



Quarterly Report

Period ended 31 December 2014

About Legacy Iron Ore

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

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

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

Board

Narendra Kumar Nanda, Non-Executive Chairman

Timothy Turner, Non-Executive Director

Devanathan Ramachandran, Non-Executive Director

Devinder Singh Ahluwalia, Non-Executive Director

Rakesh Gupta, Chief Executive Officer

Ben Donovan, Company Secretary

Key Projects

Mt Bevan Iron Ore Project

Hamersley Iron Ore Project

Robertson Range Iron Ore and Manganese Project

South Laverton Gold Project

East Kimberley Gold, Base Metals and REE Project

Enquiries

Rakesh Gupta

Chief Executive Officer

Phone: +61 8 9421 2005

ASX Codes: LCY

GROUND FLOOR
15 RHEOLA STREET
WEST PERTH WA 6005

PO BOX 5768
ST GEORGES TERRACE WA 6831

Phone: +61 8 9421 2005

Fax: +61 8 9421 2001

Email: info@legacyiron.com.au

Web: www.legacyiron.com.au

29 January 2015

The Company Announcements Office
ASX Limited

Via E Lodgement

REPORT FOR THE QUARTER ENDED DECEMBER 31 2014

Please find attached the Company's Quarterly Activities Report and Appendix 5B for the quarter ended

Yours faithfully

LEGACY IRON ORE LIMITED

Rakesh Gupta
Chief Executive Officer

HIGHLIGHTS

EXPLORATION AND DEVELOPMENT

Mt Bevan Magnetite Project (60%)

- Legacy Iron has confirmed its intention to progress the Project to the next development phase as a priority and is currently in discussions with its 40% JV partner at Mt Bevan, Hawthorn Resources Limited (“Hawthorn”), regarding the scope, timing and funding of further phases of the project.

East Kimberley – Mt Bradley REE Project

- Reconnaissance traverse rock chip sampling was conducted over prospective REE stratigraphy. Assay results are awaited

East Kimberley – Koongie Park Gold/ Basemetal Project

- A native heritage survey was completed in order to clear drilling sites that will test conductors outlined by the HELITEM geophysical survey, representing potential VHMS basemetal – gold mineralisation.

South Laverton Gold - Mt Celia Gold Project

- A geochemical soil sampling survey was completed over part of the project area.
- Infill soil sampling is planned prior to RAB drilling.

CORPORATE

- Resignation of Managing Director, Sharon Heng
- Resignation of Mr Swaminathan Thiagarajan as a non-executive director due to retirement
- Appointment of Mr Devanathan Ramachandran as non-executive director
- Appointment of Mr Rakesh Gupta as Chief Executive Officer effective 21 January 2015

EXPLORATION

Legacy Iron is an active exploration company with a diverse portfolio of assets spanning iron ore, manganese, gold and base metals. The primary focus for the Company is its Joint Venture with Hawthorn on the Mt Bevan Iron Ore Project, north of Kalgoorlie in Western Australia, where the Company is progressing a potentially world class magnetite project.

The Company holds significant landholdings in two major mineralised provinces within WA. In the Pilbara region, Legacy Iron is exploring for iron ore and manganese while in the Eastern Goldfields region, activities are focused on gold discoveries. The Company also holds substantial ground in the East Kimberley region with the most advanced prospect being the highly prospective Koongie Park VHMS base metal - gold project.

IRON ORE

Mt Bevan Magnetite Project

Mt Bevan Project is a joint venture between Legacy Iron and Hawthorn. Legacy Iron has now completed its earn-in of a 60% interest in the project by expending more than \$3.5 million on exploration. Mt Bevan is considered to hold excellent potential for the definition of major magnetite resources located close to existing road, rail and port facilities. The project also has potential for DSO hematite discoveries.

