

LEGACY IRON ORE LIMITED
ACN 125 010 353

ENTITLEMENT ISSUE PROSPECTUS

For a renounceable entitlement issue of four (4) Shares (**New Share**) for every one (1) Share held by those Shareholders registered at the Record Date at an issue price of \$0.002 per New Share to raise up to \$11,746,113 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the New Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The New Shares offered by this Prospectus should be considered as speculative.

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1. CORPORATE DIRECTORY

Directors

Mr N.B. Kumar
(Non-Executive Chairman)

Mr Rakesh Gupta
(Chief Executive Officer)

Mr Amitava Mukherjee
(Non-Executive Director)

Mr Alok Kumar Mehta
(Non-Executive Director)

Mr Devanathan Ramachandran
(Non-Executive Director)

Registered Office

Level 6
200 Adelaide Terrace
PERTH WA 6000

PO Box 5768
St Georges Terrace
PERTH WA 6831

Telephone: + 61 8 9421 2000
Facsimile: +61 8 9421 2001

Email: info@legacyiron.com.au
Website: www.legacyiron.com.au

Company Secretary

Ben Donovan

Nominee

ACNS Capital Markets Pty Ltd
(ACN 088 503 208) (AFSL 279099)
Ground Floor
16 Ord Street
WEST PERTH WA 6005

Share Registry*

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Ph: (08) 9315 2333
Fax: (08) 9315 2233

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Auditor*

Stantons International
Level 2, Walker Avenue
WEST PERTH WA 6005

Ph: (08) 9481 3188
Fax: (08) 9321 1204

Corporate Adviser

Ventnor Securities Pty Ltd
Ground Floor
16 Ord Street
WEST PERTH WA 6005

Ph: (08) 9482 0500

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE

Lodgement of Prospectus with the ASIC	Tuesday, 3 December 2019
Lodgement of Prospectus & Appendix 3B with ASX	Tuesday, 3 December 2019
Notice sent to Shareholders	Wednesday, 4 December 2019
Ex date	Thursday, 5 December 2019
Rights start trading	Thursday, 5 December 2019
Record Date for determining Entitlements	Friday, 6 December 2019
Prospectus sent out to Shareholders, Company announces this has been completed and last day for Offer to open	Wednesday, 11 December 2019
Rights stop trading	Friday, 3 January 2020
Shares quoted on a deferred settlement basis	Monday, 6 January 2020
Closing Date*	Friday, 10 January 2020
Announcement of results of issue	Wednesday, 15 January 2020
Last day for entity to issue the securities taken up in the pro rata issue and lodge an Appendix 2A with ASX applying for quotation of the securities	Friday, 17 January 2020
Quotation of Shares issued under the Offer*	Monday, 20 January 2020

*The Directors may extend the Closing Date by giving at least 3 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.

3. IMPORTANT NOTES

This Prospectus is dated 3 December 2019 and was lodged with the ASIC on that date. The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The New Shares the subject of this Prospectus should be considered highly speculative.

Applications for New Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that 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 whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for New Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

3.2 Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a renounceable entitlement issue of four (4) New Shares for every one (1) Share held by Shareholders registered at the Record Date at an issue price of \$0.002 per New Share. Fractional entitlements will be rounded down to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus and assuming all Entitlements are accepted, a maximum of 5,873,056,628 New Shares will be issued pursuant to this Offer to raise up to \$11,746,113 (subject to rounding).

All of the New Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the New Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 5 of this Prospectus.

4.2 What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up all of their Entitlement (refer to Section 4.3);
- (b) sell all of their Entitlement on ASX (refer to Section 4.4);
- (c) take up a proportion of their Entitlement and sell the balance on ASX (refer to Section 4.5);
- (d) take up a proportion of their Entitlement and allow the balance to lapse (refer to Section 4.6);
- (e) sell all or a proportion of their Entitlement other than on ASX (refer to Section 4.7); or
- (f) allow all or part of their Entitlement lapse (refer to Section 4.8).

