



ACN 125 010 353

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY STATEMENT

**Annual General Meeting to be held at the
Duxton 4 conference room, Duxton Hotel, 1 St George's Terrace, Perth
on
19 December 2014
commencing at 10am (WST)**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Legacy Iron Ore Limited will be held at the Duxton 4 conference room, Duxton Hotel, 1 St George's Terrace, Perth on 19 December 2014 commencing at 10 am (WST).

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the annual financial report, together with the Directors' and auditor's reports for the financial year ending 30 June 2014.

2. Adoption of Remuneration Report (Resolution 1)

To consider and if thought fit, to pass, with or without amendment the following **advisory only resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ending 30 June 2014."

Voting exclusion: The Company will disregard any votes cast on Resolution 1 by, or on behalf of:

- a member of the key management personnel ("KMP") as disclosed in the Remuneration Report;
- a closely related party of those persons,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with a direction on the Proxy Form. The Company's KMP's are set out in the Remuneration Report. Generally speaking they are people having authority and responsibility for planning, controlling and directing the Company's activities in a direct or indirect manner. KMP's include the Directors, and senior executives of the Company.

A closely related party of KMP generally speaking means a spouse, child, or dependent of the KMP, or a child or dependant of the spouse of the KMP. It includes anyone else who is a member of the KMP's family who would influence or may be expected to influence the KMP in relation to his or her dealings with the Company. It also includes any company which is controlled by the KMP, and includes any other people prescribed as closely related parties by ASIC in the regulations to the Corporations Act (none are prescribed at this time).

3. Re-election of Director (Resolution 2)

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

"That, in accordance with the Company's Constitution and for all other purposes, Mr Timothy Turner, who retires by rotation under section 11.3 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, is re-elected as a Director of the Company".

4. Re-election of Director (Resolution 3)

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

"That, in accordance with the Company's Constitution and for all other purposes, Mr Narendra Kumar Nanda who retires by rotation under section 11.3 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, is re-elected as a Director of the Company".

5. Ratification of appointment of Director (Resolution 4)

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

“That, in accordance with the Company’s Constitution and for all other purposes, Mr Devanathan Ramachandran, who having been appointed on 5 November 2014 under section 11.12 of the Company’s constitution retires and, being eligible, offers himself for re-election, is re-elected as a Director of the Company”.

SPECIAL BUSINESS

6. Ratification of Prior issue of Shares to The Australian Special Opportunity Fund (Resolution 5)

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

“That for the purpose of Listing Rule 7.4 and for all other purposes, approval is given to ratify the prior issue of 6,924,243 Shares to The Australian Special Opportunity Fund, LP, on the terms and conditions set out in the Explanatory Statement.”

Voting exclusion: The Company will disregard any votes cast on this resolution by any person who participated in the issue the subject of this resolution and any Associates of those persons. However, the Company need not disregard any vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice of Annual General Meeting and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder’s proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder’s proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company’s representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5pm (WST) on 17 December 2014. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlement to attend and vote at the Annual General Meeting.

Enquiries

Shareholders may contact the Company Secretary, Ben Donovan, on (+61 8) 9421 2000 if they have any queries in respect of the matters set out in these documents.

By Order of the Board of Directors



Ben Donovan
Company Secretary

Dated this 12 day of November 2014

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Item 1 - Financial Statements and Reports

The Corporations Act requires the reports of the Directors and of the Company's auditor and the annual financial report, including the financial statements, to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given an opportunity to raise questions on the reports and statements at the Annual General Meeting.

Sections 314, 315 and 250N of the Corporations Act requires the Company to report to members for each financial year by providing the Company's financial report, Directors' report and auditor's report to members no later than 4 months after the Company's financial year end of 30 June and by holding the annual general meeting no later than 5 months after the Company's financial year end of 30 June. The Company has not complied with these requirements as a result of additional time being required by the Directors and the Company's auditor to finalise the accounts, following a review and analysis by the Board conducted during 2014 in relation to financial transactions for the period June 2011 to present within the Company. As a result of that review and analysis the former Managing Director of the Company Sharon Heng resigned with effect on 31 October 2014 and entered into an agreement dated 30 October 2014 to pay the sum of \$868,147.77 to the Company with payments scheduled to occur over the next 5 years on an interest bearing basis, with the Company being entitled to appropriate security on normal commercial terms to secure performance of the agreement to repay this sum.

In accordance with a variation dated 10 November 2014 Ms Heng has now repaid a total of \$482,000.77 leaving a remaining balance of \$386,147 which must be repaid by 10 November 2015. Security documentation is currently being prepared by the Company.

