



IRON ORE LIMITED

(ABN 31 125 010 353)

*Interim Financial Report
for the Six Month Period Ended
31 December 2014*

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity, Legacy Iron Ore Limited, consisting of Legacy Iron Ore Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2014 ("Legacy Iron", the "Group" or the "Company").

1. DIRECTORS

The names of Directors in office during the whole of the half year and up to the date of this report unless otherwise stated:

Mr Narendra Kumar Nanda (Non-Executive Chairman)
Mr Timothy Turner (Non-Executive Director)
Mr Devanathan Ramachandran (Non-Executive Director) (appointed 5 November 2014)
Mr Devinder Singh Ahluwalia (Non-Executive Director) (appointed 22 January 2015)
Ms Sharon Heng (Executive Director & Managing Director) (resigned 31 October 2014)
Mr Swaminathan Thiagarajan (Non-Executive Director) (resigned 6 January 2015)
Mr Subimal Bose (Non-Executive Director) (resigned 13 November 2014)

2. COMPANY SECRETARY

Mr Ben Donovan holds the position of Company Secretary.

3. REVIEW OF OPERATIONS

CORPORATE

During the period the Group was successful in raising \$12,206,274 (net of transactions costs) as a result of a rights issue offered to shareholders on 15 July 2014. Part proceeds have been used to extinguish both the debt funding from Citibank and the convertible notes from the Australian Special Opportunity Fund LP.

The Group is now in a good financial position with no debt, other than a finance lease on a motor vehicle and, as at 31 December 2014 the Group holds \$8,528,534 in cash and cash equivalents.

There has been a change on the composition of the Board of Directors as outlined in point 1 above.

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****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 (Figure 1).

The Company holds significant landholdings in two major mineralised provinces within WA. In the Pilbara region, Legacy Iron is exploring for iron ore 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.

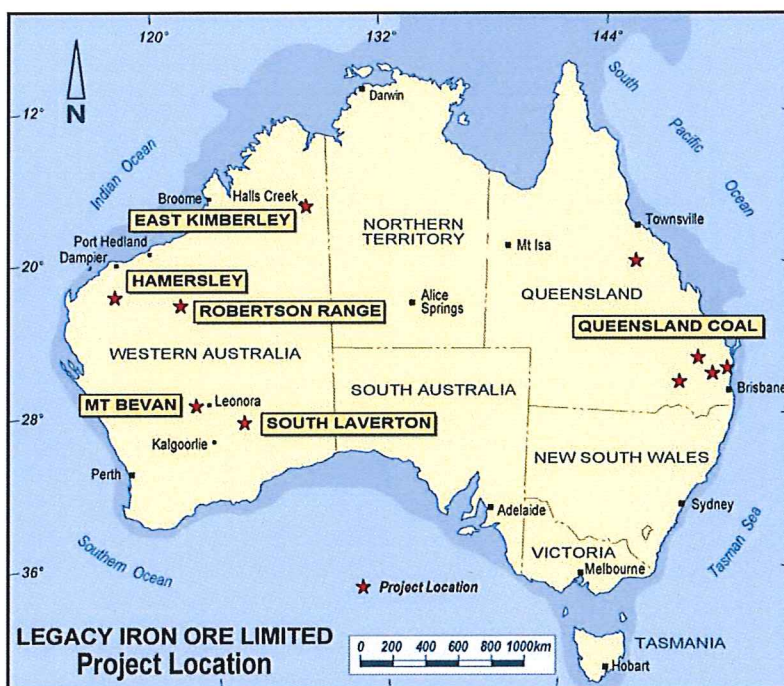
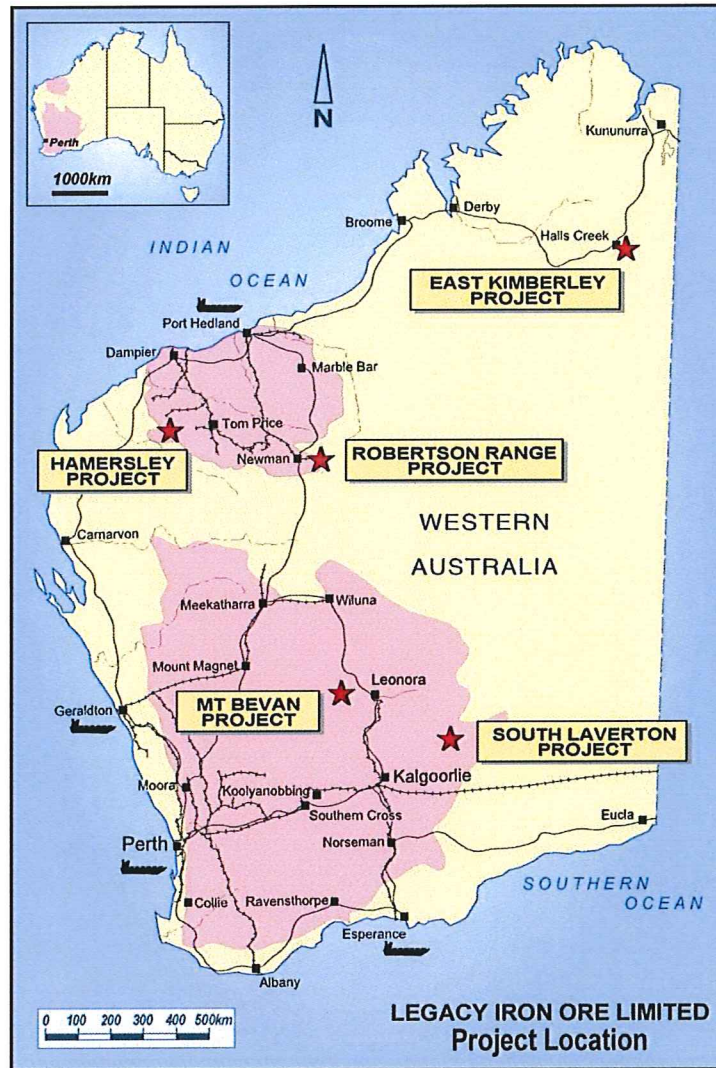


Figure 1: Location of Legacy Iron Projects

IRON ORE

Legacy Iron Ore Limited ("Legacy Iron" or "the Company") is the manager of the Mt Bevan Joint Venture in the Yilgarn of Western Australia. The Mt Bevan Iron Ore Project ("Mt Bevan") is a joint venture between Legacy Iron and Hawthorn Resources Limited (ASX: HAW or "Hawthorn") with Legacy Iron holding 60% interest in the project. Legacy Iron has now drilled out a major magnetite resource and is investigating the strong potential for shallow DSO or beneficiable hematite resources. It also holds two substantial iron ore projects located close to infrastructure in the Pilbara of Western Australia (Figure 2).

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****EXPLORATION (continued)****Figure 2: Legacy Iron projects – Western Australia***(Robertson Range Project discontinued in 2014)***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

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)**

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.

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

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).