4.3 Taking up all of your Entitlement

Should you wish to accept all of your Entitlement, then applications for New Shares under this Prospectus must be made on the Entitlement and Acceptance Form which accompanies this Prospectus or by completing a BPAY® payment, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque for the Application Monies indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed **"Not Negotiable"** and made payable to **"Legacy Iron Ore Limited — Subscription Account"** and lodged and received at

any time after the issue of this Prospectus and on or before the Closing Date at the Company's share registry (by delivery or by post) at:

By delivery Legacy Iron Ore Limited
C/- Ventnor Securities Pty Ltd
Ground Floor
16 Ord Street
WEST PERTH WA 6005

By Post Legacy Iron Ore Limited
C/- Ventnor Securities Pty Ltd
Ground Floor
16 Ord Street
WEST PERTH WA 6005

If you wish to pay via BPAY® you must follow the personalised instructions in your Entitlement and Acceptance Form. Make sure that you use the specific Biller Code and unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. You do not need to return a completed Entitlement and Acceptance Form but are taken to have made the declarations in the Entitlement and Acceptance Form and the representations outlined below in Section 4.9. If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your Shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any application in respect of your remaining Shareholdings will not be valid).

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® are received by 6:00pm (AEDT) on the Closing Date.

The Company shall not be responsible for any postal or delivery delays in the receipt of the BPAY® payment.

4.4 Selling all your Entitlement on ASX

The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for New Shares under the Offer may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on Thursday, 5 December 2019 and will cease on Friday, 3 January 2020.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

4.5 Taking up a proportion of your Entitlement and selling the balance on ASX

If you wish to take up only part of your Entitlement, complete the accompanying personalised Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the steps in Section 4.3, or make a payment by BPAY in accordance with Section 4.12.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

4.6 Taking up a proportion of your Entitlement and allowing the balance to lapse

If you wish to take up only part of your Entitlement and allow the balance to lapse, complete the accompanying personalised Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the steps in Section 4.3. If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

4.7 Selling all or a proportion of your Entitlement other than on ASX

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "**Legacy Iron Ore Limited - Subscription Account**" and crossed "**Not Negotiable**" to the Share Registry (by delivery or by post at any time after the issue of this Prospectus and on or before the Closing Date) at the following address:

By delivery Legacy Iron Ore Limited
C/- Ventnor Securities Pty Ltd
Ground Floor
16 Ord Street
WEST PERTH WA 6005

By Post Legacy Iron Ore Limited
C/- Ventnor Securities Pty Ltd
Ground Floor
16 Ord Street
WEST PERTH WA 6005

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for New Shares the transferee of the Entitlement wants to acquire must be received by Share Registry in accordance with Section 4.3.

4.8 Allow all or part of your Entitlement to lapse

Shareholders should be aware that their Entitlement may have value. Entitlements are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX.

If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse.

4.9 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application Monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the application may not be varied or withdrawn except as required by law.

4.10 Minimum subscription

The minimum subscription in respect of the Offer is \$8,000,000.

No New Shares will be issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application Monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application Monies.

4.11 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Legacy Iron Ore Limited – Subscription Account**" and crossed "**Not Negotiable**".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00 pm WST on the Closing Date.

4.12 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 3:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement either cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final

allocation of New Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

4.13 Underwriting

The Offer is not underwritten.

4.14 Effect on control of the Company and potential dilution to Shareholders

As at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out in the table below. The table also shows each substantial Shareholder's relevant interest in Shares and potential maximum voting power (assuming they take up their full Entitlement, no other Shareholders take up their Entitlements, no other Shareholders sell their rights and no Shortfall is placed under the Shortfall Offer):

Shareholder	Current Shares	Current Voting Power	New Share Entitlement	Post Offer Shares	Post Offer Voting Power
NMDC	1,153,450,796	78.56%	4,613,803,184	5,767,253,980	94.82%

In the event all Entitlements are accepted there will be no change to the voting power of NMDC on completion of the Offer.

As set out above, NMDC's maximum voting power resulting from it taking up its Entitlement, and assuming that no other Shareholders take up their Entitlements, sell their rights or take up New Shares under the Shortfall Offer, would be 94.82%. This figure does not take into account any additional New Shares that may be acquired by NMDC as a result of buying rights on market during the rights trading period (if available). Any acquisition of additional New Shares (and resulting increase in voting power) by NMDC may only be undertaken to the extent that it complies with the ASX Listing Rules and Corporations Act.

NMDC's has confirmed its intention to take up its full Entitlement.

In accordance with NMDC's Entitlement, NMDC may acquire up to 4,613,803,184 New Shares. Assuming NMDC is the only Shareholder to take up their Entitlement or sell their rights, NMDC would, on a fully diluted basis, hold a total of 5,767,253,980 Shares (assuming no other Shares are issued). As a result (on a fully diluted basis, assuming only NMDC takes up its Entitlement under the Offer and no other securities are issued) NMDC's maximum voting power would be 94.82%.