Ms Heng's agreement to repay the sum of \$868,147.77 relates to transactions including those under which Ms Heng gained a benefit from the Company without prior disclosure of interests being made to the Board under section 191 of the Corporations Act, and without any necessary shareholder approvals under section 208 of the Corporations Act being sought or obtained in relation to such benefits.

The Company has made an ASX announcement on 31 October 2014 in relation to these matters, and has lodged a report of misconduct with the Australian Securities and Investments Commission.

The Company's auditor has lodged a report the Australian Securities and Investments Commission under section 311 of the Corporations Act. (This is required where the auditor has reasonable grounds to suspect that circumstances amount to a contravention of the Corporations Act, and either the contravention is significant or the auditor believes the contravention will not be adequately dealt with by commenting on it in the auditor's report or bringing it to the attention of the directors.)

In accordance with the Corporations Act, the Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.legacyiron.com.au.

Item 2 – Adoption of Remuneration Report (Resolution 1)

The Remuneration Report is set out in the Directors Report in the Company's Annual Report for the period ending 30 June 2014. This report sets out the Company's remuneration policy and reports on the remuneration arrangements in place for Directors and key executives of the Company.

Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report be adopted must be put to the vote. This resolution seeks this approval. However, in accordance with section 250R(3) of the Corporations Act, Shareholders should note that this resolution is an "advisory only" resolution which does not bind the Directors of the Company.

Following consideration of the Remuneration Report, the Chairman, in accordance with section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under recent reforms to the Corporations Act, if 25% or more of the vote on this resolution are against adopting the Remuneration Report, the Company will be required to consider and report to Shareholders in the next Remuneration Report on what action (if any) has been taken in response to Shareholder concerns, and if no action is proposed to be taken, the Board's reasons for this.

Shareholders also need to be aware that as a result of the new legislation which became effective on 1 July 2011 a "two strikes" process will apply to the results of voting in relation to Resolution 1. This means that if the resolution proposing adoption of the Remuneration Report receives a "no" vote of over 25% of votes cast by those attending in person or by proxy and permitted to vote, at two successive annual general meetings, then at the Company's 2015 annual general meeting, an extra resolution must be put to the meeting proposing that another general meeting should be held within 90 days of the second annual general meeting. A simple majority of over 50% of the votes cast at the 2015 annual general meeting is required to pass this extra resolution. If the resolution is passed, within 90 days another general meeting must be held at which all the Directors, except the Managing Director and any new Directors appointed since the date of the 2015 annual general meeting, will be required to resign and offer themselves for re-election. These provisions are colloquially referred to as the "two strikes rule" and the "spill resolution" to be put to the "spill meeting".

If at the spill meeting, the resolutions are all passed against re-electing the relevant Directors, the legislation includes a mechanism to ensure the Board continues with the statutory required minimum of 3 Directors. After the managing director, the remaining two positions will be filled by the Directors whose re-election resolutions at the spill meeting received the highest percentage of votes in favour of re-election. If the number of votes is the same for two Directors, the Managing Director and any other Director whose re-election has been confirmed at this spill meeting, can choose who is to become the third Director, with such appointment to be confirmed by shareholders at the 2016 annual general meeting. The ramifications of this mechanism being invoked include that the Company would not be in compliance with its corporate governance policies as a result of not having three independent directors on the Company's audit committee or any other committees requiring independent directors.

At the Company's 2013 Annual General Meeting, there were 55,829,055 votes cast against the 2013 Remuneration Report, which is less than 25% of the votes cast at the meeting and therefore the two strikes process was not invoked at the 2013 Annual General Meeting.

The Chairman intends to vote all available proxies in favour of adopting the Remuneration Report.

Item 3 – Re-election of Director (Resolution 2)

Clause 11.3 of the Constitution, at every Annual General Meeting, one third of the directors must retire, but are eligible for re-election at that Annual General Meeting.

The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or have been longest in office since their appointment or last re-appointment, or, if the Directors have been in office for an equal length of time, by agreement.

The Company currently has five non-executive Directors and accordingly two must retire.

Accordingly, Mr Timothy Turner retires by rotation at the Annual General Meeting and, being eligible, he offers himself for re-election as a Director. A summary of Mr Turner's qualifications and experience is contained in the 2014 Annual Report.

The Directors, other than Mr Turner, recommend that Shareholders vote in favour of Resolution 2 to reappoint Mr Turner as a Director.

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

Item 4 – Re-election of Director (Resolution 3)

Under clause 11.3 of the Constitution, at every Annual General Meeting, one third of the directors must retire, but are eligible for re-election at that Annual General Meeting.

The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or have been longest in office since their appointment or last re-appointment, or, if the Directors have been in office for an equal length of time, by agreement.

The Company currently has five non-executive Directors and accordingly two must retire.

