing disclosures from AASB 127 *Consolidated and Separate Financial Statements*, AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures*. Introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.

As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities. The adoption of the standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 13 (issued September 2011)

Fair Value Measurement

The adoption of the standard from 1 July 2013 will not have a material impact on the consolidated entity. 1 January 2013. AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements. Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements. Extensive additional disclosure requirements for items measured at fair values that are 'level 3' valuations in the fair value hierarchy that are not financial instruments. When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures will be required about fair values. The adoption of the standard from 1 July 2013 will not have a material impact on the consolidated entity.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled Loan Performance Share Plan would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Business combinations

As discussed in Note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Impairment of exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related leases itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligation) and changes to commodity prices. The extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future profits and net assets will be reduced in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

To the extent it is determined in the future that this capitalised expenditure should be written off, any amounts will be taken to the profit and loss account in the period in which this determination is made. An impairment expense of \$15,707,929 (2012: Nil) was recognised in the current year in respect of exploration expenditure. The impairment expense is directly attributable to (a) exploration licences which the company has determined are not prospective for Banded Iron Formation (BIF) mineralisation and consequently has not planned any future substantive exploration (\$7,000,000) and (b) a fair value less cost to sell assessment of the carrying amount attributable to the company's exploration licences prospective for channel iron deposits, including EL12124 (\$8,707,929). The fair value of assessment was in accordance with paragraph 27 of AAS136 with the best information available to the company used for the assessment, specifically a review of comparable transactions for the sale of West African iron ore deposits with inferred mineral resources and exploration targets.

3. REVENUE

	2013 \$	2012 \$
Other income		
Interest received	101,425	147,336
Total Revenue	101,425	147,336
(a) Interest revenue from:		
Financial institutions	101,425	147,336
Total Interest Revenue	101,425	147,336

4. INTEREST EXPENSE

	2013 \$	2012 \$
Finance Costs		
Interest paid on credit cards	-	102
Total finance costs expensed	-	102

5. OTHER EXPENSES

	2013 \$	2012 \$
Loss (profit) on disposal of assets	481	-
Bank Fees and charges	2,013	1,872
Depreciation expense	15,502	2,455
Foreign exchange gain/loss	(3,170)	-
Other	-	1,189
Total	14,826	5,516

6. INCOME TAX EXPENSE

	2013 \$	2012 \$
Income tax expense		
Current tax	-	-
Deferred tax	(4,712,379)	-
	(4,712,379)	-
(a) Numerical reconciliation of income tax benefit to prima facie tax payable		
Profit /(Loss) from continuing operations before income tax expense	(20,809,098)	10,187,549
Tax at the Australian tax rate of 30% (2012: 30%)	(6,242,729)	3,056,265
Tax effect of amounts that are not deductible /(taxable) in calculating taxable income:		
Non-deductible share based payments	1,011,645	-
Loan impairment	-	600,000
Non-deductible expenses	-	187,012
Capitalised Exploration and Evaluation	-	(432,416)
Gain on purchase of subsidiary	-	(4,326,114)
Income tax benefit not recognised	518,705	(915,254)
Income tax expense /(benefit)	(4,712,379)	-
(b) Tax losses		
Unused tax losses for which no deferred tax assets has been recognised	11,186,587	6,514,955
Potential tax benefit at 30%	3,355,976	1,954,486
(c) Unrecognised temporary differences		
Deferred tax assets and liabilities not recognised relate to the following:		
Deferred tax assets		
Tax losses	11,186,587	6,514,955
Losses unavailable	11,186,587	(6,514,955)
(d) Deferred tax liabilities		
Opening balance	14,100,000	-
Deferred tax expense/(benefit)	(4,712,379)	14,100,000
Net deferred tax liabilities	9,387,621	14,100,000

The taxation benefits of tax losses not brought to account will only be obtained if:

- (a) assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- (b) conditions for deductibility imposed by the law are complied with; and
- (c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

The company has deemed that it will not be able to use all of the income tax losses due to the change in beneficial ownership of the company and the failure of the same business test.

7. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2013 \$	2012 \$
Short-term employee benefits	1,035,167	778,356
Post-employment benefits	17,629	11,961
Share based payments	3,333,982	-
Total Key Management Personnel Compensation	4,386,778	790,317

On 30 November 2012 shareholders in general meeting approved the company's Loan Performance Share Plan and the issue of 37,500,000 Loan Performance Shares to the directors of the company and requisite loans by the company to each director to enable the purchase of the shares which were issued at a price of \$0.28 each on 10 December 2012. Full details on the Loan Performance Share Plan and all issues of shares under the plan are contained in Note 25 of this report.

Shareholding

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2013	Balance at the start of the year	Received during the year on the exercise of options	Acquired pursuant to the company Loan Performance Share Plan	Acquired/(Sold) during the year	Balance at the end of the year
Directors and Key Management Personnel of the consolidated entity					
Ordinary Shares					
Nathan Taylor	3,100,000	-	6,000,000	221,250	9,321,250
Don Carroll	2,000,000	-	6,000,000	-	8,000,000
Dr Ian Burston	-	-	7,500,000	1,000,000	8,500,000
Kevin Joseph	-	-	6,000,000	-	6,000,000
Brian King	280,000	-	6,000,000	-	6,280,000
Giuseppe (Joe) Ariti	600,000	-	6,000,000	-	6,600,000
Thomas Revy*	-	-	-	-	-
Shane Volk**	-	-	1,500,000	70,000	1,570,000
Total	5,980,000	-	39,000,000	1,291,250	46,271,250

* Thomas Revy was appointed Chief Executive Officer of KCM Mining Holdings Pty Ltd 12 March, 2012 and resigned 11 September, 2012

** Shane Volk was appointed company Secretary and Chief Financial Officer on 19 July, 2012

Shares acquired under the company Loan Performance Share Plan are subject to vesting conditions which are detailed in Note 25.

7. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

2012	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Effect from consolidation of share capital	Balance at the end of the year
Directors and Key Management Personnel of the consolidated entity					
Ordinary Shares					
Nathan Taylor	31,000,000	-	-	(27,900,000)	3,100,000
Don Carroll	20,000,000	-	-	(18,000,000)	2,000,000
Dr Ian Burston	-	-	-	-	-
Kevin Joseph	-	-	-	-	-
Brian King [^]	-	-	280,000	-	280,000
Giuseppe (Joe) Ariti ^{^^}	-	-	600,000	-	600,000
Thomas Revy [*]	-	-	-	-	-
Total	51,000,000	-	880,000	(45,900,000)	5,980,000

[^] Brian King was appointed a director of the company 29 February, 2012

^{^^} Giuseppe (Joe) Ariti was appointed a director of the company 19 April, 2012

^{*} Thomas Revy was appointed Chief Executive Officer of KCM Mining Holdings Pty Ltd 12 March, 2012 and resigned 11 September, 2012

Option holding

The number of options over ordinary shares in the parent entity held during the financial year by each director of Kogi Iron Limited and other members of key management personnel of the consolidated entity, including their personally related parties, are set out below:

2013	Balance at 1 July 2012	Granted during the year as compensation	Exercised during the year	Balance at 30 June 2013	Vested and exercisable at the end of the year
Directors and Key Management Personnel of the consolidated entity					
Options					
Nathan Taylor	2,000,000	-	-	2,000,000	2,000,000
Don Carroll	2,000,000	-	-	2,000,000	2,000,000
Dr Ian Burston	-	-	-	-	-
Kevin Joseph	-	-	-	-	-
Brian King	-	-	-	-	-
Giuseppe (Joe) Ariti	-	-	-	-	-
Thomas Revy [*]	-	-	-	-	-
Shane Volk ^{**}	-	-	-	-	-
Total	4,000,000	-	-	4,000,000	4,000,000

All options are vested and exercisable at the end of the year, and no options are unvested.

^{*} Thomas Revy was appointed Chief Executive Officer of KCM Mining Holdings Pty Ltd 12 March, 2012 and resigned 11 September, 2012

^{**} Shane Volk was appointed company Secretary and Chief Financial Officer on 19 July, 2012

7. KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

2012	Balance at 1 July 2011	Granted during the year as compensation	Exercised during the year	Effect from consolidation of share capital	Balance at 30 June 2012	Vested and exercisable at the end of the year
Directors and Key Management Personnel of the consolidated entity						
Options						
Nathan Taylor	20,000,000	-	-	(18,000,000)	2,000,000	2,000,000
Don Carroll	20,000,000	-	-	(18,000,000)	2,000,000	2,000,000
Dr Ian Burston	-	-	-	-	-	-
Kevin Joseph	-	-	-	-	-	-
Brian King ^	-	-	-	-	-	-
Giuseppe (Joe) Ariti^^	-	-	-	-	-	-
Thomas Revy*	-	-	-	-	-	-
Total	40,000,000	-	-	(36,000,000)	4,000,000	4,000,000

^ Brian King was appointed a director of the company 29 February, 2012

^^ Giuseppe (Joe) Ariti was appointed a director of the company 19 April, 2012

* Thomas Revy was appointed Chief Executive Officer of KCM Mining Holdings Pty Ltd 12 March, 2012 and resigned 11 September, 2012

Related Party Transactions

Related party transactions are set out in Note 22 of this report.

8. AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the consolidated entity, its related practices and non-related audit firms.

	2013 \$	2012 \$
Auditing or reviewing the financial reports BDO Audit (WA) Pty Ltd	42,929	47,802
Preparation of investigation accountants report and associated work BDO Finance (WA) Pty Ltd	-	20,090
	42,929	67,892

9. PROFIT (LOSS) PER SHARE

	2013 \$	2012 \$
(a) Reconciliation of earnings used to calculate EPS to net profit or loss		
Net Profit/(Loss)	(16,096,719)	10,187,549
Earnings/(Loss) used in the calculation of basic EPS		
Continuing Operations	(16,096,719)	10,187,549
	(16,096,719)	10,187,549
(b) Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	Number	Number
	244,722,560	157,117,106

10. CASH AND CASH EQUIVALENTS

	2013 \$	2012 \$
Cash at bank	1,693,500	4,185,601
	1,693,500	4,185,601
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	1,693,500	4,185,601
Bank overdrafts	-	-
	1,693,500	4,185,601

Refer to Note 23 for the consolidated entity's exposure to interest rate risk. Credit risk is limited to the carrying amount of cash and cash equivalents above.

11. TRADE AND OTHER RECEIVABLES

	2013 \$	2012 \$
CURRENT		
GST Receivable	71,195	124,941
Deposits & repayments	36,760	49,013
Trade Debtors	-	10,394
Sundry Debtors	290	63,264
Other Receivable	461	7,677
Research and development tax refund	305,576	-
	414,282	255,289

There are no receivables that are past due but not impaired. Refer to Note 23 for the consolidated entities exposure to credit risk.

12. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles	Software & Hardware	Plant & Equipment	Office Equipment Furniture & Fittings	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2011	-	-	-	-	-
Additions	-	31,551	-	24,096	55,647
Acquisition of subsidiary	290,097	-	28,969	-	319,066
Disposals	-	-	-	-	-
Depreciation expense	(62,303)	(1,710)	(5,295)	(744)	(70,052)
Balance at 30 June 2012	227,794	29,841	23,674	23,352	304,661
Additions	-	-	-	-	-
Acquisitions	-	3,584	31,089	5,383	40,056
Disposals	-	-	-	(655)	(655)
Depreciation expense	(72,325)	(9,663)	(9,679)	(5,665)	(97,332)
Balance at 30 June 2013	155,469	23,762	45,084	22,415	246,730

13. EXPLORATION EXPENDITURE

	Total \$
Balance at 1 July 2011	-
Fair value of exploration upon acquisition	47,000,000
Exploration and evaluation expenditure (2011/12)	2,329,095
Foreign exchange movement	827,085
Balance at 30 June 2012	50,156,180
Exploration and evaluation expenditure (current period)	3,478,834
Impairment of exploration and evaluation expenditure	(15,707,929)
Research and development tax refund	(528,058)
Foreign exchange movements	2,917,221
Balance at 30 June 2013	40,316,248

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related leases itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

An impairment expense of \$15,707,929 (2012: Nil) was recognised in the current year in respect of exploration expenditure. The impairment expense is directly attributable to (a) exploration licences which the company has determined are not prospective for Banded Iron Formation (BIF) mineralisation and consequently has not planned any future substantive exploration (\$7,000,000) and (b) a fair value less cost to sell assessment of the carrying amount attributable to the company's exploration licences prospective for channel iron deposits, including EL12124 (\$8,707,929). The assessment was in accordance with paragraph 27 of AAS136 with the best information available to the company used for the assessment, specifically a review of comparable transactions for the sale of West African iron ore deposits with inferred mineral resources and exploration targets.