DIRECTORS' REPORT (continued)

3. REVIEW OF OPERATIONS (continued)

EXPLORATION (continued)

Mt Bevan DSO Exploration

An RC drilling program comprising 18 holes for 1601m was completed. This program targeted:

1. Mt Mason North prospect where earlier RC drilling intersected thick intersections of DSO hematite, adjoining the Jupiter Mines Limited's Mt Mason resource (Measured and Indicated Resource – 9.4Mt @ 57.6% Fe).
2. DSO targets outlined by recent surface rock chip sampling at the Eastern and Mezzo BIFs, to the north of the Mt Mason North prospect

The general location of the drilling program is shown in Figure 3, and a more detailed location plan is shown in Figure 4 below.

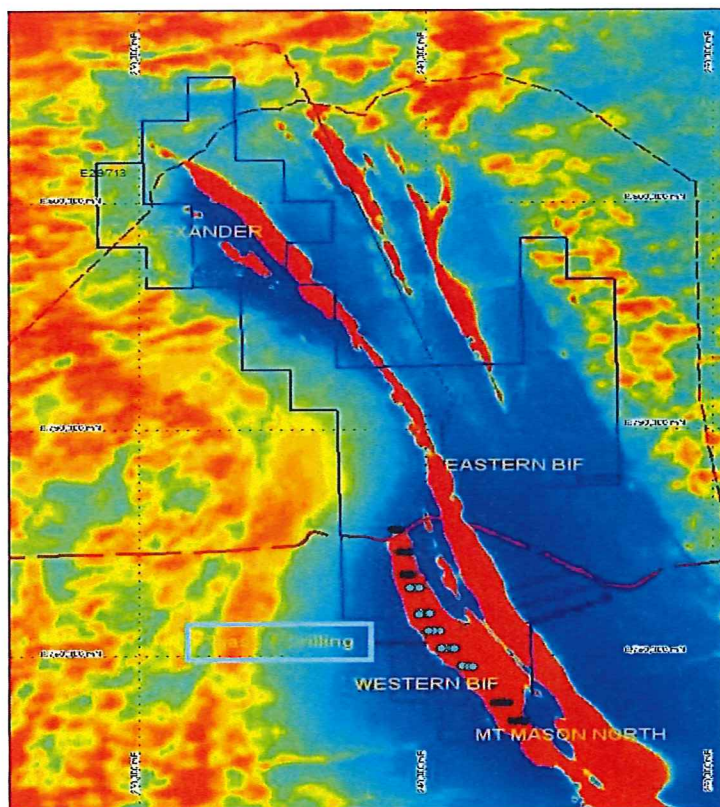
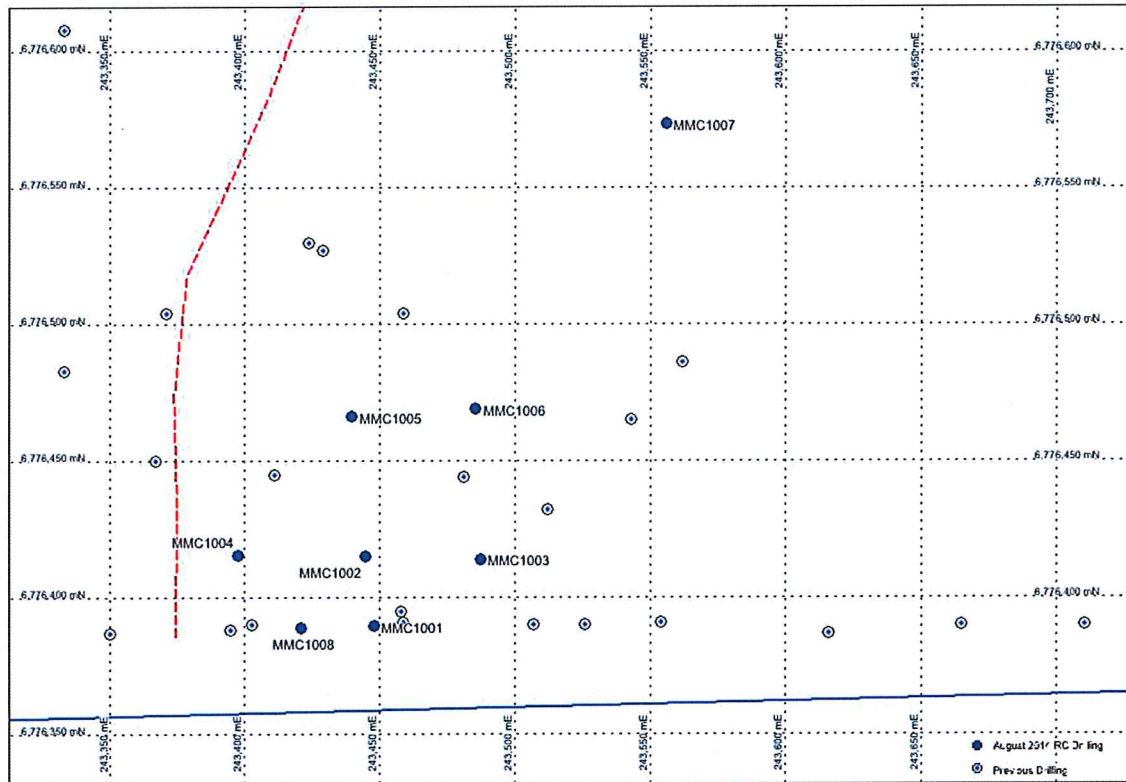


Figure 3: Aeromagnetic image showing Eastern and Western BIF targets

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****EXPLORATION (continued)****Figure 4: RC Drilling Program – Drill hole collar location plan**

Drilling at the Mezzo BIF target intersected only narrow widths of hematitic mineralisation, and consequently drilling at the secondary Eastern BIF targets was not conducted. No significant (>50% Fe) intersections were obtained at the Mezzo BIF target.

Drilling at the Mt Mason North prospect produced a number of significant intersections largely confirming earlier scout drilling in this area. Table 2 below provides a summary of drill hole intersections greater than 50% Fe. These intersections include:

MMC1002: 70 – 104m, 34m @ 57.48% Fe, and
 MMC1008: 100 – 118m, 18m @ 61.27% Fe.