The recent highly successful exploration and resource definition program carried out now underpins the potential for a large scale development at Mt Bevan (*refer Table 1 below for the current resource estimate*). Following the successful conclusion of a recent strategic review and forward growth strategy, Legacy Iron has confirmed its intention to progress the Project to the next phase as a priority and is currently in discussions with its 40% JV partner at Mt Bevan, Hawthorn, regarding the scope, timing and funding of further phases of the project.

The next phase of work is likely to require the completion of further resource definition and development studies required to convert existing mineral resources into JORC reserves, and further define the scope, design and capital cost of the Project and to comprehensively demonstrate the projects viability.

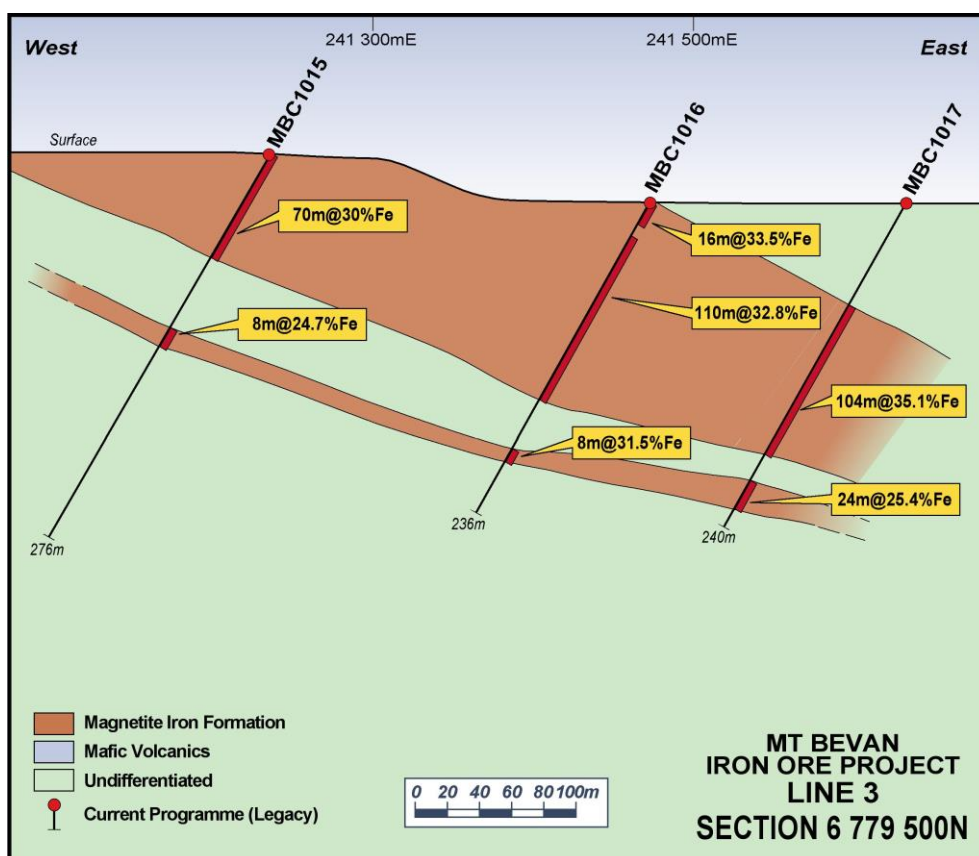


Figure 1: Drilling Cross Section - Lines 3

Table 1: Mt Bevan Resource Estimate

*In situ Magnetic is the material that is expected to report to the magnetic fraction. The in situ Magnetic quantities in the Tonnes column are expressed as the percentage of the in situ Total tonnes (as estimated from Davis Tube Mass recovery).