NMDC's present intentions with respect to the Company's operations in the event that it increases its interest in the Company to an amount equal to, or greater than, 90% are reproduced below:

(a) Compulsory acquisition

NMDC has confirmed it does **not** intend to proceed with the compulsory acquisition of the Company's outstanding Shares.

The Company confirms NMDC is aware of the 6 month time limit imposed on compulsory acquisition by section 664AA of the Corporations Act.

(b) **ASX Listing**

NMDC does not intend to compulsorily acquire the Shares it does not own in the Company and it intends to maintain an ASX listing.

(c) **Directors**

NMDC does **not** intend to seek to re-constitute the Board of Directors. Therefore, the current Directors of the Company will remain.

(d) **The Company's businesses, assets and employees**

NMDC seeks to continue to maintain the Company's operations, assets, structure and employees.

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 500% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	100,000,000	6.81%	400,000,000	100,000,000	1.36%
Shareholder 2	50,000,000	3.41%	200,000,000	50,000,000	0.68%
Shareholder 3	15,000,000	1.02%	60,000,000	15,000,000	0.20%
Shareholder 4	4,000,000	0.27%	16,000,000	4,000,000	0.05%
Shareholder 5	500,000	0.03%	2,000,000	500,000	0.01%
Total	1,468,264,157		5,873,056,628		7,341,320,785

Notes:

1. Based on 1,468,264,157 Shares at the date of this Prospectus.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

As at the date of this Prospectus, all Shareholders (other than NMDC) (**Other Shareholders**) together hold a total of 314,813,361 Shares, representing a percentage interest of 21.44%.

Set out below is a table which details the potential voting power of NMDC, subject to the take up of Entitlements by the Other Shareholders.

	Percentage of Other Shareholders which take up their Entitlement				
	10%	30%	70%	90%	100%
Other Shareholders Entitlement	125,925,344	377,776,033	881,477,410	1,133,328,099	1,259,253,444
Total Shares Post Offer	6,207,992,685	6,459,843,374	6,963,544,751	7,215,395,440	7,341,320,785
NMDC Resulting Interest	92.90%	89.28%	82.82%	79.93%	78.56%

Notes:

1. Based on 1,468,264,157 Shares at the date of this Prospectus.
2. Assumes NMDC takes up its fully Entitlement of 4,613,803,184 New Shares.

4.15 Corporate Adviser

Ventnor Securities Pty Ltd (**Ventnor**) has been appointed as Corporate Adviser to the Offer. The terms of the appointment of the Corporate Adviser are summarised in Section 8.4 of this Prospectus.

4.16 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each New Share to be issued under the Shortfall Offer shall be \$0.002 being the price at which New Shares have been offered under the Offer (**Shortfall Securities**).

The allocation of the Shortfall Securities will be at the discretion of the Board. The Board will use its discretion in a manner not to exacerbate a potential unacceptable control effect. In this regard, the Shortfall will not be placed to NMDC, or any other Shareholder who would acquire a voting power in excess of 20% as a result of placement of the Shortfall. To achieve this objective, Shortfall Securities will be allocated in priority to Eligible Shareholders who take up their full entitlement, who are not controlled by Directors, on a pro rata basis in accordance with Eligible Shareholders' Entitlements under the Offer, with any remaining Shortfall Securities to be allowed to lapse or placed to third parties.

Notwithstanding the above, the Directors maintain complete discretion as to how the Shortfall is placed or otherwise offered. In this regard, the Company confirms the Shortfall will not be placed to NMDC.

4.17 ASX listing

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Shares and will repay all Application Monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

4.18 Issue

New Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

New Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of New Shares issued is less than the number applied for, or where no issue is made, surplus Application Monies will be refunded without any

interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the New Shares or payment of refunds pursuant to this Prospectus, all Application Monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for New Shares issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.19 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and New Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or India.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct Market (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

India

The New Shares are not being offered to the public within India other than to existing Shareholders of the Company with registered addresses in India. This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any Indian regulatory authority. This document may not contain all the information that a product disclosure statement under Indian law is required to contain.