14. TRADE AND OTHER PAYABLES

	2013 \$	2012 \$
CURRENT – unsecured liabilities		
Trade & other payables	706,945	238,767
Accrued expenses	308,780	493,478
PAYG withholding	2,757	43,455
Other	-	13
	1,018,482	775,713

15. PROVISIONS

	2013 \$	2012 \$
Annual Leave	-	6,386
	-	6,386

16. CONTRIBUTED EQUITY

	2013 \$	2012 \$
Share Capital:		
Ordinary shares, fully paid	55,029,075	52,976,701
Other equity securities:		
Value of conversion rights – convertible notes	223,856	223,856
Total Contributed Equity	55,252,931	53,200,557
Ordinary shares:		
At the beginning of the reporting period	52,976,701	29,162,646
Shares issued during the year	2,220,000	24,614,947
Transaction costs relating to share issues	(167,626)	(800,892)
At the end of the reporting date	55,029,075	52,976,701

16. CONTRIBUTED EQUITY (continued)

Movements in Ordinary Share Capital

Date	Details	No of shares	Issue price	Value
01/07/2011	Opening Balance	1,124,270,485		30,590,764
01/08/2011	issue	20,000,000	0.025	500,000
01/08/2011	issue	29,000,000	0.01	290,000
30/09/2011	Issue	5,050,000	0.01	50,500
20/12/2011	issue	59,950,000	0.01	599,500
30/12/2011	Issue	500,000	0.01	5,000
30/12/2011	Consolidation of shares	(1,114,893,236)		
07/03/2012	Issue	14,500,000	0.20	2,900,000
07/03/2012	Issue	85,766,667	0.20	17,153,333
07/03/2012	issue	15,583,067	0.20	3,116,613
30/06/2012	Balance	239,726,983		55,205,710
02/11/2012	Exercise of listed options	100,000	0.20	20,000
14/11/2012	Issue	7,857,143	0.28	2,200,000
10/12/2012	Loan Performance Share Plan issue	37,500,000	0.28	-
15/04/2013	Loan Performance Share Plan issue	2,900,000	0.14	-
	Less transaction costs			(2,396,635)
	At reporting date	288,084,126		55,029,075

Number of ordinary shares (summary)

	Consolidated Entity	
	2013 (No)	2012 (No)
At the beginning of the reporting period	239,726,983	1,124,270,485
Shares issued during the year pre-consolidation	-	114,500,000
Shares consolidated during the year	-	(1,114,893,236)
Shares issued during the year post consolidation	48,357,143	115,849,734
At reporting date	288,084,126	239,726,983

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has a vote on a show of hands. Unvested Loan Performance Shares have the same voting rights as fully paid ordinary shares.

16. CONTRIBUTED EQUITY (continued)

Options

	2013 (No)	2012 (No)
At the beginning of the reporting period	16,638,829	199,487,599
Options exercised during the year:	-	-
During September 2011	-	(34,050,000)
During December 2011	-	(59,950,000)
During November 2012	(100,000)	-
Options consolidated during the year	-	(88,738,770)
Options lapsed during the year	(1,518,827)	(110,000)
At reporting date	15,020,002	16,638,829

Value of conversation rights – Convertible Notes ⁽ⁱ⁾

	2013 \$	2012 \$
Value of conversion rights	244,248	244,248
Initial transaction cost	(20,392)	(20,392)
	223,856	223,856

- (i) On 15 January 2010, the company obtained the approval of its creditors to enter into a Deed of company Arrangement (DOCA). The secured convertible notes were settled via an issue of 50,000,000 Shares and 30,000,000 Options exercisable at 1 cent each and expiring on 30 November 2013. Following the consolidation of the share capital of the company (1:10), approved by shareholders on 30 November 2011, the 50,000,000 shares converted to 5,000,000 shares and the 30,000,000 options converted to 3,000,000 options with an exercise price of \$0.20, expiring 30 November 2013.

17. RESERVES

	2013 \$	2012 \$
Share based payments reserve	4,605,390	1,233,240
Options Issue reserve	2,032,187	2,032,187
Foreign currency translation reserve	3,744,306	827,084
	10,381,883	4,092,511
Movement:		
Share based payments reserve		
Balance at the beginning of the year	1,233,240	1,233,240
New shares granted	3,372,150	-
Balance at the end of the year	4,605,390	1,223,240
Options Issue reserve		
Balance at the beginning of the year	2,032,187	1,452,682
New options granted	-	579,505
Balance at the end of the year	2,032,187	2,032,187
Foreign currency translation reserve		
Balance at the beginning of the year	827,084	-
Currency translation differences arising during the year	2,917,222	827,084
Balance at the end of the year	3,744,306	827,084
Total Reserves	10,381,883	4,092,511

Nature and Purpose of Reserves

Share based payment reserve

The share based payments reserve is used to record the fair value of shares issued by the company to directors, Key Management Personnel, contractors and consultants in accordance with the company Loan Performance Share plan and is "at risk" remuneration, subject to the attainment of vesting conditions, for services provided.

Option Issue reserve

The options issue reserve is used to record the fair value of options issued by the company to directors as part of remuneration and to consultants for services provided.

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve.

18. SEGMENT REPORTING

The consolidated entity has adopted AASB 8 Operating Segments from 1 July 2009 whereby segment information is presented using a 'management approach', i.e. segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker (board of directors that makes strategic decisions).

The consolidated entity engages in single main operating segment, being mineral exploration, from which it currently earns no revenues and incurs costs associated with carrying out exploration. The consolidated entity's results are analysed as a whole by the chief operating decision maker (the board of directors of the company).

On 17 February, 2012 the company completed the acquisition of a KCM Mining Limited, a Nigerian entity, the consolidated entity has identified its operating segments giving due consideration to this.