Mt Bevan Fresh BIF Resource											
Class	Material	Tonnes x 10 ⁶	Fe %	SiO ₂ %	Al ₂ O ₃ %	CaO %	P %	S %	LOI %	MgO %	Mn %
Indicated	<i>In situ</i> Total	322	34.7	46.2	0.57	1.35	0.054	0.131	-1.05	1.91	0.31
	<i>In situ</i> Magnetic*	44.18%	30.0	2.4	0.01	0.08	0.005	0.053	-1.38	0.05	0.01
	Concentrate	142	68.0	5.5	0.02	0.18	0.012	0.130	-3.12	0.12	0.03
Inferred	<i>In situ</i> Total	847	35.0	45.6	0.77	2.00	0.063	0.39	-1.15	1.77	0.04
	<i>In situ</i> Magnetic*	45.70%	30.8	2.8	0.01	0.06	0.004	0.042	-1.37	0.03	0.01
	Concentrate	387	67.5	5.9	0.03	0.14	0.009	0.096	-3.00	0.06	0.02
Total	<i>In situ</i> Total	1,170	34.9	45.8	0.71	1.82	0.060	0.137	-1.12	1.81	0.11
	<i>In situ</i> Magnetic*	45.28%	30.6	2.7	0.01	0.07	0.004	0.045	-1.37	0.03	0.01
	Concentrate	530	67.7	5.80	0.03	0.15	0.010	0.105	-3.03	0.07	0.02

(Full details of the project are available at the Company website www.legacyiron.com.au)

East Kimberley Projects – Mt Bradley REE

Mt Bradley lies immediately adjacent to the Hastings (aka Brockman) REE resource of Hastings Rare Metals Limited. Hastings has a JORC-compliant resource exceeding 22Mt grading 0.795% ZrO₂, 0.31% Nb₂O₅, 0.023% Ta₂O₅ and heavy REE grades of 0.10% Y₂O₃, with potential for significant quantities of heavy REE including dysprosium and yttrium. Mt Bradley is one of the most advanced REE resources in Australia, having been the subject of major drilling and trial plant scale metallurgical testing by Union Oil Development Corporation during the 1980s. The high Niobium content of the resource is of particular economic interest. Although a substantial deposit, the relatively low grade and metallurgical characteristics have impeded economic development.

The REE mineralisation is hosted by tuffaceous rhyolitic volcanoclastics of the Brockman Volcanics – the ‘Niobium Tuff’. Similar rhyolitic to alkalic intrusives are known to occur within the Mt Bradley tenement and were highlighted in a recent Geological Survey of WA assessment. These have received little attention due to the past focus on gold exploration, and low REE prices.

During the quarter a helicopter assisted geochemical sampling program was conducted within the project area focussing on stratigraphy showing a high radiometric response – recognised locally as a pathfinder to the REE elements. Several sample traverses were made across a major radiometric anomaly and also across an adjacent magnetic unit displaying a iron enriched alteration halo. A total of 152 samples were taken and dispatched to QAS Laboratories, Perth for REE suite analysis. Assay results are awaited.

East Kimberley Projects - Koongie Park

A native heritage survey was completed during the quarter in order to clear access to proposed drilling sites. This drilling will test a number of priority conductors outlined by the HELITEM geophysical survey, representing potential VHMS basemetal-gold mineralisation. It is anticipated that the 2000m RC drilling program will commence in April – May.

GOLD

South Laverton Gold – Mt Celia Project

A geochemical soil sampling survey was completed over part of the project area – infill soil sampling is planned for the next quarter, along with initial reconnaissance work on recently granted exploration licence E39/1748 – Sunrise Bore, located to the west of the Sunrise Dam gold mine.

PLANNED ACTIVITIES – MARCH 2015 QUARTER

Principal activities planned for the March 2015 quarter will comprise:

Mt Bevan Magnetite: Field program planning and field work in relation to progressing the Mt Bevan Magnetite Project (pending JV approval to proceed)

South Laverton: Geochemical soil programs at Mt Celia and Sunrise Bore projects

East Kimberley: Assessment of Mt Bradley REE assays upon receipt, and forward planning

Competent Person's Statement:

Mt Bevan Iron Ore

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves) is based on information compiled by Steve Shelton who is a member of The Australasian Institute of Geoscientists and a full time employee of Legacy Iron Ore Limited. Mr. Shelton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Shelton consents to the inclusion in this report of the matters based on his information in the form and the context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