Accordingly, Mr Narendra Kumar Nanda retires by rotation at the Annual General Meeting and, being eligible, he offers himself for re-election as a Director. A summary of Mr Nanda's qualifications and experience is contained in the 2014 Annual Report.

The Directors, other than Mr Nanda, recommend that Shareholders vote in favour of Resolution 3 to reappoint Mr Nanda as a Director.

The Chairman intends to vote all available proxies in favour of Resolution 3.

Item 5 – Ratification of Director (Resolution 4)

Under clause 11.12 of the Constitution, the Directors at any time may appoint a director to the board of the Company as a casual vacancy until the next annual general meeting where that director is then eligible for re-election.

Accordingly, Mr Devanathan Ramachandran having been appointed on 5 November 2014 and without prior shareholder approval retires at the Annual General Meeting and, being eligible, he offers himself for re-election as a Director. A summary of Mr Ramachandran is contained in the announcement lodged with ASX on 5 November 2014.

The Directors, other than Mr Ramachandran, recommend that Shareholders vote in favour of Resolution 4 to reappoint Mr Ramachandran as a Director.

The Chairman intends to vote all available proxies in favour of Resolution 4.

Item 6 – Ratification of the Issue of Securities to The Australian Special Opportunity Fund LP (Resolution 5)

On 9 September 2013, the Company announced it had entered into a Convertible Security Agreement dated 2 September 2013 with The Australian Special Opportunity Fund LP, which allowed the Company to draw down A\$1,000,000 for the purpose of general working capital purposes in consideration for the issue

of a single convertible note with a face value of A\$1,150,000. Full details of the Convertible Security Agreement are contained in the ASX announcement dated 13 September 2013.

As part of the Convertible Security Agreement, the investor can convert the Note into fully paid ordinary shares for an amount of between \$50,000 and \$150,000 at the Conversion Price at any time after the Lock Up Period, being 90 days after the execution of the Note. The Conversion Price being 90% of the average of three (3) consecutive daily VWAPs per as selected by the Investor in its sole discretion, during the twenty (20) consecutive Trading Days immediately prior to the relevant Conversion Notice Date.

The Company issued shares as follows:

Date	\$ value	Shares Issue	Price
11 December 2013	\$50,000	1,515,152	\$0.033
31 December 2013	\$50,000	2,000,000	\$0.025
16 January 2014	\$75,000	3,409,091	\$0.022
TOTAL	\$175,000	6,924,243	

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 6,924,243 Shares to The Australian Special Opportunity Fund LP.

ASX Listing Rule 7.1

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

ASX Listing Rule 7.4

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

By ratifying the issue of 6,924,243 Shares to The Australian Special Opportunity Fund, LP, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The information required to be provided to shareholders to satisfy ASX Listing Rule 7.4 is specified in ASX Listing Rule 7.5.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the allotment and issue pursuant to Resolution 5:

- (a) 6,924,243 Shares were issued, within the Company's then existing 15% capacity under Listing Rule 7.1;
- (b) the Shares were issued for a deemed consideration of A\$175,000 in the tranches as shown above;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions and rank equally in all respects with the Company's existing Shares the terms of which are in the public domain;
- (d) the Shares were allotted and issued to The Australian Special Opportunity Fund, LP, which is not a Related Party of the Company; and
- (e) funds raised from the issue were used for working capital purposes.

The Chairman intends to vote all available proxies in favour of Resolution 5.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Annual General Meeting	means the meeting convened by the Notice of Annual General Meeting.
Associate	has the meaning given in the Corporations Act.
ASX	ASX Limited (ACN 008 624 691).
Board	Board of Directors.
Chairman	Mr Narendra Kumar Nanda
Constitution	Constitution of the Company.
Company or Legacy	Legacy Iron Ore Limited (ACN 125 010 353)
Convertible Security Agreement	means the convertible security agreement between the Company and The Australian Special Opportunity Fund LP announced on 9 and 13 September 2013
Corporations Act	Corporations Act 2001 (Cth).
Director	Director of the Company.
Explanatory Statement	the Explanatory Statement accompanying the Notice of Annual General Meeting.
Listing Rules or ASX Listing Rules	the listing rules of ASX.
Meeting	means this Annual General Meeting.
Notice of Annual General Meeting	the Notice of Annual General Meeting accompanying the Explanatory Statement.
Related Party	has the meaning given in the Corporations Act.
Share(s)	ordinary fully paid shares in the capital of the Company.
Shareholder	a holder of a Share.
The Australian Special Opportunity Fund LP	means The Australian Special Opportunity Fund, LP, of 370 Lexington Avenue, Suite 1900, New York, NY 10017 USA.
WST	Western Standard Time as observed in Perth, Western Australia.