Segment information

Segment information for the year ended 30 June 2013 is as follows:

2013	Exploration and Evaluation	Total
Segment revenue		
Interest Income	101,425	101,425
Total segment revenue/income	101,425	101,425
Segment result	(20,809,098)	(20,809,098)
Profit/(loss) before income tax	(20,809,098)	(20,809,098)
Deferred income tax benefit	4,712,379	4,712,379
Net profit/(loss) for the year	(16,096,719)	(16,096,719)
Segment assets		
Cash and cash equivalents	1,693,500	1,693,500
Exploration and evaluation	40,316,248	40,316,248
Property, plant and equipment	246,730	246,730
Other assets	414,282	414,282
Total assets	42,670,760	42,670,760
Segment liabilities	(10,406,103)	(10,406,103)
Cash flow information		
Net cash used in operating activities	(1,316,638)	(1,316,638)
Net cash used in investing activities	(3,224,742)	(3,224,742)
Net cash provided by financing activities	2,052,374	2,052,374

18. SEGMENT REPORTING (continued)

2012	Exploration and Evaluation	Total
Segment revenue		
Interest Income	147,336	147,336
Gain on acquisition of subsidiary	14,420,380	14,420,380
Total segment revenue/income	14,567,716	14,567,716
Segment result	10,187,549	10,187,549
Unallocated expense	-	-
Profit/(loss) before income tax	10,187,549	10,187,549
Income tax benefit	-	-
Net profit/(loss) for the year	10,187,549	10,187,549
Segment net operating loss includes the following significant item:		
Impairment loan expense	2,000,000	2,000,000
Segment assets		
Cash and cash equivalents	4,185,601	4,185,601
Exploration and evaluation	50,156,180	50,156,180
Property, plant and equipment	304,661	304,661
Other assets	255,289	255,289
Total assets	54,901,730	54,901,730
Segment liabilities	(782,099)	(782,099)
Cash flow information		
Net cash used in operating activities	(1,070,812)	(1,070,812)
Net cash used in investing activities	(2,972,390)	(2,972,390)
Net cash provided by financing activities	3,500,609	3,500,609

19. CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Profit /(Loss) after Income Tax

	2013 \$	2012 \$
Profit /(Loss) after income tax	(16,096,719)	10,187,549
Cash flows excluded from profit attributable to operating activities		
Gain on acquisition of subsidiary	-	(14,420,380)
Deferred income tax benefit	(4,712,379)	-
Non-cash flows in profit from ordinary activities		
Impairment Loss	-	2,000,000
Impairment – Exploration and Evaluation	15,707,929	-
Depreciation	15,502	2,495
Interest Expense	-	102
Share based payments	3,372,150	579,505
Changes in assets and liabilities,		
(Increase)/decrease in receivables	154,111	74,754
Increase/(decrease) in payables	242,768	505,163
Cash flow used in operations	(1,316,638)	(1,070,812)

Non-cash investing and financing activities

	2013 \$	2012 \$
Acquisition of 100% interest in KCM Mining Holdings Pty Ltd	-	17,153,333
Acquisition of 25% interest in KCM Mining Limited	-	3,116,613
Equity granted as consulting fees for capital raising	-	500,000
	-	20,769,946

Full details of each of the above non-cash investing and financing activities is contained in Note 25 - Loan Performance Share Plan (Share Based Payments).

20. COMMITMENTS

Future exploration

The Nigerian Minerals and Mining Act (2007) and the Nigerian Minerals and Mining Regulations (2011) do not prescribe minimum annual expenditure obligations for Exploration Licences, rather these obligation are managed by the Mines Inspectorate Department on a case by case basis. The company expects it will be able to meet any expenditure obligations imposed for any of the Exploration Licences that it holds in the normal course of operations. If any expenditure obligations are not met, then the company has the ability to request a waiver of these obligations or to negotiate amended obligations for the remaining term of the Exploration Licence or relinquish the Exploration Licence.

Annual renewal fees of \$19,520 are payable to the government of Nigeria for all Exploration Licences held by the consolidated entity.

20. COMMITMENTS (continued)

Operating leases

Office Premises

The company leases office premises in West Perth, Western Australia and Agbaja Nigeria. The Perth office lease is for a period of 3 years expiring 30 April 2015 and the Agbaja office lease is for a period of 4 years, expiring 30 April, 2016. Annual commitments payable under these leases are:

2013/14	\$140,464
2014/15	\$108,044
2015/16	\$1,150

The consolidated entity has no other operating lease commitments.

Contractual capital commitments

There are no contractual capital commitments.

Other contractual commitments

The consolidated entity is party to a drilling contract with Spektra Jeotek AS whereby a demobilisation fee of US\$35,000 is payable when the drilling contractor elects to demobilise its drilling equipment, which is currently in storage at the Agbaja field office.

21. EVENTS SUBSEQUENT TO REPORTING DATE

On 23 August 2013, the company announced the appointment of Mr Ignatius Tan as Managing Director. Mr Tan commenced in this position on 26 August 2013.

On 25 September 2013, the company announced that it had successfully raised \$1.2 million via a capital book build and share placement to professional and sophisticated investors ("Placement"). Shares issued under the Placement are fully paid ordinary with an issue price of \$0.09 each. The placement was made pursuant to the company's 15% annual placement capacity available under the ASX listing rules. The Directors of the company intend to participate in the Placement for \$600,000 which shall be subject to Shareholder approval at the company's 2013 Annual General Meeting.

Also on 25 September 2013, the company announced a Share Purchase Plan ("SPP") which enables all existing shareholders of the company as at the record date of 24 September 2013, to subscribe to up to \$15,000 of new fully paid ordinary shares of the company at a price of \$0.09 each, the SPP is open until 25 October 2013, unless extended by the directors.

As at the date of this directors' report, the directors are not aware of any other matter or circumstance that has arisen that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company in the financial years subsequent to 30 June 2013.

22. RELATED PARTY TRANSACTIONS

Parent entity

Kogi Iron Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 24.

Terms and conditions of transactions with subsidiaries

Outstanding inter-company loan balances at year end are unsecured and are not interest bearing.

Associates

There are no investments in associates.