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****EXPLORATION (continued)**

Hole ID	Easting	Northing	Azimuth	Dip	RL	Depth	From M	To M	Interval M	Intersection Fe	Comments
MMC1001	243448	6776390	270	-75	516	120	18	22	4	52.1%	
MMC1001	243448	6776390	270	-75	516	120	78	84	6	59.88%	
MMC1001	243448	6776390	270	-75	516	120	98	120	22	56.76%	
MMC1002	243445	6776415	270	-70	514	138	70	88	18	62.10%	Or 70 – 104m: 34m @ 57.48%
MMC1002	243445	6776415	270	-70	514	138	92	104	12	60.25%	
MMC1003	243487	6776414	270	-70	513	150	18	20	2	51.32%	
MMC1003	243487	6776414	270	-70	513	150	24	28	4	55.51%	
MMC1003	243487	6776414	270	-70	513	150	68	78	10	58.68%	
MMC1003	243487	6776414	270	-70	513	150	82	96	14	56.10%	
MMC1003	243487	6776414	270	-70	513	150	112	122	10	60.55%	
MMC1004	243398	6776416	270	-70	516	114	16	26	10	53.15%	
MMC1004	243398	6776416	270	-70	516	114	56	58	2	51.89%	
MMC1004	243398	6776416	270	-70	516	114	76	78	2	52.01%	
MMC1004	243398	6776416	270	-70	516	114	86	96	10	55.43%	Or 86 – 106m: 20m @ 52.12%
MMC1004	243398	6776416	270	-70	516	114	98	102	4	57.43%	
MMC1004	243398	6776416	270	-70	516	114	104	106	2	58.86%	
MMC1005	243440	6776466	270	-70	512	150	20	28	8	52.43%	
MMC1005	243440	6776466	270	-70	512	150	84	90	6	53.70%	
MMC1005	243440	6776466	270	-70	512	150	120	124	4	54.02%	
MMC1006	243486	6776469	270	-70	511	150	22	26	4	50.91%	
MMC1006	243486	6776469	270	-70	511	150	148	150	2	50.12%	
MMC1008	243421	6776389	0	-90	516	180	14	20	6	52.98%	
MMC1008	243421	6776389	0	-90	516	180	34	38	4	51.89%	
MMC1008	243421	6776389	0	-90	516	180	78	82	4	63.34%	
MMC1008	243421	6776389	0	-90	516	180	88	94	6	53.88%	
MMC1008	243421	6776389	0	-90	516	180	100	118	18	61.27%	

Table 2 Significant Drilling Intersections

A representative drilling cross section is shown as Figure 5. The high grade hematite zones are associated with a substantial cross fault which lies close to the boundary between the joint venture project tenement and that of Jupiter Mines Limited to the south.

DIRECTORS' REPORT (continued)

3. REVIEW OF OPERATIONS (continued)

EXPLORATION (continued)

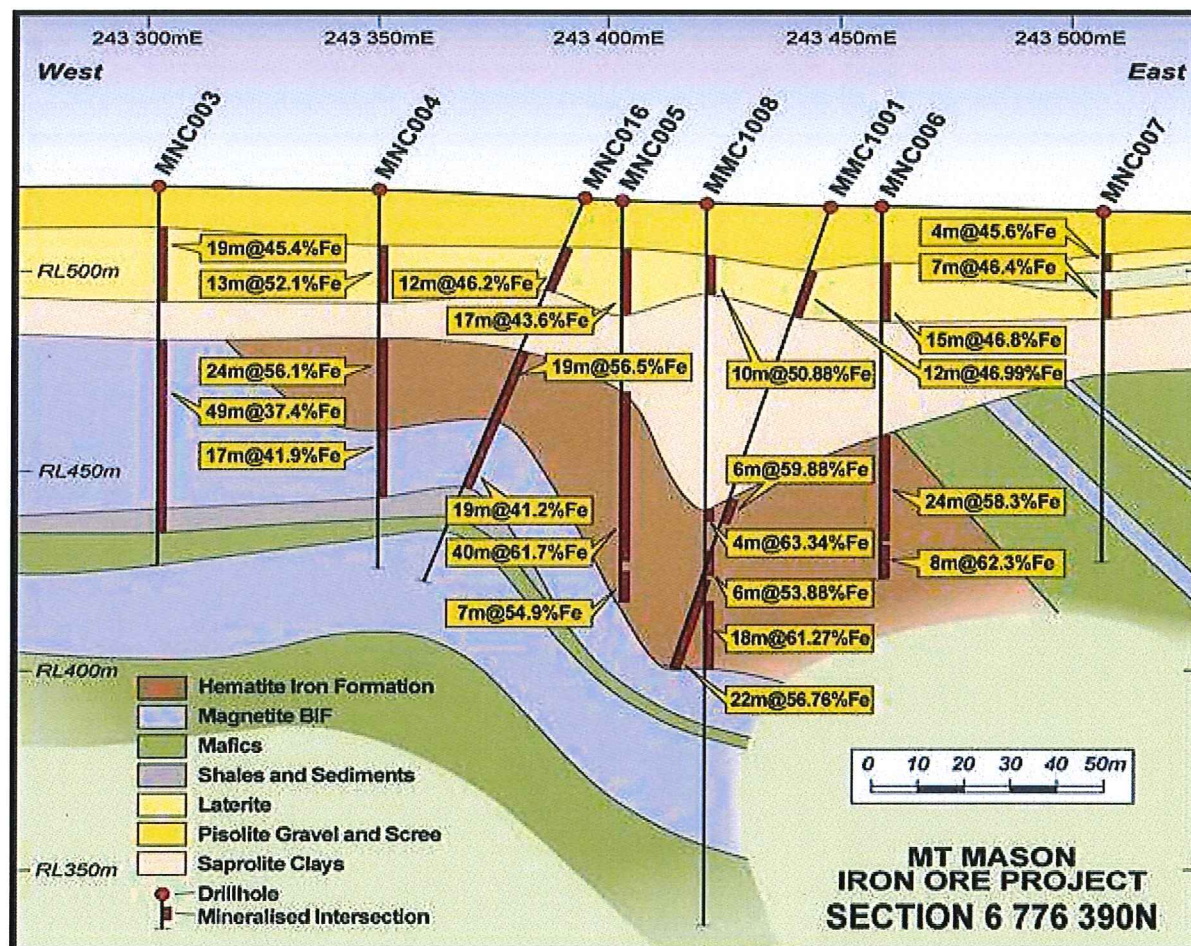


Figure 5: RC Drilling Program – Drilling Cross Section 6 776 390N.

Discussions are presently being held with joint venture partner Hawthorn Resources Limited regarding future exploration and drilling at Mt Mason North, and potential co-development of the Mt Mason North deposit with the adjoining Mt Mason project of Jupiter Mines Limited.

Legacy Iron holds a 60% share of the Mount Bevan Joint Venture with Hawthorn Resources Ltd holding the remaining 40%.