4.20 Appointment of Nominee

However, pursuant to ASX Listing Rule 7.7, the Company has appointed a nominee, ACNS Capital Markets Pty Ltd (ACN 088 503 208) (AFSL 279099) (**ACNS**), to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee may sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Neither the Company nor the nominee will be subject to any liability for failure to sell the Entitlements or to sell them at a particular price. If, in the reasonable opinion of the nominee, there is no viable market for the Entitlements of the Ineligible Shareholders, or a surplus over the expenses of the sale cannot be obtained from the Entitlements that would have been offered to the Ineligible Shareholders, then those Entitlements will be allowed to lapse.

Shareholders resident in Australia, New Zealand or India holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.21 Enquiries

Any questions concerning the Offer should be directed to Ben Donovan, Company Secretary, on + 61 9 9421 0000.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

On 15 October 2018, the Company released the results of its pit optimisation study which confirmed that the Mt Celia project had potential to be a technically and economically viable project, with the study providing a strong case for further extending and enhancing the resource at both the deposits via additional infill as well as drilling along strike and at depth.

The study recommended that additional work be undertaken to confirm the preliminary findings of the study that there is potential to generate strong positive cash flows for either a stand-alone mining option or, one that assumes trucking ore to an off-site plant.

To this extent, the Company is seeking to raise 2 years of additional capital to take the Mt Celia project through to the potential commencement of production and revenue generation, as well as to further advance the existing exploration projects at Mt Bevan, Koongie Park and its tungsten projects.

The purpose of the Offer is to raise up to \$11,746,113.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription \$8m		%	Full Subscription \$11.74m		%
		Year 1	Year 2		Year 1	Year 2	
1	Mt Celia Exploration Programme						
	Resource Drilling	675,000	Nil	8.44%	675,000	Nil	5.75%
	Geotech and QAQC Drilling	450,000	150,000	7.50%	450,000	150,000	5.11%
	Geomet Drilling	222,000	120,000	4.28%	222,000	120,000	2.91%
	Hydro Drilling	180,000	Nil	2.25%	180,000	Nil	1.53%
	Initial Logistics	50,000	Nil	0.63%	50,000	Nil	0.43%
	PFS test work and Analysis	Nil	Nil	0.00%	150,000	Nil	1.28%
	Pre-Feasibility Study	Nil	Nil	0.00%	300,000	Nil	2.55%
	DFS Test Work and Analysis	Nil	Nil	0.00%	300,000	Nil	2.55%
	Sampling and analysis	Nil	Nil	0.00%	300,000	Nil	2.55%
	DFS Study	300,000	Nil	3.75%	Nil	1,300,000	11.07%
	Further detailed analysis, and studies for regulatory approvals	Nil	300,000	3.75%	Nil	300,000	2.55%
	Initial Camp, Access and logistics (includes a small contingency)	Nil	600,000	7.50%	Nil	600,000	5.11%
2	Mt Celia						
	Commence mining – pre strip	Nil	Nil	0.00%	Nil	2,000,000	17.03%

3	Yilgangi exploration programme						
	Resource Drilling	65,000	60,000	1.56%	Nil	Nil	0.00%
	Sampling and analysis and initial logistics	20,000	5,000	0.31%	Nil	Nil	0.00%
4	Yerilla exploration programme						
	Resource Drilling	110,000	110,000	2.75%	Nil	Nil	0.00%
	Sampling and analysis	11,000	25,000	0.45%	Nil	Nil	0.00%
	Site Prep & Supplies	12,000	15,000	0.34%	Nil	Nil	0.00%
	Resource Update	Nil	40,000	0.50%	Nil	Nil	0.00%
5	Sunrise Bore exploration program						
	Drilling	70,000	70,000	1.75%	Nil	Nil	0.00%
	Analysis and Logistics	10,000	5,000	0.19%	Nil	Nil	0.00%
	Site Prep	Nil	5,000	0.06%	Nil	Nil	0.00%
6	Mt Bevan exploration programme						
	Drilling	90,000	Nil	1.13%	Nil	Nil	0.00%
	Analysis and Logistics	20,000	110,000	1.63%	Nil	Nil	0.00%
7	Koongie Park exploration programme						
	Heritage approvals	70,000	Nil	0.88%	Nil	Nil	0.00%
	Resource Drilling	Nil	70,000	0.88%	Nil	Nil	0.00%
	Analysis	Nil	10,000	0.13%	Nil	Nil	0.00%
	Logistics	20,000	10,000	0.38%	Nil	Nil	0.00%
8	Tungsten projects exploration programme						
	Map analysis Airborne/ground geophysics (includes interpretations and target definition)	300,000	Nil	3.75%	Nil	Nil	0.00%
9	Technical Staff Salaries	500,000	500,000	12.50%	900,000	993,000	16.12%
10	Expenses of the Offer	116,329	Nil	1.45%	116,329	Nil	0.99%
11	Office Rent & Establishment charges	220,000	220,000	5.50%	220,000	220,000	3.75%
12	Working capital for 24 months (including \$270,000 director remuneration pa)	1,033,671	1,030,000	25.80%	1,093,671	1,106,113	18.73%
	Sub-Total	4,545,000	3,455,000	100%	4,957,000	6,789,113	100%
	TOTAL	\$8,000,000			\$11,746,113		

