



ASX Announcement
25 July 2014

About Legacy Iron Ore

Legacy Iron Ore Limited ("Legacy Iron" or the "Company") is a Western Australian based Company, focused on iron ore development and mineral discovery.

Legacy Iron's mission is to increase shareholder wealth through capital growth, created via the discovery, development and operation of profitable mining assets.

The Company was listed on the Australian Securities Exchange on 8 July 2008. Since then, Legacy Iron has had a number of iron ore, manganese and gold discoveries which are now undergoing drilling and resource definition.

Board

Narendra Kumar Nanda, Non-Executive Chairman

Sharon Heng, Executive Director & Managing Director

Swaminathan Thiagarajan, Non-Executive Director

Subimal Bose, Non-Executive Director

Timothy Turner, Non-Executive Director

Julian Mizera, Chief Executive Officer

Ben Donovan, Company Secretary

Key Projects

Mt Bevan Iron Ore Project

Hamersley Iron Ore Project

Robertson Range Iron Ore and Manganese Project

South Laverton Gold Project

East Kimberley Gold, Base Metals and REE Project

Enquiries

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ASX Market Announcements

ASX Limited

Via E Lodgement

DESPATCH OF PROSPECTUS

Legacy Iron Ore Limited (**Legacy Iron**) wishes to advise that the Prospectus in connection with its renounceable pro-rata entitlement issue, together with the attached Supplementary Prospectus will be despatched to shareholders today.

For further information, please contact:

Benjamin Donovan

Company Secretary

Legacy Iron Ore Limited

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Email: bendonovan@legacyiron.com.au

Website: www.legacyiron.com.au



This is a Supplementary Prospectus and must be read in conjunction with the Prospectus dated 15 July 2014 issued by Legacy Iron Ore Limited

Legacy Iron Ore Limited
ACN 125 010 353

SUPPLEMENTARY PROSPECTUS

IMPORTANT NOTICE

This Supplementary Prospectus contains particulars of changes to and supplements the prospectus dated 15 July 2014 (**Prospectus**) issued by Legacy Iron Ore Limited (ACN 125 010 353) (**Company**). This Supplementary Prospectus is dated 24 July 2014 and was lodged with the Australian Securities and Investments Commission on that date. Neither ASIC nor ASX take any responsibility for the contents of this Supplementary Prospectus.

The Supplementary Prospectus must be read together with the Prospectus. To the extent of any inconsistency between the Prospectus and this Supplementary Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you have any questions about the Shares being offered under the Prospectus or any other matter, you should consult your professional advisers.

1. UPDATES TO THE PROSPECTUS

- (a) Replace the timetable in the Key Dates section of the Prospectus with the following timetable:

Announce renounceable Entitlement Offer and Appendix 3B	7 July 2014
Lodgement of Entitlement Offer Prospectus with ASIC and ASX	15 July 2014
Notice of Entitlement Offer sent to Shareholders	17 July 2014
Ex Date for Entitlements Issue	18 July 2014

Local Knowledge | International Network | Quality Assets

This is a Supplementary Prospectus and must be read in conjunction with the Prospectus dated 15 July 2014 issued by Legacy Iron Ore Limited

Entitlements Trading begins	18 July 2014
Record Date for determining Shareholder entitlements	22 July 2014
Lodgement of Supplementary Prospectus	24 July 2014
Entitlement Offer Prospectus dispatched to Shareholders	25 July 2014
Entitlements Trading ends	11 August 2014
Shares quoted on a deferred settlement basis	12 August 2014
Last day to extend Entitlement Offer Closing Date	13 August 2014
Closing Date of Entitlement Offer	18 August 2014
Notify ASX of Shortfall	21 August 2014
Issue date. Deferred settlement trading ends	25 August 2014

- (b) The table in Section 4.3 is amended by adding the following rows to the top of that table:

Date	Description of ASX Announcement
24-Jul-14	Investor Presentation – July 2014
17-Jul-14	Letter to Optionholders
17-Jul 14	Letter to Ineligible Shareholders
17-Jul-14	Letter to Eligible Shareholders
16-Jul-14	Appendix 3B – updated
16-Jul-14	Renounceable Issue

- (c) The following words in the second paragraph of Section 1.29 on page 10 of the Prospectus are deleted:

‘The Nominee (or an associate) will only sell those Entitlements if there is a viable market in those Entitlements and a premium over the expenses of sale can be obtained. Any such sale will be at a price and be conducted in a manner that the Nominee will determine in its absolute discretion.’

and replaced with the following words:

'Any sale of those Entitlements by the Nominee (or an associate) will be at a price and be conducted in a manner that the Nominee will determine in its absolute discretion.'

- (d) The following words in the third paragraph of Section 1.29 on page 10 of the Prospectus are deleted:

'Neither the Company nor the Nominee will be liable for any failure to sell the Entitlements or to sell the Entitlements at any particular price. If there is no viable market for the Entitlements they will be allowed to lapse.'

and replaced with the following words:

Neither the Company nor the Nominee will be liable for any failure to sell the Entitlements at any particular price.

2. DIRECTORS AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.

Dated: 24 July 2014



Sharon Heng
for and on behalf of
Legacy Iron Ore Limited



LEGACY IRON ORE LIMITED
ACN 125 010 353

PROSPECTUS

For a pro-rata renounceable issue of 3 New Shares for every 1 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.014 per Share to raise up to approximately \$24,805,775.

The Rights Issue is not underwritten.

IMPORTANT NOTICE

This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

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IMPORTANT NOTICE

Prospectus

This Prospectus is dated 15 July 2014 and was lodged with ASIC on that date. No responsibility for the contents of this Prospectus is taken by ASIC nor ASX.

The New Shares issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus. No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus regard has been had to the fact the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult. No person is authorised to give any information or to make any representation in connection with the Rights Issue described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 5 of this Prospectus.

Electronic Prospectus

A copy of this Prospectus may be viewed at www.legacyiron.com.au or the website of ASX by Australian investors only.

The Corporations Act prohibits any person passing onto another person the Entitlement and Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. A paper copy of this Prospectus may be obtained free of charge on request while this Prospectus remains open by contacting the Company.

Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the risk factors that could affect the performance of the Company. Please refer to Section 3 for further information.

Overseas Shareholders

The New Shares being offered under this Prospectus are being offered to Eligible Shareholders.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Please refer to Sections 1.28 and 1.29 for further information.