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

3. REVIEW OF OPERATIONS (continued)

Pilbara Iron Ore Projects

GOLD

previously reported to ASX in detail

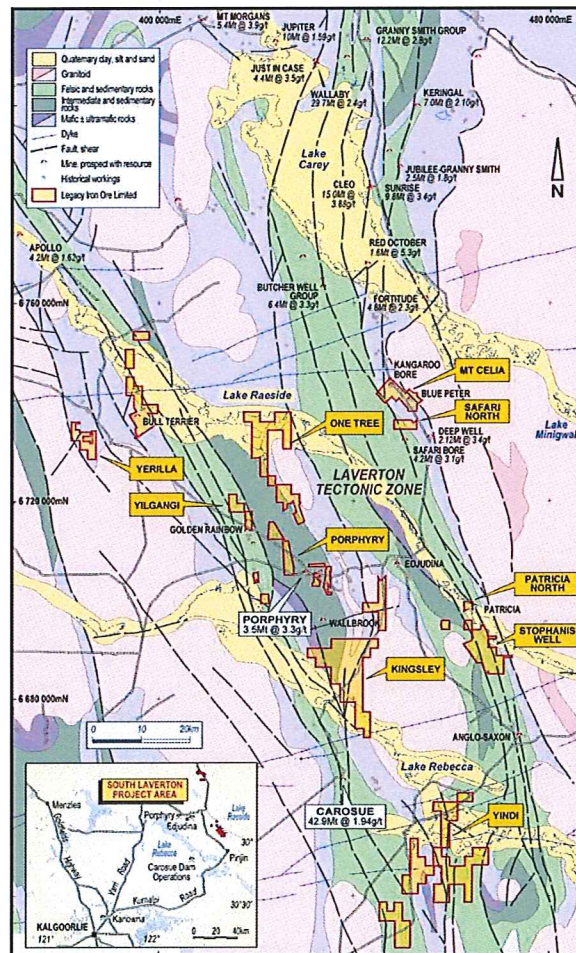


Figure 6: South Laverton Gold Project - Tenement Locations

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****EXPLORATION (continued)****Table 3: LEGACY IRON ORE LIMITED
JORC COMPLIANT RESOURCES - GOLD**

PROJECT	DEPOSIT	JORC Resource Category	LOWER CUT OFF	TONNAGE	GRADE	GOLD
			g/t Au	Tonnes	g/t Au	oz
Mt Celia	Kangaroo Bore	Indicated	0.7	1,037,000	1.4	46400
	Blue Peter	Inferred	1.0	239,232	3.97	30554
Yerilla	Bull Terrier	Inferred	1.0	527,000	1.92	32500
Yigangi	Golden Rainbow	Inferred	1.0	204,600	1.83	12000
Total Gold oz						121454

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.

East Kimberley Projects

The East Kimberley Project tenements are located in the Halls Creek area. Halls Creek is located 347km south of Kununurra and is readily accessible via the sealed Great Northern Highway. These tenements currently comprise two exploration licences – Koongie Park and Mt Bradley, (Figure 7).

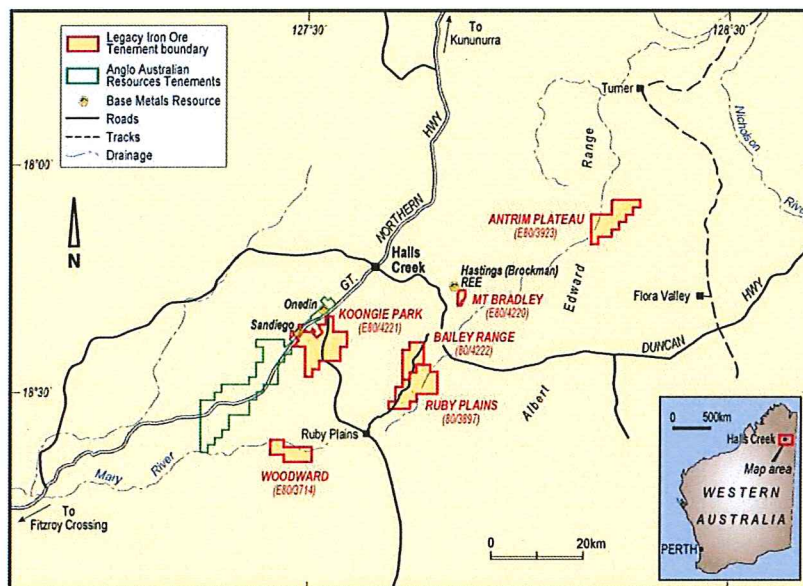
DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****EXPLORATION (continued)**

Figure 7: Location of East Kimberley Projects
(Koongie Park and Mt Bradley current projects)

Koongie Park (Basemetal, gold)

Legacy Iron holds exploration licence E80/4221 that is contiguous with ground under exploration by Anglo Australian Resources Limited (AAR) at its Koongie Park VHMS base metals deposit. AAR has defined substantial base metal/gold/silver mineralisation in two deposits to date, with a total JORC resource (Indicated and Inferred) of 8Mt at 3.3% zinc, 1.2% copper, 0.3g/t gold and 23g/t silver. AAR has also recently outlined a shallow supergene high grade copper resource.

The style of mineralisation (VHMS) is similar to that found at Sandfire Resources' Doolgunna discovery and at the Teutonic Bore/Jaguar/Bentley deposits of Independence Group. This style of deposit is known worldwide to occur in clusters and often the early discoveries in these camps are not the largest.

High resolution aeromagnetic data has shown the presence in Legacy Iron's ground of substantial areas of the same stratigraphic units that host the AAR base metal mineralisation (*Figure 8*). These lie largely under shallow alluvial plain cover.

DIRECTORS' REPORT (continued)

3. REVIEW OF OPERATIONS (continued)

EXPLORATION (continued)