Key management personnel

Details of loans made to directors of the company and other Key Management Personnel, including their personally related parties are set out below:

Loans to Directors and key management personnel

Name	Balance 01/07/12	Loan Performance Share Loans provided during the period ^(Note 1)	Interest paid and payable during period	Interest not charged	Loan balance as at 30/06/13
	\$	\$	\$	\$	\$
Dr Ian Burston	-	2,100,000	-	98,729	2,100,000
Kevin Joseph	-	1,680,000	-	78,983	1,680,000
Joe Ariti	-	1,680,000	-	78,983	1,680,000
Don Carroll	-	1,680,000	-	78,983	1,680,000
Brian King	-	1,680,000	-	78,983	1,680,000
Nathan Taylor	-	1,680,000	-	78,983	1,680,000
Shane Volk	-	210,000	-	4,435	210,000

Note 1: The Loan Performance Shares have not vested at the date of this report (refer Note 25) and each of the loans was provided in accordance with the terms and conditions of the company Loan Performance Share Plan and were not loaned as cash.

All loans to key management personnel are under the terms and conditions as set out in Note 25 relating to the company Loan Performance Share Plan.

The amounts shown for interest not charged in the table above represents the difference between the amount paid and payable for the financial year and the amount of interest that would have been charged on an arms-length basis.

Disclosures relating to key management personnel are set out in Note 7 and the remuneration report in the directors' report.

Other transactions with key management personnel

Amounts paid:

Mr Brian King
Mr Ian Burston
Mr Kevin Joseph (on normal commercial terms)
PKF Australia (company Secretarial, Corporate Advisory and Accounting fees billed on normal commercial terms)

	2013 \$	2012 \$
	-	157,502
	-	67,996
	-	273,771
	-	24,000
	-	523,269

23. FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not use derivative financial instruments, however the consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risks, aging analysis for credit risk.

Risk management is carried out by the Board of Directors. The Board provides principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the consolidated entity.

The consolidated entity holds the following financial instruments:

	2013 \$	2012 \$
Financial assets		
Cash and cash equivalents	1,693,500	4,185,601
Trade and other receivables	414,283	243,036
	2,107,783	4,428,637
Financial liabilities		
Trade and other payables	1,018,482	775,713
	1,018,482	775,713

The consolidated entity's principal financial instruments comprise cash and short-term deposits. The consolidated entity does not have any borrowings in the current financial year.

The main purpose of these financial instruments is to fund the consolidated entity's operations.

It is, and has been throughout the period under review, the consolidated entity's policy that no trading in financial instruments shall be undertaken. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Market risk

Foreign currency risk

As a result of the consolidated entity operating overseas (Nigeria), the consolidated entity is exposed to foreign exchange risk from commercial transaction and recognised assets and liabilities denominated in a currency that is not the consolidated entity's functional currency. The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date is not considered material to the consolidated entity.

The consolidated entity also has transactional currency exposures. Such exposure arises from purchased by an operating entity in currencies other than the consolidated entity's functional currency. The consolidated entity does not enter into forward foreign exchange contracts or any other form of foreign currency protection instruments and does not have a hedging policy.

Interest rate risk

The consolidated entity's only interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the consolidated entity to cash flow interest rate risk. The consolidated entity does not consider this to be material to the consolidated entity and have therefore not undertaken any further analysis of risk exposure.

The following sets out the consolidated entity's exposure to interest rate risk, including the effective weighted average interest rate by maturity periods:

23. FINANCIAL RISK MANAGEMENT (continued)

30 June 2013		Weighted average interest rate	1 year or less \$	2-5 years \$	Total \$
	Note				
Financial assets					
Cash and cash equivalents	10	3.34%	722,713	-	722,713
Total			722,713	-	722,713

30 June 2012		Weighted average interest rate	1 year or less \$	2-5 years \$	Total \$
	Note				
Financial assets					
Cash and cash equivalents	10	2.33%	4,127,583	-	4,127,583
Total			4,127,583	-	4,127,583

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity does not have any significant concentrations of credit risk. Credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables and committed transactions.

All cash balances held at banks are held at internationally recognised institutions. The majority of receivables are immaterial to the consolidated entity. Given this the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised at the start of Note 23.

Liquidity risk

Vigilant liquidity risk management implies maintaining sufficient cash balances and access to equity funding to enable the consolidated entity to pay its debts as and when they become due and payable.

The board of directors monitor the cash levels of the consolidated entity on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage liquidity risk.

As at reporting date the consolidated entity had sufficient cash reserves to meet its immediate requirements. The consolidated entity has no access to credit standby facilities or arrangements for further funding or borrowings in place at balance date and will need to secure additional equity or debt funding to enable it to meet its ongoing requirements.

Maturities of financial liabilities

The following tables detail the consolidated entity's remaining contractual maturity for its financial liabilities at the reporting date. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. Provided the liabilities below are paid in accordance with the specified payments terms no interest is payable, the tables have been constructed on this basis.

23. FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2013							
	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
Non-derivatives							
Non-interest bearing	1,018,482	-	-	-	-	1,018,482	1,018,482
Variable rate	-	-	-	-	-	-	-
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	1,018,482	-	-	-	-	1,018,482	1,018,482

At 30 June 2012							
	Less than 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	\$	\$	\$	\$	\$	\$	\$
Non-derivatives							
Non-interest bearing	775,713	-	-	-	-	775,713	775,713
Variable rate	-	-	-	-	-	-	-
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	775,713	-	-	-	-	775,713	775,713

The basis of the valuation of cash is fair value, being the amounts for which the cash can expect to be received in the normal course of business.

24. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

Name of Entity	Country of Incorporation	Ownership Interest		Investment at Cost	
		2013	2012	2013	2012
KCM Mining Holdings Pty Ltd	Australia	100%	100%	17,153,333	17,153,333
KCM Mining Limited	Nigeria	100%	100%	3,204,715	3,204,715

25. LOAN PERFORMANCE SHARE PLAN (SHARE BASED PAYMENTS)

Year ended 30 June 2013

At the 30 November 2012 Annual General Meeting of the company, shareholders approved the company Loan Performance Share Plan. The Loan Performance Share Plan is managed by the Board and enables it to issue company shares to executive and non-executive directors, full-time or part-time employees, contractors and consultants of the company or its subsidiaries, as selected by the Board from time to time (**Eligible Persons**) and provide a limited recourse loan to enable the Eligible Persons to purchase the Shares.

The rationale behind the Loan Performance Share Plan is a commitment by the Board to incentivise and retain the company's Eligible Persons in a manner which promotes alignment with Shareholder interests. Additionally, the Board considers equity based incentive compensation an integral component of the company's remuneration platform enabling it to offer market-competitive remuneration arrangements.