Forward-looking statements

This Prospectus may contain forward-looking statements that have been based on current circumstances. Any forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

Key Dates

Announce renounceable Entitlement Offer and Appendix 3B	7 July 2014
Lodgement of Entitlement Offer Prospectus with ASIC and ASX	15 July 2014
Notice of Entitlement Offer sent to Shareholders	17 July 2014
Ex Date for Entitlements Issue	18 July 2014
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Notify ASX of Shortfall	21 August 2014

Issue date. Deferred settlement trading ends	25 August 2014
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* The Directors may extend the Closing Date by giving at least 6 Business Days' notice to ASX prior to the Closing Date. As such, the date the Shares are expected to commence trading on ASX may vary.

Letter from the Chairman

Dear Shareholder,

Legacy Iron Ore Ltd (**Legacy Iron**) is pleased to provide Eligible Shareholders the opportunity to participate in a renounceable pro rata Rights Issue. The Rights Issue provides Eligible Shareholders with an opportunity to further participate in the growth of Legacy Iron by acquiring New Shares.

The Company continues to focus on growing the resource at Mt Bevan as its key priority. Legacy Iron and its joint venture partner Hawthorn Resources are engaged in discussions regarding the ongoing development of the Mt Bevan Project as it moves towards feasibility studies.

In addition, the Company has a planned exploration programme for the ongoing drilling at its gold and base metal projects.

As previously announced, the Company is also seeking opportunities to divest its Australian gold and base metals assets via a spin off and in-specie distribution to shareholders, when an appropriate opportunity arises. The Company is also constantly reviewing different projects where additional value can be added for the benefit of Shareholders.

The Rights Issue will provide Eligible Shareholders with the opportunity to subscribe for 3 New Shares for every 1 Shares held on the Record Date at the Rights Issue price of \$0.014 per New Share.

The Rights Issue will raise up to approximately \$24,805,775 (before costs and expenses), and will be applied towards the repayment of the A\$3m Citibank loan facility and further exploration and development work across Legacy Iron's iron ore and other assets.

Entitlements under the Rights Issue will be renounceable, which means that Eligible Shareholders who do not wish to take up all or some of their Entitlement under the Rights Issue are able to sell their Entitlements on-market.

Legacy Iron's major shareholder, NMDC, has confirmed its commitment to take up its full entitlement under the Entitlement Offer resulting in a minimum subscription of \$12,111,233 being raised. NMDC's participation under the Entitlement Offer is subject to approval from the Foreign Investment Review Board (**FIRB**). NMDC has lodged an application for approval with FIRB.

Eligible Shareholders, except NMDC, are able to apply for more New Shares than their Entitlement. Please note the Rights Issue is only available to Eligible Shareholders.

The table below sets out the proposed use of the proceeds of the Rights Issue (assuming full subscription):

Use of Funds	Funds raised
Mt Bevan exploration programme and development opportunities	\$17,500,000
Exploration programme on non Mt Bevan assets	\$2,000,000
Repayment of Citibank loan facility	\$3,000,000

Working capital and administration	\$2,217,775
Costs of the Rights Issue	\$88,000

The details of the Rights Issue are set out in this Prospectus. I encourage Shareholders to read this Prospectus in its entirety and consider participating in the Rights Issue.

On behalf of the Board of Directors, I would like to take this opportunity to thank all Legacy Iron shareholders for your continued support and we look forward to further progress in 2014.

Mr N.K Nanda

Chairman

CORPORATE DIRECTORY

DIRECTORS

Mr Narendra Kumar Nanda (Chairman, Non-Executive Director)
Ms Sharon K Heng (Executive Director & Managing Director)
Mr Timothy Turner (Non-Executive)
Mr Subimal Bose (Non-Executive Director)
Mr Swaminathan Thiagarajan (Non-Executive Director)

SECRETARY

Mr Ben Donovan

REGISTERED OFFICE

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770 Canning Highway
Applecross WA 6153 AUSTRALIA
Tel: +61 (0) 8 9315 2333
Fax: +61 (0) 8 9315 2233

ASX Code

LCY

*For information purposes only. This person has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

Section 1. DETAILS OF THE RIGHTS ISSUE

1.1 Rights Issue

This Prospectus invites Eligible Shareholders to participate in a pro-rata renounceable issue of 3 New Shares for every 1 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.014 per Share to raise up to approximately \$24,805,775 (less expenses of the Rights Issue).

As at the date of this Prospectus the Company has 590,613,697 Shares and 135,378,908 Options on issue.

Holders of Options will not be entitled to participate in the Rights Issue. However, they may exercise their Options prior to the Record Date if they wish to participate in the Rights Issue.

If all of these Options are exercised prior to the Record Date the Company's cash funds will increase by an additional amount of approximately \$30,585,864 from the exercise of the Options and this Prospectus will also offer to those Shareholders a further 406,136,724¹ New Shares to raise an additional amount of approximately \$5,685,914. The Company's Options have an exercise price ranging from 10 cents to 45 cents and expiry dates ranging from 31 December 2014 to 24 May 2016. Further information on Options are set out in section 2.2 below.

1.2 Purpose of the Rights Issue and Use of Funds

The funds raised will be applied towards the following:

Use of Funds	Funds raised
Mt Bevan exploration programme and development opportunities	\$17,500,000
Exploration programme on non Mt Bevan assets	\$2,000,000
Repayment of Citibank loan facility	\$3,000,000
Working capital and administration	\$2,217,775
Costs of the Rights Issue	\$88,000

The above proposed use of funds is a statement of present intention as at the date of this Prospectus and is subject to ongoing review and evaluation by the Company.

Any additional funds raised from the participation of Shareholders in the Rights Issue as a result of the exercise of any of the 135,378,908 Options will be applied towards the Mt Bevan exploration programme and other acquisition opportunities and working capital and administration on a pro rata basis in the proportions set out in the use of funds table above.

1.3 Opening and Closing Dates

The Rights Issue will open on 25 July 2014 and close at 5.00pm on 18 August 2014 (except where payment is via BPAY® in which case payment must be made by such earlier cut off

time your own financial institution may implement with regard to electronic payments) or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

1.4 **Entitlement to Rights Issue**

Eligible Shareholders who are on the Company's Share register at 5.00pm (WST) on the Record Date are eligible to participate in the Rights Issue.

Fractional entitlements will be rounded down to the nearest whole number of New Shares. An Entitlement and Acceptance Form setting out your entitlement to New Shares accompanies this Prospectus.

1.5 **Actions required**

Eligible Shareholders

As an Eligible Shareholder you may:

- (a) subscribe for all of your Entitlement (refer to Section 1.6);
- (b) sell all or part of your Entitlement on the ASX (refer Section 1.7);
- (c) transfer all or part of your Entitlement other than on-market via the ASX (refer to Section 1.8);
- (d) apply for Additional New Shares (refer to Section 1.9); or
- (e) allow all or part of your Entitlement to lapse (refer to Section 1.10).