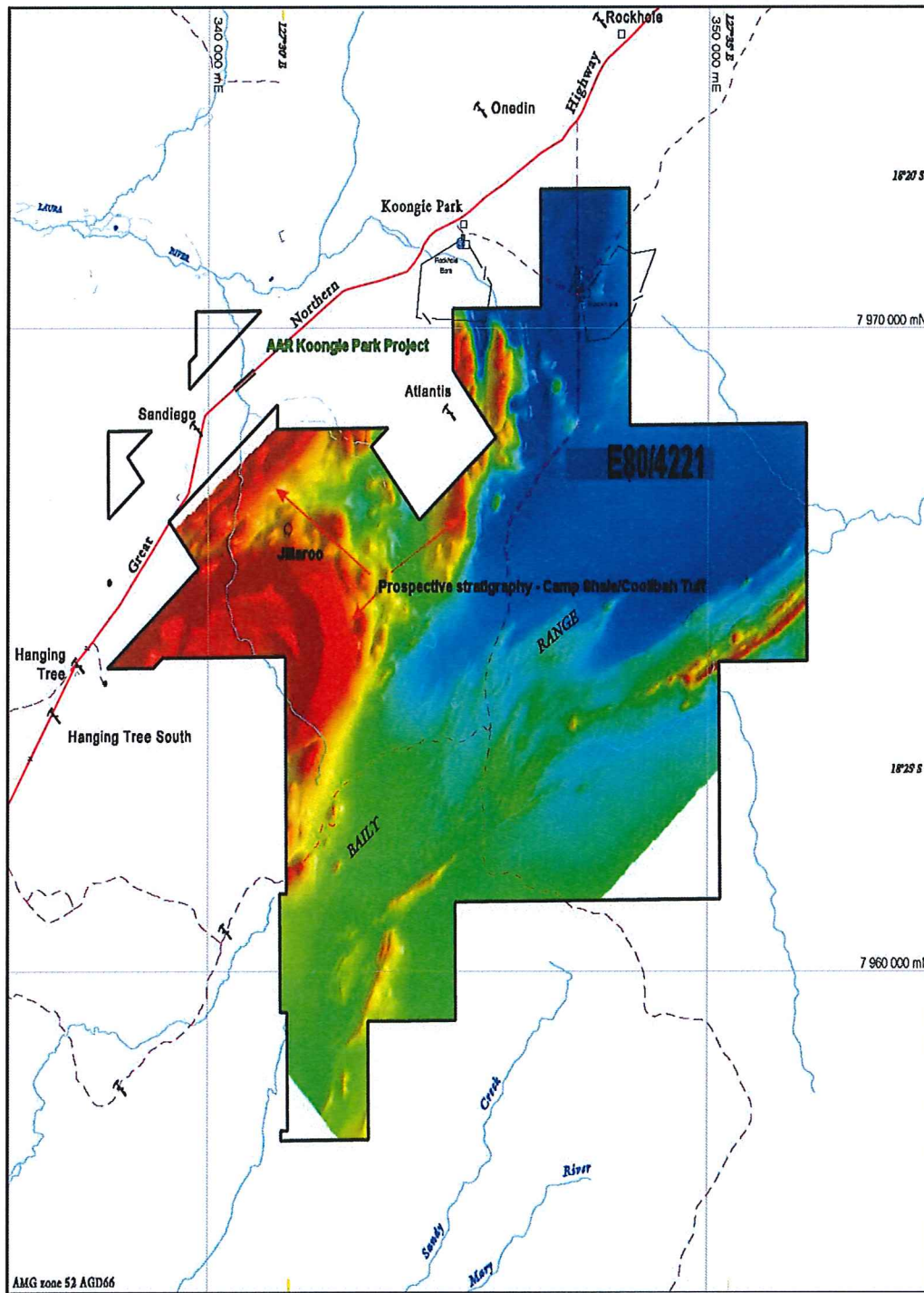


Figure 8: Koongie Park – high resolution aeromagnetics
(red = high magnetic stratigraphy equating to magnetite bearing members of prospective Camp Shale Member)

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****EXPLORATION (continued)**

Fieldwork was aimed at validating these similar trends as much as possible in the field. The host Camp Shale unit was found to outcrop only in the most northern sector. However, weathering resistant tourmaline rich cherts were found as sparse outcrop and sub-crop in the southern sector within open alluvial plain. These are indicative of submarine exhalative processes related to VHMS mineralisation (*Figure 9*).

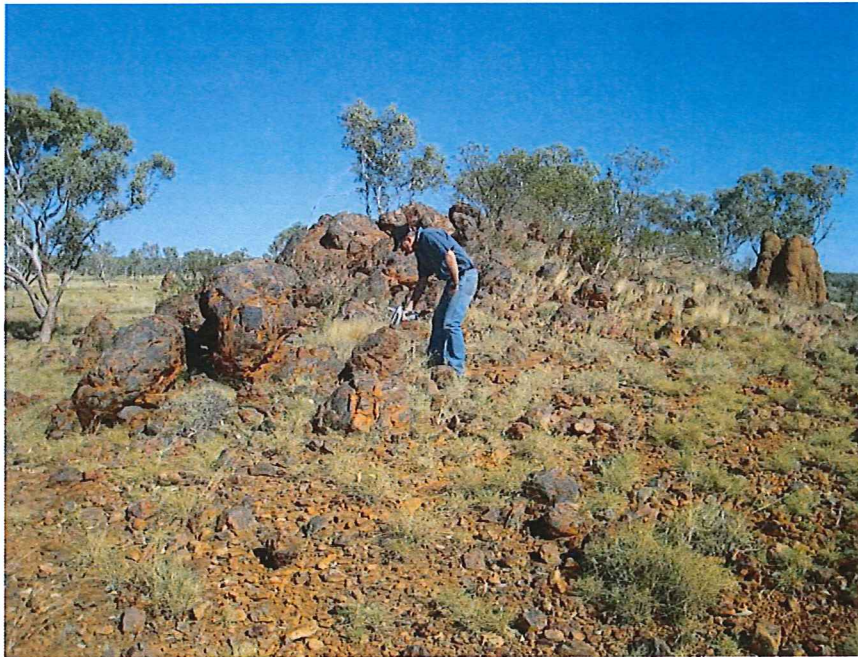


Figure 9: Koongie Park – outcropping tourmalinite chert horizons

At one occurrence, the **Jillaroo prospect**, the chert horizon contains a substantial gossan (representing weathered, leached sulphide mineralisation). Assays taken using a portable Niton XRF unit showed substantially elevated base metal concentrations to 994 ppm zinc, 173 ppm copper, and 253 ppm lead (*Figures 10 and 11*).