Summary of the Loan Performance Share Plan

The Loan Performance Share Plan is intended to enable Eligible Persons to participate in any increase in the company's value (as measured by share price) beyond the date of allocation of shares under the Loan Performance Share Plan, provided any pre-determined specific performance hurdles are achieved pertaining to vesting of the allocated shares. Where the company offers shares to an Eligible Person under the Loan Performance Share Plan, the company may offer to provide the Eligible Person with a limited recourse, interest free loan to be used for the purpose of subscribing for the shares.

Shares issued to Eligible Persons pursuant to the company Loan Performance Share Plan

(a) 37,500,000 shares issued to company Directors

Following shareholder approval of the Loan Performance Share Plan and the proposed issue of shares to directors under the plan, at the company's 2012 Annual General Meeting on 30 November 2012, 37,500,000 shares were issued to the six directors of the company on 7 December 2012, as part of their remuneration and having regard to their past and potential contribution to the company. The shares were issued subject to the following vesting conditions:

- 1/3rd of the shares will vest when an ASX announcement is made by the company of a JORC compliant mineral resource estimation of 500Mt or more with an in-situ iron ore grade of 40% or more to an indicated (or higher) level of confidence at the Agbaja Project, on or before 31 December 2014;
- 1/3rd of the shares vest when an ASX announcement is made by the company that it has secured at least \$15 million of funding to enable commencement of a pre-feasibility (or equivalent) study into the development of mining operations of the Agbaja Project, on or before 31 December 2014; and
- 1/3rd of the shares will vest when an ASX announcement is made by the company that it has entered into a formal agreement to access the existing heavy haul rail infrastructure currently running from Lokoja to Warri for the purpose of transporting of iron ore from the Agbaja Project, on or before 31 December 2014.

No tranche of shares (as set out above) is conditional upon the vesting of another tranche.

The shares were issued at the price of \$0.28 per share and corresponding limited recourse loans totalling \$10,500,000 were entered into.

Summary of key loan terms:

- Loan amount: \$0.28 per share
- Interest rate: 0%
- Term of loan: due and payable on the earlier of:
 - a) 31 December 2020;
 - b) the date on which the shares have been forfeited in accordance with the Plan Rules;
 - c) the date that the shares have otherwise disposed of, or attempted to be disposed of, in accordance with the rules of the Loan Performance Share Plan.

The loans are limited recourse in that the company will accept the issued shares in full satisfaction of the loan amount, regardless of the market price of the shares.

(b) 2,900,000 shares issued consultants and employees

On 26 March 2013 the Board offered 2,900,000 shares to an employee of the company and four consultants to the company as part of their remuneration and having regard to their past and potential contribution to the company. The shares were issued subject to various vesting conditions determined by the Board.

25. LOAN PERFORMANCE SHARE PLAN (SHARE BASED PAYMENTS) (continued)

In the case of Mr Shane Volk, a key management personnel, consulting to the company for the provision of services as company Secretary and Chief Financial Officer, 1,500,000 shares were issued subject to the following vesting conditions:

- 1/3rd of the shares will vest on the date that the company secures \$5.0 million of additional equity and/or debt funding but only if the funding is secured on or before 31 December 2013;
- 1/3rd of the shares will vest when the company has secured in aggregate (which may occur over several tranches) at least \$15 million of funding to enable commencement of a pre-feasibility (or equivalent) study into the development of mining operations at the Agbaja Project; and
- 1/3rd of the shares will vest on the rectification, to the satisfaction of the Board, of matters arising from the PWC Nigerian compliance review.

subject to the last two vesting conditions being satisfied on or before 31 December 2014 and no tranche of shares (as set out above) is conditional upon the vesting of another tranche.

The shares were issued at the price of \$0.14 per share and a corresponding limited recourse loan totalling \$210,000 was entered into.

Summary of key loan terms:

- Loan amount: \$0.14 per share
- Interest rate: 0%
- Term of loan: due and payable on the earlier of:
 - a) 31 December 2020;
 - b) the date on which the shares have been forfeited in accordance with the Plan Rules;
 - c) the date that the shares have otherwise disposed of, or attempted to be disposed of, in accordance with the rules of the Loan Performance Share Plan.

The loan is limited recourse in that the company will accept the issued shares in full satisfaction of the loan amount, regardless of the market price of the shares.

Value of all Loan Performance Shares issued

The fair value of the Loan Performance Shares issued at the issue date was calculated using the Black Scholes pricing model that took into account the term, the underlying value of the shares, the exercise price, the expected dividend yield, the impact of dilution and the risk-free interest rate. Inputs used to value the shares granted included:

Variable	Assumptions	
	Director shares	Consultant and employee shares
Issue price for the shares	\$0.28	\$0.14
Market price for the shares at date of issue	\$0.28	\$0.14
Volatility of company share price	100%	167%
Dividend yield	0%	0%
Risk free rate	2.73%	3.01%
Maximum time to loan maturity	8 years and 24 days	7 years and 280 days

The expected volatility during the term of the shares is based around assessments of the historical volatility of the company share price and the dividend yield of 0% is on the basis that the company does not anticipate paying dividends in the period between the issue date and the final vesting date for the shares.

The value of the Loan Performance Shares has been expensed on a proportionate basis for each period from grant date to vesting date. The proportion of the value of the shares that has been expensed during the year to 30 June 2013 and accounted for in the share based payments reserve is \$3,372,150 (2012: Nil). Vesting of the Loan Performance Shares is subject to the three performance milestones (described above), whereby 1/3 of the Loan Performance Shares issued to each recipient vests upon the attainment of each performance milestone, to be achieved on or before 31 December 2014.