Notes:

1. Refer to Section 8.8 for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted, will be to:

- (a) increase the cash reserves by \$11,636,113 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 1,468,264,157 as at the date of this Prospectus to 7,341,320,785 Shares.

Pro-forma balance sheet

The audited balance sheet as at 31 March 2019 and the reviewed pro-forma balance sheet as at 30 September 2019 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	AUDITED 31 March 2019	REVIEWED 30 September 2019	PROFORMA 30 September 2019	PROFORMA 30 September 2019
			Minimum Subscription ²	Maximum Subscription ³
CURRENT ASSETS				
Cash ¹	1,439,773	589,445	8,473,116	12,219,229
Other current assets	81,552	53,936	53,936	53,936
TOTAL CURRENT ASSETS	1,521,325	643,381	8,527,052	12,273,165
NON-CURRENT ASSETS				
Other Financial Assets	815,573	766,776	766,776	766,776
Plant & Equipment	2,105	8,623	8,623	8,623
Exploration ¹	10,725,793	11,156,390	11,156,390	11,156,390

	AUDITED 31 March 2019	REVIEWED 30 September 2019	PROFORMA 30 September 2019	PROFORMA 30 September 2019
			Minimum Subscription ²	Maximum Subscription ³
TOTAL NON-CURRENT ASSETS	11,543,471	11,931,789	11,931,789	11,931,789
TOTAL ASSETS	13,064,796	12,575,170	20,458,841	24,204,954
CURRENT LIABILITIES				
Creditors and borrowings	154,987	258,461	258,461	258,461
TOTAL CURRENT LIABILITIES	154,987	258,461	258,461	258,461
TOTAL LIABILITIES	154,987	258,461	258,461	258,461
NET ASSETS (LIABILITIES)	12,909,809	12,316,709	20,200,380	23,946,493
EQUITY				
Share capital	54,626,757	54,596,757	62,480,428	66,226,541
Options Reserve	16,898,498	16,823,048	16,823,048	16,823,048
Retained loss	58,615,446	59,103,096	59,103,096	59,103,096
TOTAL EQUITY	12,909,809	12,316,709	20,200,380	23,946,493

Notes:

1. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.
2. Assuming the only the minimum subscription of \$8,000,000 is raised.
3. Assuming the Offer is fully subscribed.

5.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below.

Shares

	Number
Shares currently on issue	1,468,264,157
Shares offered pursuant to the Offer	5,873,056,628
Total Shares on issue after completion of the Offer	7,341,320,785

5.4 Details of substantial holders

Based on publicly available information as at Monday, 2 December 2019, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
NMDC Limited	1,153,450,796	78.56

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

Please refer to Section 4.14 for more information regarding the potential effect on control of the Company and potential dilution to Shareholders.

6. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

6.1 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

6.2 Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

6.3 Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms

and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

6.4 Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

6.5 Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

6.6 Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

6.7 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

6.8 Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

6.9 Alteration of constitution

In accordance with the Corporations Act, 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. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Control Risk

NMDC is currently the largest Shareholder and has a relevant interest in approximately 78.56% of the Shares in the Company. Assuming NMDC takes up its full Entitlement and no Other Shareholders accept their Entitlements, NMDC's voting power in the Company could be increased to 94.82%.

NMDC's participation under the Offer is subject to approval from the Foreign Investment Review Board (**FIRB**). NMDC is a "foreign government investor", as it is a corporation in which the Republic of India holds a substantial interest. Therefore, as NMDC meets the definition of a "foreign government investor" under the Foreign Acquisitions and Takeovers Act 1975 and may potentially increase its voting power in the Company, NMDC is required to notify the Australian Government and obtain approval before making a direct investment in the Company, regardless of the value of the investment. As such, NMDC has lodged an application for approval with FIRB.