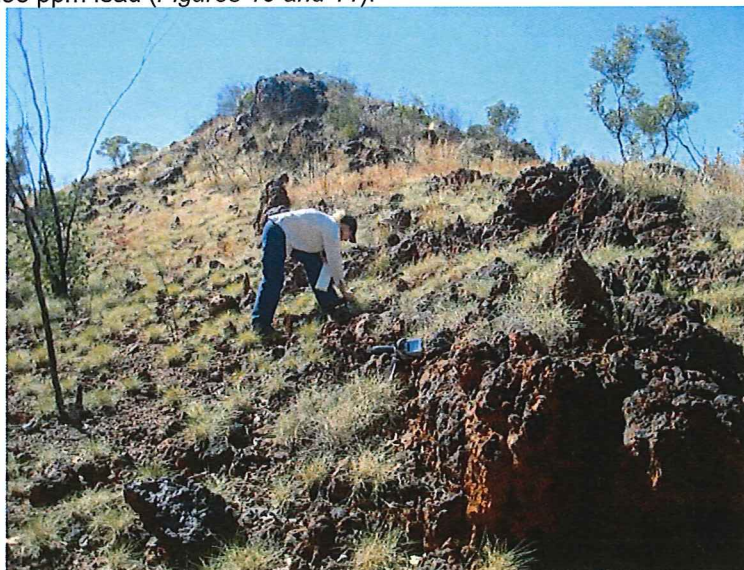


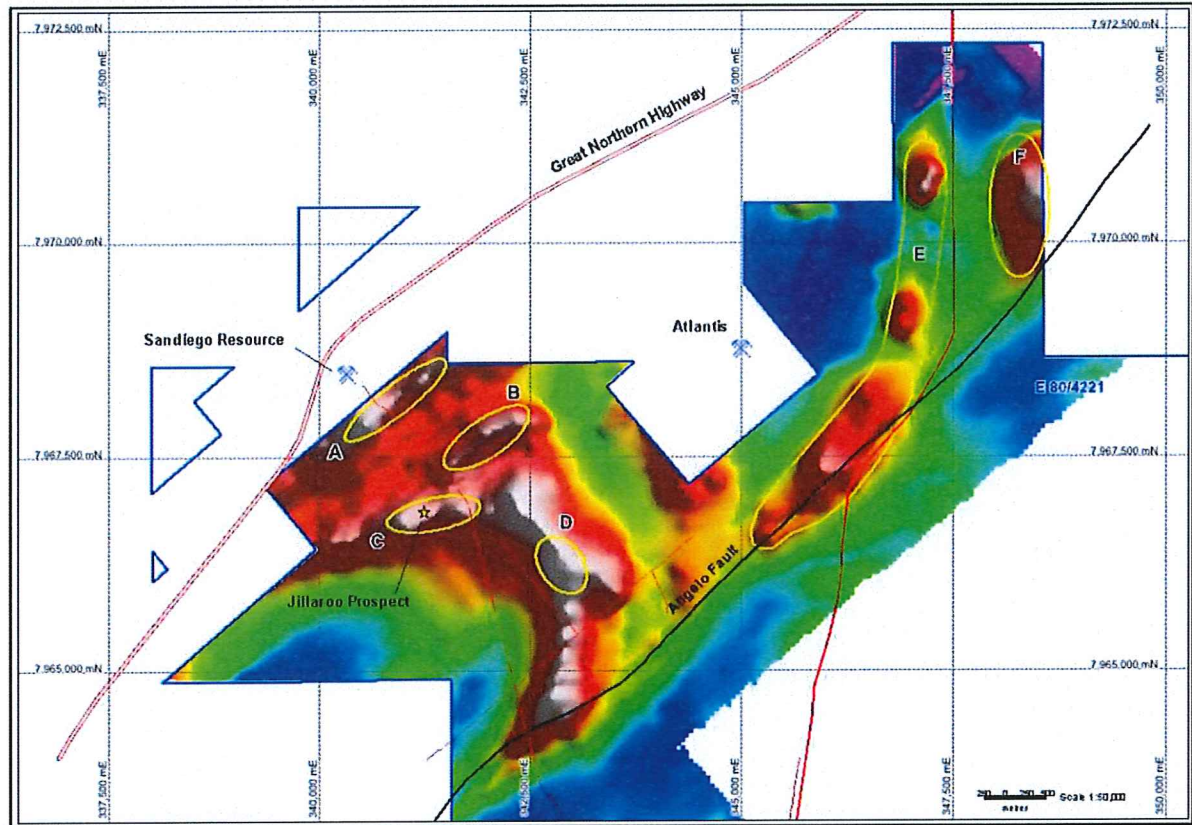
Figure 10: Jillaroo prospect – tourmalinite chert with gossan

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****EXPLORATION (continued)**

Figure 11: Jillaroo prospect – gossan

This reconnaissance work clearly indicates the excellent potential of the Legacy Iron ground to host VHMS mineralisation.

A HELITEM survey over the northern part of the project area produced several significant conductors, one of which is associated with the Jillaroo prospect gossan. Modelling of these conductors produced the following significant results (*Figure 12*):

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****EXPLORATION (continued)**

(Channel 15 – midtime)

Figure 12: 3D plan of HELITEM conductors

A to D: Conductors associated with the VHMS basemetal prospective volcano-sedimentary stratigraphy. This stratigraphy is masked by shallow alluvium. Conductors are moderately to steeply dipping with modelled tops being shallow (60 – 90m)

E and F: These conductors are associated with the major Angelo Fault with the most significant conductors occurring on the fault at interpreted splay fault induced dilational zones. These conductors have been modelled with tops 175 – 205m deep.

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.

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****EXPLORATION (continued)****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.

Competent Person's Statement:

The information in this statement that relates to the Mt Bevan Mineral Resource Estimate is based on work done by Rod Brown of SRK Consulting (Australasia) Pty Ltd and Steve Shelton of Legacy Iron Ore Limited. Steve Shelton takes responsibility for the integrity of the Exploration Results including sampling, assaying, and QA/QC. Rod Brown takes responsibility for the Mineral Resource Estimate.

Rod Brown and Steve Shelton are Members of The Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity they are undertaking, to qualify as Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition).

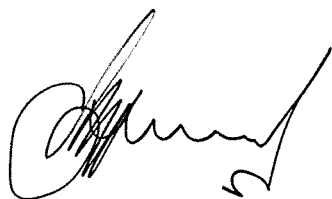
Steve Shelton is a Member of the Australian Institute of Geoscientists and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Persons in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition).

The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.

4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

This report is made in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Timothy Turner', with a stylized flourish at the end.

Mr Timothy Turner
Non-Executive Director
Perth
12 March 2015

12 March 2015

Board of Directors
Legacy Iron Ore Limited
Ground Floor
15 Rheola Street
West Perth, WA 6005

Dear Sirs

RE: LEGACY IRON ORE LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Legacy Iron Ore Limited.

As Audit Director for the review of the financial statements of Legacy Iron Ore Limited for the period ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Samir Tirodkar
Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

	Note	Half Year 2014 \$	Restated Half Year 2013 \$
Other Revenue		122,882	33,220
Compliance and regulatory expenses		(80,016)	(62,237)
Depreciation and amortisation expenses		(13,018)	(24,293)
Key management personnel remuneration		(285,364)	(246,006)
Employee benefits expenses		(131,438)	(398,503)
Exploration expenditure expensed		-	(29,964)
Exploration tenements written off	3	(1,875,120)	(1,812,753)
Occupancy expenses		(134,327)	(297,627)
Legal expenses		(1,803)	(130,492)
Travel expenses		-	(34,641)
Other expenses		(165,311)	(224,744)
Corporate services		(50,165)	(981,925)
Finance costs	3	(23,684)	(258,442)
Impairment		-	(40,000)
Loss on disposal of motor vehicles		(72,931)	-
Loss before income tax		(2,710,295)	(4,508,407)
Income tax expense	4	-	-
LOSS FOR THE HALF YEAR ATTRIBUTABLE TO THE MEMBERS OF LEGACY IRON ORE LIMITED		(2,710,295)	(4,508,407)
OTHER COMPREHENSIVE (LOSS)/ INCOME			
<i>Items that may be reclassified to profit or loss</i>			
Net gain/(loss) on revaluation of financial assets	5	(88,026)	(12,575)
<i>Items that will not be reclassified to profit or loss</i>		-	-
Total other comprehensive (loss)/ income		(88,026)	(12,575)
TOTAL COMPREHENSIVE (LOSS) FOR THE HALF YEAR ATTRIBUTABLE TO THE MEMBERS OF LEGACY IRON ORE LIMITED		(2,798,321)	(4,520,982)
Basic and diluted loss per share		(0.22) cents per share	(0.77) cents per share