25. LOAN PERFORMANCE SHARE PLAN (SHARE BASED PAYMENTS) (continued)

Key Management Personnel: Shares issued pursuant to the Loan Performance Share Plan

Name	Issue date	Loan Performance Share Plan Shares issued	Issue price	Balance 01/07/12	Granted during period	Forfeited during period	Balance 30/06/13	Vested at 30/06/13	Not vested at 30/06/13
Dr Ian Burston	10/12/12	7,500,000	\$0.28	-	7,500,000	-	7,500,000	-	7,500,000
Kevin Joseph	10/12/12	6,000,000	\$0.28	-	6,000,000	-	6,000,000	-	6,000,000
Joe Ariti	10/12/12	6,000,000	\$0.28	-	6,000,000	-	6,000,000	-	6,000,000
Don Carroll	10/12/12	6,000,000	\$0.28	-	6,000,000	-	6,000,000	-	6,000,000
Brian King	10/12/12	6,000,000	\$0.28	-	6,000,000	-	6,000,000	-	6,000,000
Nathan Taylor	10/12/12	6,000,000	\$0.28	-	6,000,000	-	6,000,000	-	6,000,000
Shane Volk	15/04/13	1,500,000	\$0.14	-	1,500,000	-	1,500,000	-	1,500,000

Key Management Personnel: Share based payment expense – Loan Performance Share Plan

Name	Issue date	Fair Value of Loan Performance Shares \$	Expense during current period \$	Total expense at 30/06/2013 \$
Dr Ian Burston	10/12/12	1,356,065	663,561	663,561
Kevin Joseph	10/12/12	1,084,852	530,850	530,850
Joe Ariti	10/12/12	1,084,852	530,850	530,850
Don Carroll	10/12/12	1,084,852	530,850	530,850
Brian King	10/12/12	1,084,852	530,850	530,850
Nathan Taylor	10/12/12	1,084,852	530,850	530,850
Shane Volk	15/04/13	134,072	16,171	16,171
Total		6,914,422	3,333,982	3,333,982

Year ended 30 June 2012

Capital Raising Services - shares

On 1 August 2011, the company issued 20,000,000 shares (now 2,000,000 shares post the 10:1 consolidation of the company's share capital on 30 November 2011) as consideration for capital raising costs. The valuation of the shares has been determined based upon the closing price of the company's shares on 1 August, 2011. Total value of the shares above is \$500,000, this cost has been recognised as equity raising costs.

Purchase of KCM Mining Holdings Pty Ltd and 25% of KCM Mining Limited

On 17 February 2012 the company completed the acquisition of all of the shares of KCM Mining Limited (a Nigerian entity) via the purchase of all of the shares of KCM Mining Holdings Pty Ltd (the holder of 75% of the shares of KCM Mining Limited) from TGP Australia Limited and 25% of the shares of KCM Mining Limited from Bedford CP Nominee's Pty Ltd.

As consideration for these purchases, the company issued 85,766,667 fully paid ordinary shares to TGP Australia Limited at a deemed value of \$17,153,333 (\$0.20 per share) and 15,583,067 fully paid ordinary shares to Bedford CP Nominee's Pty Ltd a deemed value of \$3,116,613 (\$0.20 per share).

The total value of the shares is \$20,269,947 and has been recognised as investments within the Parent entity.

25. LOAN PERFORMANCE SHARE PLAN (SHARE BASED PAYMENTS) (continued)

Corporate Advisory Services - options

On 17 March 2012, the company issued 6,250,000 options to a consultant as consideration for corporate advisory services. The options were valued using a Black Scholes Pricing Model as this was deemed by the company to be the most appropriate method to determine the value of the services provided; the following inputs were applied:

	Grant date 17 March 2012
Option expiry date	30 November 2012
Life of the options (years)	1.70685 years
Share price at grant date	\$0.20
Option exercise price	\$0.20
Risk free rate	4.25%
Expected dividend yield	0%
Expected share price volatility (based on a review of historic volatility)	90%

Total value of the options above is \$579,505, this has been recognised in consulting fees.

26. BUSINESS COMBINATIONS

2013

The company did not undertake any business acquisitions during the current reporting period.

2012

On 17 February 2012 the company acquired 100 % of the issued share capital of KCM Mining Holdings Pty Ltd, the owner of 75% of the shares of Nigerian company KCM Mining, and 25% of the issued share capital of KCM Mining Limited directly.

This acquisition afforded the company 100% ownership of KCM Mining Limited and the 15 granted Mineral Exploration Licences held by it in Nigeria.

Purchase consideration paid was 85,766,667 fully paid ordinary shares of the company to TGP Australia Limited at \$0.20 (\$17,153,334) for 100% of the shares of KCM Mining Holdings Pty Ltd, and 15,583,067 fully paid ordinary shares of the company to Bedford CP Nominees at \$0.20 (3,116,614) for the remaining 25% of KCM Mining Limited not owned by TGP Australia Limited.

Acquired capitalised exploration evaluation expenditure

Fair value assigned to capitalised exploration and evaluation expenditure based on an independent valuation which resulted in an increase in the carrying value of the assets of \$37,837,316.

26. BUSINESS COMBINATIONS (continued)

The fair value of assets and liabilities acquired pursuant to the acquisition of KCM Mining Holdings Pty Ltd and KCM Mining Limited was as follows:

	Carrying value of assets and liabilities \$'s	Fair value of assets and liabilities acquired \$'s
Cash and cash equivalents	1,414,646	1,414,646
Trade and other receivables	58,910	58,910
Property, plant and equipment	316,771	316,771
Capitalised exploration and evaluation expenditure	9,162,684	47,000,000
Total assets	10,953,011	48,790,327
Trade and other payables	-	-
Deferred tax liability	-	(14,100,000)
Total liabilities	-	-
Net assets attributable to Kogi Iron Limited	10,953,011	34,690,327

The gain on acquisition of KCM Mining Pty Ltd and KCM Mining Limited was as follows:

	\$'s
Fair value of assets acquired	48,790,327
Deferred Tax Liability	(14,100,000)
	34,690,327
Total fair value of consideration paid	20,269,947
Gain on acquisition of subsidiary	14,420,380

Purchase consideration – cash outflow

Outflow of cash to acquire subsidiary, net of cash acquired

Cash consideration

Less: Balances acquired

Cash

Outflow (inflow) of cash from investing activities

	-
	(1,414,646)
	(1,414,646)

Acquisition related costs

Acquisition related costs of \$62,079 were included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

Contingent consideration

No contingent consideration is payable in respect of the acquisition of KCM Mining Holdings Pty Ltd or KCM Mining Limited.

Revenue and profit contribution

The acquired businesses attributed \$95,655 in interest income for the group between the period 18 February 2012 to 30 June 2012 and a total of \$2,233,371 of deferred exploration and evaluation expenditure.

27. DIVIDENDS

No dividends have been declared or paid during the period

28. CONTINGENT LIABILITIES & EXPENSES

There are no contingent liabilities as at 30th June 2013.