NMDC's significant interest in the capital of the Company means that it is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.

NMDC holds a relevant interest in more than 50% of the Company which means that it has the potential to prevent both ordinary resolutions and special resolutions (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution) from being passed by the Company. Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.

The Directors, note that should the NMDC acquire an interest greater than 90% of the Company, they may be entitled, under Australian takeovers laws, to undertake a compulsory acquisition of the Company.

Compulsory acquisition would entitle the NMDC, subject to compliance with the Corporations Act, to acquire all remaining Shares in the Company. However, the Directors note that NMDC has confirmed it does **not** intend to proceed with the compulsory acquisition of the Company's outstanding Shares should it acquire an interest of 90% or more in the Company.

As noted above, the Company confirms NMDC is aware of the 6 month time limit imposed on compulsory acquisition by section 664AA of the Corporations Act.

(b) **NMDC Participation and FIRB Approval**

As noted above, NMDC is a "foreign government investor" under the *Foreign Acquisitions and Takeovers Act 1975* (Cth), as is therefore required to notify the Australian Government and obtain approval before making a direct investment in the Company, regardless of the value of the investment. NMDC has submitted the required notification with FIRB, however there is no guarantee that FIRB will provide the requisite approval for NMDC's participation in the Offer.

Should their participation in the Offer be prohibited, it is likely the Offer will not meet the minimum subscription, and therefore the Company would be required either repay the Application Monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application Monies.

If NMDC does not participate in the Offer, the Company is highly unlikely to raise the amount necessary to bring its various mining assets to the level required to commence mining and begin revenue generation.

(c) **Exploration Costs**

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. As the Company is an exploration company, the recoverability of the Company's carrying value of capitalised exploration and evaluation expenditure is dependent on the successful commercial exploitation of the exploration assets, or the sale of assets to generate sufficient funds to recoup the carried values. Should the Company be unsuccessful in its commercial exploitation or sale of assets, the realisable value of the Company's exploration and evaluation assets may be significantly less than their current carrying value. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(d) **Gold price volatility and exchange rate risk**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities exposes the

potential income of the Company to commodity price and exchange rate risks (in particular, the risk of changes in the market price of gold, which in the past have fluctuated widely). Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(e) **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**) (**Joint Venture**). 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:

- (i) 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
- (ii) insolvency or other managerial failure of any of the contractors used by the Company in its exploration activities; or
- (iii) insolvency or other managerial failure of any of the other service providers used by the Company for any activity.

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.

7.3 Industry specific

(a) 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.

(b) 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.

(c) 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.

(d) Weather conditions

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

7.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and 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 and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(c) **Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

(d) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative 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 Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

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

8. ADDITIONAL INFORMATION

8.1 Litigation

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceeding. The Company was not a party to any such proceedings during the year, other than has been previously disclosed.

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 not active and there has been no change in the status during the year.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
29/11/2019	Trading Halt
27/11/2019	Gold mineralisation at Koongie Park project
26/11/2019	Investor Presentation
22/11/2019	Response to ASX Appendix 5B Query
20/11/2019	Exploration Update
7/11/2019	Half Yearly Report and Accounts
31/10/2019	Quarterly Cashflow Report
31/10/2019	Quarterly Activities Report
31/10/2019	East Kimberley Projects Update
18/10/2019	Details of Company Address
15/10/2019	Mt Bevan Update
1/10/2019	Response to ASX Price and Volume Query

Date	Description of Announcement
29/11/2019	Trading Halt
27/11/2019	Gold mineralisation at Koongie Park project
26/11/2019	Investor Presentation
22/11/2019	Response to ASX Appendix 5B Query
20/11/2019	Exploration Update
7/11/2019	Half Yearly Report and Accounts
31/10/2019	Quarterly Cashflow Report
31/10/2019	Quarterly Activities Report
31/10/2019	East Kimberley Projects Update
18/10/2019	Details of Company Address
22/08/2019	Results of Meeting
31/07/2019	Quarterly Activities Report
31/07/2019	Quarterly Cashflow Report
9/07/2019	Notice of Annual General Meeting

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.legacyiron.com.au

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	\$0.005	1st to 7th, 9th, 11th and 14th October 2019
Lowest	\$0.003	6th, 10th to 19th, 23rd to 30th September 2019, 15th to 28th October 2019 and 5th to 7th November 2019
Last	\$0.003	28th November 2019

8.4 Material contracts

The following are summaries of the significant terms of the material agreements which relate to the business of the Company.