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	31 December 2014 \$	30 June 2014 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		8,528,534	337,879
Other Financial Assets	5	469,547	983,522
Other Receivables	6	548,723	672,744
TOTAL CURRENT ASSETS		<u>9,546,804</u>	<u>1,994,145</u>
NON CURRENT ASSETS			
Plant and Equipment		151,962	64,979
Exploration and Evaluation Expenditure	7	7,527,801	9,002,294
Other Receivables	6	-	286,144
TOTAL NON CURRENT ASSETS		<u>7,679,763</u>	<u>9,353,417</u>
TOTAL ASSETS		17,226,567	11,347,562
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		129,151	615,105
Employee Benefits		27,256	116,618
Borrowings	8	36,509	3,000,000
TOTAL CURRENT LIABILITIES		<u>192,916</u>	<u>3,731,723</u>
NON CURRENT LIABILITIES			
Employee Benefits		7,075	6,345
Borrowings	8	109,129	100,000
TOTAL NON CURRENT LIABILITIES		<u>116,204</u>	<u>106,345</u>
TOTAL LIABILITIES		309,120	3,838,068
NET ASSETS		<u>16,917,447</u>	<u>7,509,494</u>
EQUITY			
Issued Capital	9	54,626,757	42,420,483
Reserves		15,892,497	15,980,523
Accumulated Losses		(53,601,807)	(50,891,512)
TOTAL EQUITY		<u>16,917,447</u>	<u>7,509,494</u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

	Ordinary Share Capital \$	Share Based Payment Reserve \$	Option Premium Reserve \$	Financial Assets Reserve \$	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2013 (RESTATED)	42,158,338	16,242,084	90,539	-	(41,118,327)	17,372,634
Loss for the half-year	-	-	-	-	(4,508,407)	(4,508,407)
Other comprehensive income for the period	-	-	-	(12,575)	-	(12,575)
Total comprehensive income/(loss) for the period	-	-	-	(12,575)	(4,508,407)	(4,520,982)
Shares issued during the period	200,000	-	-	-	-	200,000
BALANCE AT 31 DECEMBER 2013 (RESTATED)	42,358,338	16,242,084	90,539	(12,575)	(45,626,734)	13,051,652
BALANCE AT 1 JULY 2014	42,420,483	16,242,084	90,539	(352,100)	(50,891,512)	7,509,494
Loss for the half-year	-	-	-	-	(2,710,295)	(2,710,295)
Other comprehensive loss for the period	-	-	-	(88,026)	-	(88,026)
Total comprehensive income/(loss) for the period	-	-	-	(88,026)	(2,710,295)	(2,798,321)
Shares issued during the period (net of transaction costs)	12,206,274	-	-	-	-	12,206,274
BALANCE AT 31 DECEMBER 2014	54,626,757	16,242,084	90,539	(440,126)	(53,601,807)	16,917,447

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

	Half Year 2014 \$	Half Year 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,143,266)	(2,783,540)
Interest received	18,085	26,842
Finance costs paid	(33,981)	-
Amounts repaid by former director	458,358	-
<i>Net cash flows (used in) operating activities</i>	<u>(700,804)</u>	<u>(2,756,698)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for exploration and evaluation	(639,581)	(625,870)
Proceeds from the sale of fixed assets	-	-
Payment for purchase of fixed assets	-	-
Payment of security deposit	(408)	(1,564)
Proceeds from held to maturity financial assets	425,174	60,000
Receipt of cash call from Joint Venture participant	-	501,580
Repayment of loan from unrelated entity	-	90,000
<i>Net cash flows (used in)/from investing activities</i>	<u>(214,815)</u>	<u>24,146</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	12,287,106	-
Costs of raising capital	(80,832)	-
Repayment of borrowings	(3,200,000)	(515,000)
Proceeds from borrowings	100,000	2,015,000
Proceeds from the issue of convertible securities	-	1,000,000
Proceeds from the application of shares	-	25,432
Repayment of share application funds	-	(25,432)
<i>Net cash flows from financing activities</i>	<u>9,106,274</u>	<u>2,500,000</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	8,190,655	(232,552)
Cash and Cash Equivalents at the Beginning of Half Year	<u>337,879</u>	<u>1,386,872</u>
CASH AND CASH EQUIVALENTS AT THE END OF HALF YEAR	<u>8,528,534</u>	<u>1,154,320</u>

The accompanying notes form part of these financial statements.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

1. BASIS OF PREPARATION OF HALF YEAR REPORT

This condensed consolidated interim financial report for the half year reporting period ended 31 December 2014 is a general purpose financial statement prepared in accordance with requirements of the *Corporations Act 2001*, Applicable Accounting Standards, including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

This condensed consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Legacy Iron Ore Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014 together with any public announcements made during the half year.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except in relation to the matters discussed at Note 1(b) below:

(a) Going Concern

The 31 December 2014 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

(b) New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

In the half-year ended 31 December 2014, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to the Group's accounting policies.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

1. BASIS OF PREPARATION OF HALF YEAR REPORT (continued)

(c) Prior Period Adjustment

Following a review and analysis by the Board of financial transactions for the period June 2011 to 30 June 2014 as disclosed in Note 1(b) to the 30 June 2014 financial statements, the Company has restated the prior period financial statements to more appropriately reflect the nature of certain transactions initially recorded as "corporate services" in the Statement of Profit or Loss to amounts paid to and recoverable from former director, Ms Sharon Heng in the Statement of Financial Position.

As this adjustment related to multiple reporting periods, the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 31 December 2013 has been restated as follows:

	31 December 2013 Previously Reported	(Increase)/ Decrease	Restated 31 December 2013
	\$	\$	\$
Statement of Profit & Loss and other Comprehensive Income (extract)			
Revenue	33,220	-	33,220
Corporate Services	(1,081,925)	100,000	(981,925)
Other Reported Expenses	(3,559,702)	-	(3,559,702)
Loss before Income Tax	(4,608,407)	100,000	(4,508,407)
Total Comprehensive Loss for the year	(4,620,982)	100,000	(4,520,982)
Basic and diluted (loss) per share	(0.79) cents		(0.77) cents

2. DIVIDENDS

No dividends have been paid or proposed during the six month period ended 31 December 2014 (2013: NIL).

3. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging the following significant expenses:

	2014 \$	2013 \$
Exploration tenements written off (a)	1,875,120	1,812,753
Finance costs (b)	23,684	258,442

(a) During the period the directors resolved to abandon certain areas of interest which have low prospectivity. Accordingly the capitalised exploration expenditure in relation to the areas abandoned was recognised as an expense during the period. Refer further to Note 7.

(b) The Group has repaid its borrowings during the six month period. Refer to Note 8.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

4. INCOME TAX

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 31 December 2014 is 0% (31 December 2013: 0%).

5. OTHER FINANCIAL ASSETS

	31 December 2014	30 June 2014
Current	\$	\$
Held-to-maturity financial assets		
- Security deposits held	280,923	706,872
Available-for-sale financial assets		
- Shares in listed corporation at fair value – Level 1 (i)	188,624	276,650
	469,547	983,522
	1 July 2014 to 31 December 2014	1 January 2014 to 30 June 2014
	\$	\$
(i) During the half year, the movement in the available for sale financial assets is as follows:		
Opening balance	276,650	616,175
Fair value gain/(loss) on available-for-sale financial assets reserve (a)	(88,026)	(339,525)
Impairment	-	-
Closing balance	188,624	276,650

(a) Fair value is determined by reference to quoted prices in an active market (ASX) – Level 1.