LEGACY IRON ORE LIMITED



ABN

31 125 010 353

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

	Current quarter 31 Dec 2014 \$A'000	Year to date (6 months) 31 Dec 2014 \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(326)	(566)
(b) development	-	-
(c) production	-	-
(d) administration	(674)	(1276)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	18
1.5 Interest and other costs of finance paid	(1)	(34)
1.6 Income taxes paid	-	-
1.7 Other – Receipt by joint venture participant	-	-
Net Operating Cash Flows	(990)	(1,858)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) financial assets	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) financial assets	-	199
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	(1)
Net investing cash flows	-	198
1.13 Total operating and investing cash flows (carried forward)	(990)	(1,660)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(990)	(1,660)
	Cash flows related to financing activities		
1.14	Proceeds from issue of shares, options	(70)	12,206
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(3100)
1.18	Dividends paid	-	-
1.19	Repayments by former director	518	518
	Net financing cash flows	448	9,624
	Net increase (decrease) in cash held	(542)	7,964
1.20	Cash at beginning of quarter/year to date	8,844	338
		-	-
1.22	Cash at end of quarter	8.302	8,302

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	134
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions \$118,192 payment for Directors and their associates fees and salaries; and \$ 16,130 payment for accounting fees to entity related to Non-Executive Director.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	277
4.2 Development	-
4.3 Production	-
4.4 Administration	364
Total	641

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	528	344
5.2 Deposits at call	7,774	8500
5.3 Bank overdraft	-	-
5.4 Other (commercial bills)	-	-
Total: cash at end of quarter (item 1.22)	8.302	8,844

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E46/818	100%	100%	0%
6.2 Interests in mining tenements acquired or increased	Nil			

Appendix 5B
Mining exploration entity quarterly report

Summary of mining tenement at the end of quarter (31 December 2014) and their location.

The mining tenements held at end of quarter and their location	Tenement	Location	State	% at beginning of quarter	% at end of quarter	Operator
	E80/4220	East Kimberley	WA	100	100	Legacy
	E80/4221	East Kimberley	WA	100	100	Legacy
	E47/1869	Pilbara	WA	100	100	Legacy
	E46/818	Pilbara	WA	100	100	Legacy
	E31/1034	South Laverton	WA	0	100	Legacy
	E39/1443	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5001	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5002	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5003	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5004	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5005	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5006	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5007	South Laverton – Mt Celia	WA	100	100	Legacy
	E29/865	Yilgarn – Mt Bevan	WA	100	100	Legacy
	M31/426	South Laverton	WA	100	100	Legacy
	M31/427	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	P31/1746	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	E31/1019	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	E31/1020	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	M31/107	South Laverton	WA	90% Precious Metals	90% Precious Metals	Murrin Murrin & Glenmurrin
	M31/229	South Laverton	WA	90% Precious Metals	90% Precious Metals	Murrin Murrin & Glenmurrin

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	M31/230	South Laverton	WA	90% Precious Metals	90% Precious Metals	Murrin Murrin & Glenmurrin
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	1,468,264,157	1,468,264,157	-	-
7.4 Changes during quarter				
(a) Increases through issues arising from conversion of convertible debt securities	-	-	-	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 Convertible debt securities	-			
7.6 Changes during quarter				
(a) Increases through issue				
(b) Decreases through repayment	-			
(c) Decrease through conversion	-			
7.7 Options <i>(description and conversion factor)</i>			Exercise Price	Expiry Date
	11,660,000		25 cents	1 April 2015
	12,430,000	-	10 cents	23 December 2015
	4,000,000		18 cents	24 May 2016
	46,200,000	-	25 cents	31 December 2015
	21,430,000		\$0.2229	7 January 2015
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.10	Expired during quarter	4,000,000	-	Each at 25,30,35,40,45 cents	31 December 2014
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Company Secretary)

Date: **29 January 2015**

Print name: **Ben Donovan**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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