1.6 **To subscribe for all of your Entitlement**

If you wish to subscribe for all of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form. That form sets out the number of New Shares you are entitled to subscribe for.

The completed Entitlement and Acceptance Form must be accompanied by a cheque or bank draft made payable to "Legacy Iron Ore Ltd Share Application Account" and crossed "Not Negotiable" for the appropriate Application Money in Australian dollars calculated at \$0.014 per New Share and received by the Company at the below address by no later than 5.00pm (WST) on 18 August 2014. The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Entitlement and Acceptance Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

By hand delivery and post:
Legacy Iron Ore Ltd c/- Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153

Alternatively, if you are paying by BPAY®, you do not need to mail the Entitlement and Acceptance Form. Please refer to your personalised instructions on your Entitlement and Acceptance Form.

It is your responsibility to ensure that your BPAY® payment is received by the Company by no later than 5.00pm on 18 August 2014. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration.

1.7 To sell your Entitlement on the ASX

If you wish to sell your Entitlement on the ASX, liaise with your stockbroker about their requirements for trade and settlement. Entitlement trading commences on 18 July 2014. You must deal with your Entitlement that you do not wish to accept by no later than 11 August 2014, being the last day that Entitlements will trade on the ASX.

1.8 To transfer your Entitlement other than on-market via the ASX

If you wish to transfer all or part of your Entitlement to another person other than on-market using the ASX, then you must forward the following:

- (i) a completed standard renunciation form (available from the Share Registry); and
- (ii) a transferee's cheque for the amount due in respect of the New Shares to the Share Registry using the addresses set out in Section 1.6 by no later than 5:00pm (AEDT) on 18 August 2014.

If Legacy Iron receives both a completed renunciation form and an Entitlement and Acceptance Form, the Company will accept the renunciation form and reject the Entitlement and Acceptance Form.

1.9 To apply for Additional New Shares

Under the Rights Issue, only Eligible Shareholders, other than NMDC, may, in addition to their Entitlement, apply for Additional New Shares. Eligible Shareholders, other than NMDC, may apply for Additional New Shares regardless of the size of their present holding. Refer to Section 1.14 if you wish to apply for Additional New Shares.

A single cheque should be used for the Application Money for your Entitlement and the number of Additional New Shares you wish to apply for as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than 5.00pm (EST) on 18 August 2014.

1.10 If you do not wish to take up any part of your Entitlement

If you do not wish to take up any part of your Entitlement under the Rights Issue, you are not required to take any action. If you do not take up your Entitlement, or sell your Rights as set out in section 1.13, you will receive no benefit or New Shares and your Entitlement will become available as Additional New Shares or Shortfall Shares. If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Entitlement and Acceptance Form.

The number of securities you hold as at the Record Date and the rights attached to those securities will not be affected if you choose not to accept any of your Entitlement.

1.11 Entitlement and Acceptance Form binding

A completed and lodged Entitlement and Acceptance Form or making a BPAY® payment constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

1.12 Eligible Shareholder representations and warranties

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a BPAY® payment, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given this Prospectus, does not prohibit you from being given this Prospectus and that you:

- (a) agree to be bound by the terms of the Rights Issue;
- (b) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's Share Registrar using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare that you are the current registered holder of Shares and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) represent and warrant that the law of your place of residence does not prohibit you from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to subscribe for part or all of your Entitlement and to participate in the Rights Issue;
- (g) acknowledge that the information contained in, or accompanying this Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (h) acknowledge that the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

1.13 Rights trading

The Rights Issue is renounceable. If you are an Eligible Shareholder and you do not elect to participate, you may nevertheless sell your Entitlement on-market or off-market. The renounceability of the Rights Issue seeks to widen the pool of potential Applicants, promote a greater level of subscription for the Rights Issue and reduce the potential control effect of the Rights Issue.

1.14 Applying for Additional New Shares

Only Eligible Shareholders, other than NMDC, may, in addition to their entitlement, apply for Additional New Shares regardless of the size of their present holding.

An Eligible Shareholder, other than NMDC, that wishes to take up Additional New Shares must, in addition to completing the portion of their Entitlement and Acceptance Form which relates to their Entitlement, complete the portion of the form relating to the Additional New Shares they wish to take up.

Any Entitlements not taken up may become available as Additional New Shares which may be allocated by the Company in its absolute discretion. It is possible that there will be few or no Additional New Shares available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that in the event Additional New Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Rights Issue that applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for if so allocated. If a lesser number of Additional New Shares is allocated to them than applied for, excess application money will be refunded without interest.

1.15 Shortfall

Other investors identified by the Company can apply for Shortfall Shares by completing the Shortfall Application Form attached to this Prospectus and returning it together with a cheque for the value of those Shortfall Shares (at \$0.014 per Shortfall Share) to the Company's Share Registrar. Allocation of the Shortfall Shares is at the discretion of the Directors and will be placed by the Directors within 3 months of the Closing Date. The offer for Shortfall Shares is made under this Prospectus.

1.16 Effect of the Rights Issue on control of the Company

National Mineral Development Corporation Limited (**NMDC**) currently holds 48.8% of the Shares in the Company. NMDC has confirmed in writing its commitment to take up its full Entitlement subject to the approval of FIRB. NMDC has lodged an application for approval with FIRB.

Should NMDC participate in the Rights Issue and all Entitlements are taken up, there will be no change to NMDC's interest on completion of the Rights Issue.

The table below shows NMDC's likely Shareholding and voting power (expressed as a percentage) in the Company in circumstances where NMDC takes up all of its Entitlements and 100%, 75%, 50% and no other Entitlements or Shortfall Shares are taken up by other Eligible Shareholders or new investors:

Event	% Voting power of NMDC in the Company ^{2 3 4}
Date of the Offer	48.82%

Notes:

² Assumes NMDC takes up 100% of its Entitlement.

³ Assumes no Shortfall Shares are issued to other investors.

⁴ Assumes no Options are exercised prior to the Record Date. If Options are exercised and those Shareholders take up their Entitlements, NMDC's Shareholding will be diluted.

Event	% Voting power of NMDC in the Company^{2 3 4}
After issue of New Shares to NMDC, assuming 100% of Entitlements are taken up by other Shareholders	48.82%
After issue of New Shares to NMDC, assuming 75% of Entitlements are taken up by other Shareholders	54.01%
After issue of New Shares to NMDC, assuming 50% of Entitlements are taken up by other Eligible Shareholders	60.42%
After issue of New Shares to NMDC assuming no other Entitlements are taken up by other Eligible Shareholders	79.24%

NMDC currently holds the following Options which are subject to voluntary escrow:

Exercise Price	Expiry Date	Quoted/ Unquoted	No. Options
\$0.25	1 April 2015	Unquoted	5,830,000
\$0.30	31 December 2014	Unquoted	2,000,000
\$0.35	31 December 2014	Unquoted	2,000,000
\$0.40	31 December 2014	Unquoted	2,000,000
\$0.45	31 December 2014	Unquoted	2,000,000
\$0.10	23 December 2015	Unquoted	6,215,000
\$0.25	31 December 2014	Unquoted	2,000,000
\$0.25	31 December 2015	Unquoted	23,100,000
\$0.18	24 May 2016	Unquoted	2,000,000
Total			47,145,000

As a condition of NMDC's escrow, NMDC may not exercise any of the Options it holds until an Optionholder that is not an Associate of NMDC exercises their Options.