8.4.1 Mandate letter

Ventnor Securities Pty Ltd was appointed as Corporate Adviser to the Rights Issue under this Prospectus (**Corporate Adviser Agreement**). Pursuant to the Corporate

Adviser Agreement, Ventnor will provide services relating to the management and marketing of the Rights Issue. In consideration for the services provided pursuant to the Corporate Adviser Agreement, the Company will pay Ventnor the following fees:

- (a) a Corporate Advisory Fee of \$30,000 (**Advisory Fee**) will be payable by Legacy Iron to Ventnor on the commencement of the process;
- (b) a monthly advisory fee of \$10,000 from the date of the agreement for a period of 3 months or until completion of the entitlement issue (**Monthly Fee**); and
- (c) a Management Fee of 1% of the total monies raised excluding any monies raised from NMDC Limited; and
- (d) a Selling Fee of 5.5% shall be payable by the Company to Ventnor on the dollar amount of any Shortfall Shares that Ventnor places. The Shortfall placement fee is additional to any other fees that may accrue to Ventnor.

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

Ventnor has not provided other advisory services to the Company during the last two years.

8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Entitlement	\$
Mr N.B. Kumar	Nil	Nil	Nil
Mr Amitava Mukherjee	Nil	Nil	Nil
Mr Alok Kumar Mehta	Nil	Nil	Nil
Mr Rakesh Gupta	483,762	1,935,048	3,870
Mr Devanathan Ramachandran	Nil	Nil	Nil

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	2017	2018	2019
Mr N.B. Kumar* ¹	N/a	Nil	Nil
Mr Amitava Mukherjee*	N/a	Nil	Nil
Mr Alok Kumar Mehta*	N/a	N/a	Nil
Mr Rakesh Gupta	\$287,647	253,900	\$226,790
Mr Devanathan Ramachandran	\$50,000	47,803	\$45,000

* indicates a nominee director of NMDC Limited. All NMDC nominee directors elect not to receive remuneration.

Notes:

1. Mr N.B. Kumar is the chairman-cum-managing director of NMDC, however he is not deemed to control the company.
2. Mr Alok Kumar Mehta is the director (commercial) of NMDC Limited, however he is not deemed to control the company.
3. Mr Amitava Mukherjee is the Director (Finance) of NMDC Limited, however he is not deemed to control the company.

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$25,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$11,000 (excluding GST and disbursements) for legal services provided to the Company.

Ventnor Securities Pty Ltd will be paid a Corporate Adviser fee of approximately \$60,000 in respect of this offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Ventnor Securities Pty Ltd have not been paid any fees by the Company.

ACNS Capital Markets Pty Ltd has been appointed as the nominee under ASX Listing Rule 7.7 and section 615 of the Corporations Act. ACNS Capital Markets Pty Ltd will be paid for this service on standard industry terms and conditions.

8.7 Consents

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) to the maximum extent permitted by law, expressly disclaim and take 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;
- (c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and
- (d) Ventnor Securities Pty Ltd has given its written consent to being named as Corporate Adviser to the Company in this Prospectus. Ventnor Securities Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC;
- (e) ACNS Capital Markets Pty Ltd has given its written consent to being named as Nominee to the Company in this Prospectus. ACNS Capital Markets Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$116,329 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	24,123
Corporate Adviser to the offer fees	60,000
Legal fees	25,000
Printing and distribution	4,000
Total	<u>116,329</u>

8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 9421 2000 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.legacyiron.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application 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.

8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This 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 Prospectus with the ASIC.

Rakesh Gupta
Chief Executive Officer

For and on behalf of
LEGACY IRON ORE LIMITED

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application means an application to subscribe for Shares under this Prospectus.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

Application Monies means money submitted by Applicants in respect of Applications.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Legacy Iron Ore Limited (ACN 125 010 353).

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder of the Company as at the Record Date other than an Ineligible Shareholder.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

FIRB means the Foreign Investment Review Board;

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or India.

NMDC means NMDC Limited, the holder of 1,153,450,796 Shares.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section in this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

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

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.16.

Shortfall Shares and **Shortfall Securities** means those Shares issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Western Australia.