6. OTHER RECEIVABLES

	31 December 2014	30 June 2014
Current	\$	\$
Loan receivable – unrelated entity (a)	200,000	200,000
Less Provision for impairment	(200,000)	(200,000)
Sundry receivables – unrelated entities (b)	122,268	4,493
Recovery of amounts from related entity (c)	393,562	582,000
Sundry receivables - related entity (d)	-	52,826
Prepayments	32,893	33,425
Total current receivables	548,723	672,744
Non-current		
Recovery of amounts from related entity (c)	-	286,144
	-	286,144

- (a) The loan receivable from an unrelated entity is current and unsecured. The loan is past due and considered impaired.
- (b) Amounts receivable from unrelated entities are expected to be recovered within normal terms.
- (c) The receivable has arisen following the restatement of certain financial transactions. The amount is recoverable from the former Managing Director. Refer to Note 1(c). Interest accrues from 31 October 2014. The receivable is secured.
- (d) The receivable is recoverable from the former Managing Director.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

7. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2014	30 June 2014
	\$	\$
Non-Current		
Costs carried forward in respect of areas of interest in:		
- Exploration and evaluation phases	<u>7,527,801</u>	<u>9,002,294</u>
Movement in carrying amounts		
Carrying amount at the beginning of the period	9,002,294	12,549,869
Exploration expenditure capitalised during the period	498,170	356,365
Less: Recovery of expenditure from Joint Venture participant	(97,543)	(134,961)
Less: Exploration written off on areas to be relinquished	(1,875,120)	(3,768,979)
Carrying amount at the end of the period	<u>7,527,801</u>	<u>9,002,294</u>

The recoverability of the carrying amount of exploration and evaluation is dependent on:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and commercial exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

8. BORROWINGS

	31 December 2014	30 June 2014
	\$	\$
Current		
Bank loans (i)	-	3,000,000
Lease liability (ii)	36,509	-
	<u>36,509</u>	<u>3,000,000</u>
Non Current		
Convertible securities (iii)	-	100,000
Lease liability (ii)	109,129	-
	<u>109,129</u>	<u>100,000</u>

- (i) The bank loan was repaid in full during the period.
- (ii) The lease liability represents amount due on a non-cancellable finance lease entered into by the Group for a motor vehicle with an effective interest rate of 7.89%.
- (iii) The convertible securities were repaid in full during the period.

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

9. ISSUED CAPITAL

(a) Fully paid ordinary shares

	31 December 2014		30 June 2014	
	No	\$	No	\$
At beginning of reporting period	590,613,697	42,420,483	587,204,606	42,358,338
Shares issued during the period				
- Conversion of convertible securities	-	-	3,409,091	75,000
- Rights issue	877,650,460	12,287,106	-	-
- Transaction costs relating to share issues	-	(80,832)	-	(12,855)
At reporting date	<u>1,468,264,157</u>	<u>54,626,757</u>	<u>590,613,697</u>	<u>42,420,483</u>

(b) Options on issue

	31 December 2014	30 June 2014
	No	No
At beginning of reporting period	135,378,908	139,678,908
Options issued during the half year	-	-
Options expired during the half year	(39,658,908)	(4,300,000)
At reporting date	<u>95,720,000</u>	<u>135,378,908</u>

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

10. SEGMENT INFORMATION

Identification of Reportable Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources.

The Group is managed on the basis of there being 2 (two) (previously 3 (three)) reportable segments being:

- (i) Gold exploration and development in Australia;
- (ii) Iron ore (and manganese) exploration and development in Australia; and
- (iii) Coal exploration and development in Australia (discontinued).

	<i>Iron Ore</i>	<i>Gold</i>	<i>Coal</i>	<i>Corporate</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Six months ended 31 December 2014					
SEGMENT REVENUE	8,868	-	-	114,014	122,882
SEGMENT NET LOSS BEFORE TAX					
Exploration tenements written off	(1,773,172)	(101,948)	-	-	(1,875,120)
Depreciation	-	-	-	(13,018)	(13,018)
Corporate charges	-	-	-	(945,039)	(945,039)
SEGMENT LOSS	(1,764,304)	(101,948)	-	(844,043)	(2,710,295)
SEGMENT ASSETS	5,207,078	2,509,347	-	9,510,142	17,226,567
Segment asset increases/(decreases) for the half year	(1,679,716)	117,197	-	7,441,524	5,879,005
SEGMENT LIABILITIES	-	-	-	309,120	309,120
Six months ended 31 December 2013 (restated)					
SEGMENT REVENUE	3,401	-	-	29,819	33,220
SEGMENT NET LOSS BEFORE TAX					
Exploration tenements written off	(1,253,376)	(559,377)	-	-	(1,812,753)
Depreciation	-	-	-	(24,293)	(24,293)
Impairment of other receivables	-	-	-	(40,000)	(40,000)
Corporate charges	-	-	-	(2,664,581)	(2,664,581)
SEGMENT LOSS	(1,249,975)	(559,377)	-	(2,699,055)	(4,508,407)
SEGMENT ASSETS	7,151,912	2,461,752	3,552,380	2,354,504	15,520,548
Segment asset increases/(decreases) for the half year	(1,493,579)	(343,977)	72,804	(505,060)	(2,269,812)
SEGMENT LIABILITIES	-	-	-	3,159,935	3,159,935

**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

11. CONTINGENT LIABILITIES

The Group has no contingent liabilities as at 31 December 2014.

12. EVENTS SUBSEQUENT TO REPORTING DATE

Mr Rakesh Gupta was appointed Chief Executive Officer effective 21 January 2015.

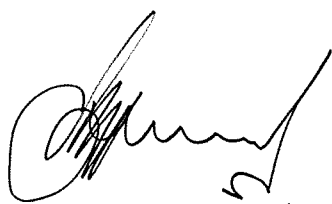
Mr Swaminathan Thiagarajan resigned from the position of non-executive director on 6 January 2015 and on 22 January 2015 Mr Devinder Singh Ahluwalia was appointed Non-Executive Director.

No other matter or circumstance has arisen since the end of the half year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Legacy Iron Ore Limited, the Directors of the Company declare that:

- (a) the Financial Statements and notes, as set out on the accompanying pages, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134: Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date.
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Mr Timothy Turner
Non-Executive Director
Perth
12 March 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
LEGACY IRON ORE LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Legacy Iron Ore Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Legacy Iron Ore Limited (the consolidated entity). The consolidated entity comprises both Legacy Iron Ore Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Legacy Iron Ore Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Legacy Iron Ore Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Legacy Iron Ore Limited on 12 March 2015.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Legacy Iron Ore Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International
Samir

Samir Tirodkar
Director

West Perth, Western Australia
12 March 2015