Assuming that all of the Options of the same class of Options held by NMDC are exercised prior to participating in the Rights Issue and no other Eligible Shareholders take up their Entitlements under the Rights Issue and/or apply for Additional New Shares and no other investors apply for the Shortfall Shares, NMDC will hold 79.34% of the voting power in the Company.

Notwithstanding the above, these classes of Options are significantly 'out of the money' as at the date of the Prospectus and hence it is extremely unlikely that this will occur prior to the Closing Date.

Further, it is unlikely that no Eligible Shareholders will take up their Entitlements under the Rights Issue and/or apply for Additional New Shares and no other investors will apply for the Shortfall Shares. In particular due to the fact that Eligible Shareholders have the option to trade their Entitlements to third parties which will increase the likelihood of Entitlements being taken up.

Since NMDC is already deemed to control the Company pursuant to the definition of "control" in the Corporations Act, even if NMDC results in holding a maximum of 79.34% in

the Company, NMDC's participation in the Rights Issue will not increase its effective control of the Company.

NMDC may not apply for Additional New Shares under Section 1.14 and may not take up Shortfall Shares.

1.17 Allotment and Application Money

New Shares will be issued only after all Application Money has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 25 August 2014 and normal trading of the New Shares on ASX is expected to commence on 26 August 2014.

All Application Money received before New Shares are issued will be held in a special purpose account. After Application Money is refunded (if required) and New Shares are issued to applicants, the balance of funds in the account plus accrued interest will be received by the Company.

1.18 Market prices of the Shares on ASX

A summary of the sale prices of the Shares on ASX during the last 3 months until the last trading day on ASX immediately prior to lodgement of this Prospectus with ASIC is set out below:

High (\$)	Low (\$)	Volume weighted average price (\$)
\$0.026	\$0.013	\$0.019

The last market sale price of Shares on 14 July 2014 (which was the last day of trading before lodgement of the Prospectus with ASIC) was \$0.016.

1.19 Minimum subscription

The minimum subscription specified under the Entitlement Offer is approximately \$12,111,233, representing NMDC's acceptance to take up its full Entitlement. This amount reflects the outcome of a strategic workshop undertaken by the Board regarding our minimum capital requirements for the next 12 months. In the event that only minimum subscriptions are reached, the level of exploration work undertaken at Mt Bevan and other tenements will be scaled back accordingly.

There is no provision for oversubscriptions. However, Eligible Shareholders, other than NMDC, may apply for Additional New Shares. Please refer to Section 1.14 for further information.

1.20 No brokerage and stamp duty payable on subscription under Entitlement

No brokerage or stamp duty will be payable by Shareholders for a subscription for New Shares pursuant to your Entitlement.

1.21 Tax implications

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Rights Issue or Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

The Company makes no representation and provides no advice in relation to the tax consequences for any Shareholder taking up their Entitlement under the Rights Issue. Therefore, the Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Rights Issue.

Shareholders should seek professional taxation advice about the tax consequences of taking up their Entitlement.

1.22 ASX listing

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the New Shares offered under the Rights Issue pursuant to this Prospectus. If such an application is not made within these 7 days or official quotation of the New Shares is not granted by ASX within three months of the date of this Prospectus, then the Company will not allot or issue any New Shares and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares offered under this Prospectus.

1.23 Notice to custodians and nominees

Custodians and nominees that currently hold Shares should note that the Rights Issue is available only to Eligible Shareholders.

The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

1.24 No issue of New Shares after 13 months

No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

1.25 Underwriting

The Rights Issue is not underwritten.

1.26 Withdrawal of Rights Issue

The Company reserves the right not to proceed with the Rights Issue at any time before the issue of the New Shares to Eligible Shareholders. If the Rights Issue does not proceed, the Company will return all Application Money as soon as practicable after giving notice of its withdrawal, without interest.

1.27 Issue and allotment of New Shares

The New Shares will be issued fully paid and, from the date of issue will rank equally in all respects with the Shares currently on issue. Details of the terms of the Shares are set out in Section 4.4. By returning your Entitlement and Acceptance Form, you agree to comply with the Constitution for the New Shares issued to you.

The New Shares issued pursuant to Eligible Shareholders' Entitlements and Additional New Shares are expected to be issued and allotted by no later than 25 August 2014. Shortfall Shares will be issued on a progressive basis.

Until issue and allotment of the New Shares under this Prospectus, the Application Money will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares takes place.

1.28 **Overseas Shareholders**

The Company is of the view it is unreasonable to make the offer under this Prospectus to Ineligible Shareholders having regard to:

- (a) the number of Shareholders registered outside of Australia, New Zealand, India and Singapore;
- (b) the number and value of the New Shares to be offered to Shareholders registered outside of Australia, New Zealand, India and Singapore; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The New Shares being offered under this Prospectus are being offered to Eligible Shareholders only.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation.

Each Shareholder taking up their Entitlement represents and warrants that the law of any place does not prohibit that Shareholder from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit that Shareholder from making an application for New Shares and that Shareholder is otherwise eligible to participate in the Rights Issue.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

Singapore Registered Shareholders

This prospectus and any other material relating to the New Shares have not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus or any other document or materials in connection with the Rights Issue, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to subdivision (4) Division 1, Part XIII of the *Securities and Futures Act, Chapter 289* of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are an existing Shareholder of the Company. In the event that you are not an existing Shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore or any other country. To be considered an existing and eligible Shareholder for the purposes of the Rights Issue you must be a Shareholder as at the Record Date. The Company recommends that Singaporean investors obtain specialist

advice to confirm whether or not they are eligible to participate in the Rights Issue.

Any offer is not made to you with a view to the New Shares under this Prospectus being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with SFA provisions relating to resale restrictions in Singapore and comply accordingly.

1.29 **Nominee Facility for Ineligible Shareholders**

For those Ineligible Shareholders, the Company has appointed BurnVair to act as Nominee in relation to the Rights Issue subject to ASIC's approval, an application for which has been lodged with ASIC. Subject to that approval being obtained, the Nominee will arrange the sale of the Entitlements that would have been given to Ineligible Shareholders, and if they are sold, for the net proceeds to be sent to those Ineligible Shareholders.