There were no contingent liabilities as at 30 June 2012.

29. CAPITAL COMMITMENTS

There are no capital commitments as at 30th June 2013 (2012: none).

30. PARENT ENTITY INFORMATION

Information relating to Kogi Iron Limited

	Kogi Iron Limited	
	2013 \$	2012 \$
Current assets	2,042,823	3,080,860
Total assets	25,348,877	25,361,936
Current liabilities	(357,840)	(685,425)
Total liabilities	(357,840)	(685,425)
Issued capital	(55,252,931)	(53,200,527)
Retained earnings	36,899,471	31,789,472
Options reserve	(2,032,187)	(2,032,240)
Share based payments reserve	(4,605,390)	(1,233,240)
Total shareholder equity	(24,991,037)	(24,676,511)
Loss of parent entity	(5,109,998)	(4,328,486)
Total comprehensive loss of parent	(5,109,998)	(4,328,486)

Details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries

Kogi Iron Limited has not entered into any parent entity guarantees for any of its subsidiaries

Details of contingent liabilities of the parent entity

Refer to Note 28 for details.

Details of any contractual commitments by the parent entity of the acquisition of property, plant and equipment

There are no contractual commitments by Kogi Iron Limited for the acquisition of property, plant and equipment.

Tax consolidation

Kogi Iron Limited and its subsidiaries have not formed a tax consolidation consolidated entity.

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Regulations 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2013, and of its performance for the year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolutions of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Non-Executive Chairman
27 September 2013

INDEPENDENT AUDITOR'S REPORT

To the members of Kogi Iron Limited

Report on the Financial Report

We have audited the accompanying financial report of Kogi Iron Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kogi Iron Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Kogi Iron Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred net cash outflow from operating and investing activities for the year ended 30 June 2013 of \$4,541,380. The consolidated entity will have to seek additional funding in order to progress its ongoing exploration and meet additional working capital requirements. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, may be unable to realise its assets and discharge its liabilities in the normal course of business at values stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Kogi Iron Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch
Director

Perth, 27 September 2013

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 25 September, 2013.

(a) Distribution of equity securities

(i) Ordinary share capital

288,084,126 fully paid ordinary shares are held by 2,049 individual shareholders.

All issued ordinary shares carry one vote per share and carry the rights to dividends.

(ii) Options

15,020,002 unlisted options (exercise price \$0.20, expiring 30 November 2013) are held by 22 individual option holders.

Options do not carry a right to vote.

The number of shareholders, by size of holding, in each class are:

Holding	Fully Paid Ordinary Shares		Options Holders
	Shares	Holders	
1-1,000	154,422	478	-
1,001-5,000	915,474	321	-
5,001-10,000	1,778,752	215	-
10,001-100,000	31,994,790	748	12
100,001 and over	253,240,688	287	10
	288,084,126	2,049	22
Holdings less than a marketable parcel		813	

(b) Substantial Holders

Ordinary Shareholders	Fully Paid	
	Number	Percentage
TGP Australia Limited	85,766,667	29.77%
	85,766,667	29.77%

(c) Twenty Largest holders of equity securities

	Fully Paid	
	Number	Percentage
Ordinary shareholders		
TGP AUSTRALIA LIMITED	85,766,667	29.77%
DR IAN BURSTON*	7,500,000	2.60%
JACJOS INVESTMENTS PTY LTD	6,267,280	2.18%
MR NATHAN TAYLOR*	6,000,000	2.08%
MR KEVIN JOSEPH*	6,000,000	2.08%
MR GIUSEPPE VINCE ARITI*	6,000,000	2.08%
MR DON CARROLL*	6,000,000	2.08%
MR BRIAN KING*	6,000,000	2.08%
J & D ROBERTS NOMINEES PTY LTD	4,654,915	1.62%
1627 INVESTMENTS PTY LTD	4,354,903	1.51%
BERLURLY MINING PTY LTD	4,350,000	1.51%
WOBBLY INVESTMENTS PTY LTD	3,710,203	1.29%
MR JAMES DAVID TAYLOR	3,011,778	1.05%
NATHAN DAVID TAYLOR	3,000,000	1.04%
INVESTMENT PORTFOLIO (WA) PTY LTD	2,400,000	0.83%
MR PHILIP LOWRY & MRS WENDY LOWRY	2,345,000	0.81%
DA & LM CARROLL SUPERANNUATION FUND	2,000,000	0.69%
TRUCKIN TOURS PTY LTD	1,933,000	0.67%
NOBLE INVESTMENTS SUPERANNUATION FUND PTY LTD	1,899,258	0.66%
MR DAVID LACHLAN WILDY	1,738,280	0.60%
AUST EXECUTOR TRUSTEES LTD	1,622,500	0.56%
MR MARK DARYL WOOD	1,600,000	0.56%
JB GLOBAL HOLDINGS LLC	1,500,000	0.52%
SHANE RAYMOND VOLK*	1,500,000	0.52%
BEDFORD CP NOMINEES PTY LTD	1,475,968	0.51%
	172,629,752	59.92%

* Loan Performance Shares, subject to vesting conditions (refer note 25).

(d) Unquoted securitiesOrdinary shares

TGP AUSTRALIA LIMITED	85,766,667
JB GLOBAL HOLDINGS LLC	1,500,000
ROJAN TRADING PTY LTD	500,000
LOAN PERFORMANCE SHARES (not vested)	40,400,000
Total unquoted ordinary shares	128,166,667

Options

EXERCISE PRICE \$0.20 EXPIRING 30 NOVEMBER 2013	15,020,002
Total unquoted options	15,020,002

(e) Restricted Securities (until 15 March 2014)

TGP AUSTRALIA LIMITED	85,766,667
JB GLOBAL HOLDINGS LLC	1,500,000
ROJAN TRADING PTY LTD	500,000
Total Restricted Securities	87,766,667

(f) List of mineral tenements

All tenements are held in Nigeria.

- Exploration Licence 8583
- Exploration Licence 8886
- Exploration Licence 6350
- Exploration Licence 6351
- Exploration Licence 6352
- Exploration Licence 7060
- Exploration Licence 7061
- Exploration Licence 10586
- Exploration Licence 12124
- Exploration Licence 9791
- Exploration Licence 9792
- Exploration Licence 9793
- Exploration Licence 9794
- Exploration Licence 9796
- Exploration Licence 9797