The Nominee (or an associate) will only sell those Entitlements if there is a viable market in those Entitlements and a premium over the expenses of sale can be obtained. Any such sale will be at a price and be conducted in a manner that the Nominee will determine in its absolute discretion.

Neither the Company nor the Nominee will be liable for any failure to sell the Entitlements or to sell the Entitlements at any particular price. If there is no viable market for the Entitlements they will be allowed to lapse.

Ineligible Shareholders should note that the sale of any Entitlements may affect your Australian tax position. It is recommended that Ineligible Shareholders obtain independent tax advice if they are in doubt as to the tax treatment of any cash proceeds they may be entitled to receive.

1.30 **CHESS**

The Company participates in the Clearing House Electronic Sub-register System (**CHESS**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issue sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.31 **Privacy**

The Company collects the information about each Shareholder provided on an Entitlement and Acceptance Form for the purposes of processing the acceptance and, if the acceptance is successful, to administer that Shareholder's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Shareholder agrees the Company may use the information provided by a Shareholder on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Company's Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

An applicant has an entitlement to gain access to the information the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

1.32 Enquiries regarding this Prospectus

Enquiries regarding this Prospectus should be directed to the Company Secretary by telephone on +61 (0) 8 9421 2005.

Section 2. CAPITAL STRUCTURE & EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

2.1 Principal effects

The principal effects of the Rights Issue (assuming full subscription) are:

- (a) the Company's cash funds will increase by approximately \$24,805,775, less expenses of the Rights Issue, which are estimated to be approximately \$88,000; and
- (b) the total number of Shares on issue will increase by 1,771,841,091 to 2,362,454,788.

If 100% of the 135,378,908 Options currently on issue are exercised prior to the Record Date and all Entitlements are taken up, then:

- (a) the Company's cash funds will increase by an additional amount of approximately \$30,585,864 from the exercise of the Options;
- (b) the total number of Shares on issue will increase by an additional 135,378,908 from the exercise of the Options and 406,136,724 from the Entitlements to 2,903,970,420; and
- (c) the calculations in points (a) and (b) above do not include exercise of any subsequent Options issued upon the first Piggyback Options being exercised.

2.2 Capital structure

As at the date of this Prospectus 590,613,697 Shares are on issue.

The pro-forma capital structure of the Company following the Rights Issue pursuant to this Prospectus is set out below (if 100% of Shareholders take up their Entitlements):

Exercise price	Number
Existing Shares	590,613,697

Exercise price	Number
New Shares to be issued under this Prospectus ⁵	1,771,841,091
Shares on issue after this Rights Issue	2,362,454,788

The Company also currently has the following Options on issue:

Exercise Price	Expiry Date	Quoted/Unquoted	No. Options
25 cents	1-Apr-15	Unquoted	5,830,000
25 cents	1-Apr-15	Unquoted	5,830,000
10 cents	23-Dec-15	Unquoted	6,215,000
10 cents	23-Dec-15	Unquoted	6,215,000
18 cents	24-May-16	Unquoted	2,000,000
18 cents	24-May-16	Unquoted	2,000,000
25 cents	31-Dec-15	Unquoted	46,200,000
25 cents	31-Dec-14	Unquoted	4,000,000
30 cents	31-Dec-14	Unquoted	4,000,000
35 cents	31-Dec-14	Unquoted	4,000,000
40 cents	31-Dec-14	Unquoted	4,000,000
45 cents	31-Dec-14	Unquoted	4,000,000
15 cents	31-Dec-14	Unquoted	8,304,525
10 cents	31-Dec-14	Unquoted	11,354,383
22.29 cents	7-Jan-15	Unquoted	21,430,000
	Total		135,378,908

2.3 Consolidated Balance Sheet

Set out below is an unaudited balance sheet of the Company as at 14 June 2014 including the effect of the Rights Issue but excluding the exercise of any Options:

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	25,087,163
Other Financial Assets	\$	639,174
Trade and Other Receivables	\$	129,063
TOTAL CURRENT ASSETS	\$	25,855,400

NON-CURRENT ASSETS

Receivables	\$	200,000
Plant and Equipment	\$	91,540
Exploration and Evaluation Expenditure	\$	8,974,207
Available for Sale Financial Assets	\$	301,800
TOTAL NON-CURRENT ASSETS	\$	9,567,547

⁵ If all Options on issue are exercised, a further 406,136,724 New Shares will be offered pursuant to this Prospectus.

TOTAL ASSETS	\$ 35,422,947
LIABILITIES	
CURRENT LIABILITIES	
Trade Payable	\$ 542,055
Borrowings	\$ 2,800,000
Employee Benefits	\$ 85,711
TOTAL CURRENT LIABILITIES	\$ 3,427,766
NON-CURRENT LIABILITIES	
Employee Benefits	\$ 34,662
TOTAL NON-CURRENT LIABILITIES	\$ 34,662
TOTAL LIABILITIES	\$ 3,462,428
NET ASSETS	\$ 31,960,519
EQUITY	
Issued Capital	\$ 67,151,114
Financial Assets Reserve	\$ -
Share Based Payment Reserve	\$ 16,242,084
Option Premium Reserve	\$ 90,538
Accumulated Losses	-\$ 51,523,217
TOTAL EQUITY	\$ 31,960,519

Section 3. RISK FACTORS

3.1 Introduction

This Section identifies the areas the Directors regard as the main risks associated with an investment in the Company.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The following summary, which is not exhaustive, represents some of the main risk factors which potential investors need to be aware of.

3.2 Risk factors

(a) Risks associated with the Company's Operations

(i) Litigation

On 15 February 2013 the Company served a statement of claim on the directors of Subiaco Capital Pty Ltd (**Subiaco Capital**) out of the Magistrates Court of Queensland in Brisbane in relation to a claim of \$115,556.25 as damages for breach

of contract, plus interest pursuant to the relevant Queensland legislation and costs.

This claim relates to the non-payment by Subiaco Capital of half of the duty payable under an agreement for the sale of mining assets dated 25 July 2012 under which the Company agreed to purchase and Subiaco Capital agreed to sell two exploration permits for coal numbered 2303 and 2304 (**Agreement**).

The Company has paid the full amount of the duty assessed by the Queensland Commissioner of Stamp Duty (i.e. \$231,112.50) and seeks reimbursement for half of that amount (i.e. \$115,556.25) from Subiaco Capital in accordance with the Queensland Duties Act.

This litigation is ongoing. However, the parties intend to engage in out of court settlement.

(ii) *Joint venture parties and contractors*

The Company's key asset is the Mt Bevan iron ore project as part of a Joint Venture with Hawthorn Resources Ltd (**Hawthorn**). The Company is operator of the Joint Venture under guidance from a technical committee comprising 2 representatives of the Company and Hawthorn respectively with equal voting rights on the exploration activity to be carried out on the Joint Venture.

If the Company cannot reach an agreement with Hawthorn on the development of the Mt Bevan asset, the Company will need to seek arbitration to resolve the dispute, which may affect the ability of the Company to develop the asset.

Moreover, the Directors are unable to predict the risk of:

- financial failure, non-compliance with obligations or default by a participant in this or any joint venture to which the Company is, or may become, a party; or
- insolvency or other managerial failure of any of the contractors used by the Company in its exploration activities; or
- insolvency or other managerial failure of any of the other service providers used by the Company for any activity.

Exploration and production

The Company's business operations are subject to risks and hazards inherent in the mining industry. The exploration for, and the development of, mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While mineral discoveries may result in substantial rewards, few properties that are explored are ultimately developed into producing mines.

The success of the Company also depends on the delineation of economically recoverable reserves.

Risks involved in mining operations include unusual and unexpected geological formations, seismic activity, cave-ins, flooding and other conditions involved in the drilling and removal of any material, any of which could result in damage to life or property, environmental damage and possible legal liability.

Whether income will result from the Company's projects will depend on the successful establishment of mining operations. Factors including costs, actual mineralization, consistency and reliability of ore grades and commodity prices affect successful project development, future cash flow and profitability and there can be

no assurance that current estimates of these factors will reflect actual results and performance.

The design and construction of efficient processing facilities, the existence of competent operational management and prudent financial administration, as well as the availability and reliability of appropriately skilled and experienced consultants can also affect successful project development.

(iii) *Mineral resource and mineral reserve estimates may be inaccurate*

The mineral resources and mineral reserves disclosed by the Company are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that mineral reserves could be mined or processed profitably. There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Short-term operating factors relating to the mineral reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause mining operations to be unprofitable in any particular accounting period.

Fluctuations in mineral prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require the revision of such estimate. The volume and grade of reserves mined and processed and recovery rates may not be the same as current anticipated.

Any material reductions in estimates of mineral resources and mineral reserves, or of the Company's ability to extract these mineral reserves could have a material adverse effect on the Company's results of operations and financial condition.

(iv) *Uninsurable risks*

The Company may become subject to liability for accidents, pollution and other hazards against which it cannot insure or against which it may elect not to insure because of premium costs, or for other reasons, such as in amounts that exceed policy limits.

(v) *Access to land*

The Company's exploration activities are dependent upon the grant, or as the case may be, the maintenance or renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations.

The maintenance, renewal and granting of tenements often depends on the Company being successful in obtaining required statutory approvals. There is no assurance the Company will be granted all the mining tenements for which it applies or that licences, concessions, leases, permits or consents will be renewed as and when required or that new conditions will not be imposed in connection therewith. To the extent such approvals, consents or renewals are not obtained, the Company may be curtailed or prohibited from continuing with its exploration and development activities or proceeding with any future exploration or development.

(vi) *Cultural heritage and native title*

Delays may be experienced if evidence of Aboriginal cultural heritage exists on any land to which the Company requires access.

The *Native Title Act 1993* (Cth) may affect the Company's ability to gain access to prospective exploration areas or obtain production titles in Australia. Compensatory obligations may be necessary in settling native title claims lodged over any tenements in which the Company has an interest.

(vii) *Weather conditions*

Adverse weather events have the potential to disrupt exploration and production operations and cause damage to infrastructure.

(viii) *Additional requirements for funding*

The Company's funding requirements depend on numerous factors including the Company's ability to generate income. It may require further financing.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. Volatile markets for minerals may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms or at all.

Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or any anticipated expansion.

(b) Other Risks

The future viability and profitability of the Company is also dependent on a number of other factors affecting performance of all industries, including, but not limited to, the following.

(i) *Share market*

There are general risks associated with any investment and the share market.

The price of Shares quoted on ASX may rise and fall depending on a range of factors beyond the Company's control and which are unrelated to the Company's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

(ii) *Economic conditions*

General economic conditions in Australia and its major trading partners and, in particular, inflation rates, interest rates, commodity supply and demand factors and industrial disruption may adversely affect the future viability and profitability of the Company.

(iii) *Changes in legislation and policy*

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors.

3.3 **Speculative Nature of Investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Prospectus.

Therefore, the New Shares to be issued pursuant to this Prospectus carry no guarantee for the payment of dividends, return of capital or the market value of those New Shares.

Potential investors should consider the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

Section 4. ADDITIONAL INFORMATION

4.1 Continuous disclosure obligation

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements.

Specifically as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its securities.

4.2 Applicability of Corporations Act

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("ED") securities or options to acquire such securities.

The New Shares to be issued under this Prospectus are ordinary shares i.e. a class of shares that were continuously quoted securities at all times in the 3 months before the issue of this Prospectus.

Therefore, in preparing this Prospectus, regard has been had to the fact the Company is a disclosing entity for the purposes of the Corporations Act and matters may reasonably be expected to be known to investors and professional advisers whom investors may consult. It must be read in the context of, and having regard to, the Company's continuous disclosure and publicly available information regarding the Company and its business.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

4.3 Information Available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus or they can be downloaded from the Company's website at www.legacyiron.com.au:

- (a) the Annual Report for the Company for the period ending 30 June 2013;
- (b) the Half Yearly Report for the Company for the half year ending 31 December 2013; and
- (c) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Report of the Company for the period ending 30 June 2013 and before the issue of this Prospectus:

Date	Description of ASX Announcement
7-Jul-14	Appendix 3B

Date	Description of ASX Announcement
7-Jul-14	Entitlement offer to fund growth
25-Jun-14	Support for Legacy's vision and strategic plan
11-Jun-14	Details of Company Address
30-Apr-14	Quarterly Activities and Cashflow Report - March 2014
17-Mar-14	Half Yearly Report and Accounts
17-Mar-14	Legacy appoints experienced Iron Ore CEO
11-Mar-14	Mt Bevan - field work update (clarification)
10-Mar-14	Mt Bevan - field work update
7-Feb-14	Mt Bevan Project - Phase 4 (updated drilling data)
7-Feb-14	Mt Bevan Project - Phase 4 update
30-Jan-14	Quarterly Activity and Cashflow - December 2013
20-Jan-14	Change in substantial holding
16-Jan-14	Appendix 3B
16-Jan-14	Notice under Section 708A(5)
2-Jan-14	Appendix 3B
2-Jan-14	Notice under Section 708A(5)
17-Dec-13	Amended Mt Bevan resource upgrade
16-Dec-13	Mt Bevan - Significant Resource Upgrade
11-Dec-13	Appendix 3B
11-Dec-13	Notice under Section 708A(5)
20-Nov-13	Results of Meeting
20-Nov-13	Chairman's Address to Shareholders
18-Nov-13	Distribution details - options expiring \$0.10
18-Nov-13	Distribution details - options expiring \$0.15
18-Nov-13	Appendix 3B
18-Nov-13	Quotation of options
15-Nov-13	Mt Bevan infrastructure scoping study completed
13-Nov-13	Manbarrum Purchase Update
12-Nov-13	TNG: Manbarrum Sale Update
1-Nov-13	Mt Bevan DSO exploration work to commence
31-Oct-13	Quarterly cashflow and activity report - September 2013
30-Oct-13	Mt Bevan resource upgrade underway
24-Oct-13	Phase 4 exploration approved for Mt Bevan
23-Oct-13	Letter to Shareholders
23-Oct-13	Research Report - RBS Morgans
11-Oct-13	Notice of Annual General Meeting/Proxy Form
4-Oct-13	Clarification re Mt Bevan Joint Venture
3-Oct-13	Mt Bevan Joint Venture Update
2-Oct-13	Appoints key corporate advisor
1-Oct-13	Secures funding with major shareholder support
30-Sep-13	Annual Report to shareholders
23-Sep-13	Mt Bevan Joint Venture Update
20-Sep-13	HAW: Mount Bevan Joint Venture
13-Sep-13	Convertible note information
12-Sep-13	Amended appendix 3B
12-Sep-13	Update on funding
9-Sep-13	Notice under section 708A(5)
9-Sep-13	Appendix 3B

Date	Description of ASX Announcement
9-Sep-13	Yundamindera Project update
26-Aug-13	TNG: TNG agrees to sell Manbarrum project for \$5M
26-Aug-13	To acquire highly prospective base metal project
15-Aug-13	Change of Director's Interest Notice - S.Heng
12-Aug-13	Suspension of LCYN 13/08/13
11-Aug-13	Major shareholder support with entitlement issue cancelled
31-Jul-13	Quarterly activity and cashflow report - June 2013
24-Jul-13	Extension to closing date - entitlement offer
18-Jul-13	Despatch of prospectus
18-Jul-13	Replacement offer document
18-Jul-13	Replacement prospectus
15-Jul-13	Despatch of entitlement document - Update
9-Jul-13	Looks to acquire high grade gold project

4.4 Rights Attaching to New Shares

The New Shares to be issued under the Rights Issue pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company.

Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the principal rights which attach to the Company's Shares:

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has one vote for every Share held by him or her.

A poll may be demanded by the chairman of the meeting, by any five Shareholders entitled to vote on the particular resolution present in person or by proxy, attorney or representative, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of the Shares of all those Shareholders having the right to vote on the resolution.

(b) Dividends

Dividends are payable out of the Company's profits and are declared by the Directors.

New Shareholders will be entitled to dividends as a result of ownership of their New Shares in accordance with the Constitution.

(c) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating dealings in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of Shares, (other

than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the generation of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

(d) Meetings and notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(e) Liquidation rights

The Company has only issued one class of shares, which all rank equally in the event of liquidation. Once all the liabilities of the Company are satisfied, a liquidator may, with the authority of a special resolution of Shareholders divide among the Shareholders the whole or any part of the remaining assets of the Company. The liquidator can with the sanction of a special resolution of the Company's Shareholders vest the whole or any part of the assets in trust for the benefit of shareholders as the liquidator thinks fit, but no shareholder of the Company can be compelled to accept any shares or other securities in respect of which there is any liability.

(f) Shareholder liability

As the New Shares offered under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution must be given.

(h) Listing Rules

If the Company is admitted to the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

4.5 **Interests of Directors**

(a) Directors' holdings

At the date of this Prospectus the relevant interest of each of the Directors in the Shares and Options of the Company are as follows:

Directors	Shares	Options
Sharon Heng	50,183,603	<p>1,800,000 unlisted Employee Options exercisable at \$0.25 expiring 06/04/2015</p> <p>2,000,000 of each of the following Options:</p> <ul style="list-style-type: none"> - exercisable at \$0.25 on or before 31 December 2014 - exercisable at \$0.30 on or before 31 December 2014 - exercisable at \$0.35 on or before 31 December 2014 - exercisable at \$0.40 on or before 31 December 2014 - exercisable at \$0.45 on or before 31 December 2014 <p>11,000,000 unlisted New PiggyBack Options exercisable at \$0.2229 on or before 7 January 2015</p>
Narendra Kumar Nanda	Nil	Nil
Swaminathan Thiagarajan	Nil	Nil
Subimal Bose	Nil	Nil
Timothy Turner	750,000	<p>500,000 unlisted Employee Options exercisable at \$0.25 on or before 6 April 2015</p> <p>100,000 unlisted New PiggyBack Options exercisable at \$0.2229 on or before 7 January 2015</p>

* It is noted that Messrs Nanda, Thiagarajan and Bose are directors of NMDC Ltd which holds securities in the Company, but they are not deemed to control NMDC Ltd and therefore have no personal interest in the securities of the Company.

(b) Remuneration of Directors

The Constitution provides the non-executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum sum per annum from time to time determined by the Company in general meeting (which is currently \$500,000 per annum).

A Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for reasonable travel, accommodation and other expenses incurred in relation to attending meetings of the Board, committees or Shareholders, or while engaged on the Company's business.

Details of remuneration provided to Directors and their associated entities during the past

two financial years are as follows:

Financial year up to 30 June 2013

Directors	Director's Fees/ Salaries \$	Super- annuation \$	Other non- monetary remuneratio n \$	Total \$
Sharon Heng	362,564	21,725	211,121	595,410
Narendra Kumar Nanda	-	-	-	-
Swaminathan Thiagarajan	-	-	-	-
Timothy Turner	72,000		1,650	73,650
Subimal Bose	-	-	-	-

Financial year up to 30 June 2012

Directors	Director's Fees/ Salaries \$	Super- annuation \$	Other non- monetary remuneratio n \$	Total \$
Sharon Heng	473,882	27,497	590,543	1,091,922
Narendra Kumar Nanda	-	-	-	-
Swaminathan Thiagarajan	-	-	-	-
Timothy Turner	72,000	-	-	72,000
Subimal Bose	-	-	-	-

Ms Heng and Mr Turner have received or are due to receive remuneration, including superannuation, of \$321,311.89 and \$66,000 respectively for the period subsequent to 30 June 2013 to the date of this Prospectus. Mr Turner also received \$76,742 for accounting services through his company.

Messrs Nanda, Thiagarajan and Bose are entitled to non-executive director fees but do not claim these fees.

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its

formation or promotion or the Rights Issue; or

- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

4.6 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Rights Issue.

BurnVair was appointed as the Lead Manager to the Rights Issue under this Prospectus (**Lead Manager Agreement**). Pursuant to the Lead Manager Agreement, BurnVair will provide services relating to the management and marketing of the Rights Issue. In consideration for the services provided pursuant to the Lead Manager Agreement, the Company will pay BurnVair the following fees:

- (a) a Base Fee of \$65,000 (**Base Fee**) will be payable by Legacy Iron to BurnVair on the Completion Date⁶;
- (b) at Legacy Iron's sole discretion, a Discretionary Fee of \$25,000 (**Discretionary Fee**) to reflect the satisfaction of Legacy with the performance of BurnVair with respect to the management and marketing of the Rights Offer. The Discretionary Fee is paid solely at the discretion of Legacy, and if approved, is payable on the Completion Date; and
- (c) a Shortfall placement fee of 5.5% shall be payable by the Company to BurnVair on the dollar amount of any Shortfall Shares that BurnVair places. The Shortfall placement fee is additional to any Success Fee that may accrue to BurnVair.

Notes:

⁶ Completion Date means the earlier of the date on which funds from the Rights Issue are first made available to Legacy Iron and the date of withdrawal, suspension, termination or cancellation of the Capital Raising.

In addition, the Company will pay for any out-of-pocket expenses reasonably incurred by BurnVair in relation to the provision of services under the Lead Manager Agreement. BurnVair will consult with the Company with regards to any expenses over \$500.

BurnVair has provided other advisory services to the Company during the last two years amounting to approximately \$124,089 (including GST).

Murcia Pestell Hillard has acted as solicitors to the Company in relation to the Rights Issue. For their work on this Prospectus, the Company will pay approximately \$10,000 for these professional services.

Murcia Pestell Hillard has provided other professional services to the Company during the last two years amounting to approximately \$398,987.66 (including GST).

Except where otherwise specified, the amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company for those amounts.

4.7 Expenses of the Rights Issue

The approximate expenses of the Rights Issue are \$88,000. These expenses are payable by the Company. This excludes the 5.5% fee payable on any shortfall.

4.8 Consents

Each of the parties referred to in this Section 4.8:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.8; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.8.

Security Transfer Registrars Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Security Transfer Registrars Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Security Transfer Registrars Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

BurnVair has given, and has not withdrawn, its consent to being named as Lead Manager to the Rights Issue in the Corporate Directory of this Prospectus in the form and context in which it is named. BurnVair has not caused or authorised the issue of this Prospectus or the making of this Rights Issue. BurnVair does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus or any omissions from this Prospectus.

Murcia Pestell Hillard has consented to being named in this Prospectus as the solicitors to the Rights Issue and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

4.9 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a

paper Prospectus lodged with the ASIC and the issue of securities in response to an electronic application form, subject to compliance with certain provisions.

The offer pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please email the Company at info@legacyiron.com.au and the Company will send to you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Section 5. DEFINED TERMS

\$ means Australian dollars, unless otherwise stated;

Additional New Shares means New Shares in addition to an Eligible Shareholder's Entitlement for which an Eligible Shareholder, except NMDC, makes an Application;

Application means an application for New Shares pursuant to the Entitlement and Acceptance Form;

Application Money means the money received from Eligible Shareholders;

ASIC means the Australian Securities & Investments Commission;

ASX means ASX Limited and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532;

ASX Settlement Operating Rules means the settlement operating rules of ASX Settlement as amended from time to time;

Base Fee has the meaning given to it in Section 4.6;

BurnVair means BurnVair Corporate Finance Ltd ACN 097 814 134;

Business Day means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

CHESS means ASX Clearing House Electronic Sub-register System;

Closing Date means the closing date of the Rights Issue being 18 August 2014, subject to the right of the Company to vary that date (in accordance with the Listing Rules);

Company and **LCY** means Legacy Iron Ore Limited ACN 125 010 353;

Constitution means the constitution of the Company;

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

Directors means the directors of the Company;

Discretionary Fee has the meaning given to it in Section 4.6;

Electronic Prospectus means an electronic version of the Prospectus;

Eligible Shareholder means a Shareholder at the Record Date:

- (a) whose registered address is situated in Australia, New Zealand and Singapore; or
- (b) whose registered address is situated in India and who represents and warrants to the Company each of the following:
 - (i) that the law of your place of residence does not prohibit the Shareholder from being given this Prospectus and the Entitlement and Acceptance Form;
 - (ii) that the law of your place of residence does not prohibit the Shareholder from making an application for New Shares; and
 - (iii) that the Shareholder is eligible to subscribe for part or all of its Entitlement;

Entitlement means the entitlement of an Eligible Shareholder to participate in the Rights Issue, as shown on the Entitlement and Acceptance Form;

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this prospectus;

EST means Australian Eastern Standard Time;

FIRB means the Foreign Investment Review Board;

Ineligible Shareholder means a Shareholder who as at the Record Date is not an Eligible Shareholder;

Lead Manager Agreement has the meaning given to it in Section 4.6;

Listing Rules means the Listing Rules of ASX;

New Shares means the Shares offered under this Prospectus;

NMDC has the meaning given to it in Section 1.16;

Nominee has the meaning given to it in Section 1.29;

Opening Date means, as the context requires, the opening date of the Rights Issue being 25 July 2014, subject to the right of the Company to vary that date;

Option means an option to acquire one Share;

Piggyback Options means the options issued under the piggyback option terms as set out in the Option Prospectus dated 26 March 2013;

Prospectus means this prospectus dated 15 July 2014 and includes the Electronic Prospectus (where applicable);

Record Date means 5.00pm WST on 22 July 2014;

Right means a right to acquire New Shares on the basis of 3 New Shares for every 1 Shares held on the Record Date at an issue price of \$0.014 per New Share;

Rights Issue means the issue pursuant to the Prospectus of a pro-rata renounceable rights issue on the basis of 3 New Shares for every 1 Shares held on the Record Date;

Section means a section of this Prospectus;

Share means an ordinary fully paid share in the capital of the Company;

Shareholder means the holder of a Share;

Shortfall means the offer of Shares not applied for under the Rights Issue (if any);

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus;

Shortfall Shares means those Shares issued pursuant to the Shortfall;

US Person has the meaning given to that term in Regulation S under the US Securities Act;

US Securities Act means the United States Securities Act of 1933, as amended; and

WST means Australian Western Standard Time.

Section 6. DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

The Directors state they have made all reasonable enquiries and on that basis have reasonable grounds to believe any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 15 July 2014



Sharon Heng
Director