LEGACY

IRON ORE LIMITED

(ACN 125 010 353)

Financial Report
for the Nine Month Period Ended 31 March 2015

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Mr Devanathan Ramachandran (Non-Executive Director) (appointed 5 November 2014)
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OPERATIONS REPORT

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 explored for iron ore and manganese while in the Eastern Goldfields region, exploration is focussed on gold. 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.

Following a review of exploration priorities in the light of fallen commodity prices, a number of projects were surrendered or allowed to expire during the period. These include the Queensland Coal Projects, and the Pilbara region projects (Robertson Range and Hamersley)

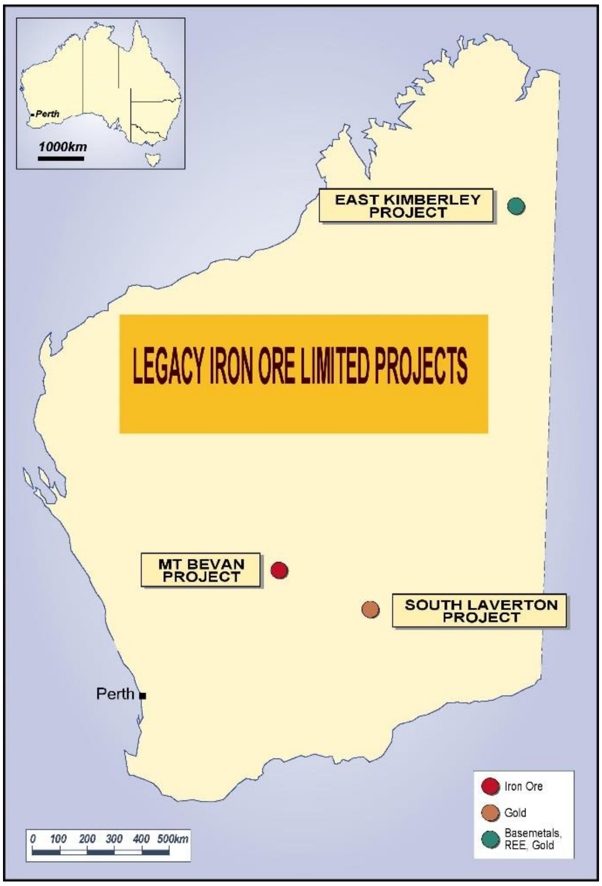


Figure 1: Location of Legacy Iron Projects

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.

OPERATIONS REPORT (continued)

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.

.A 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.

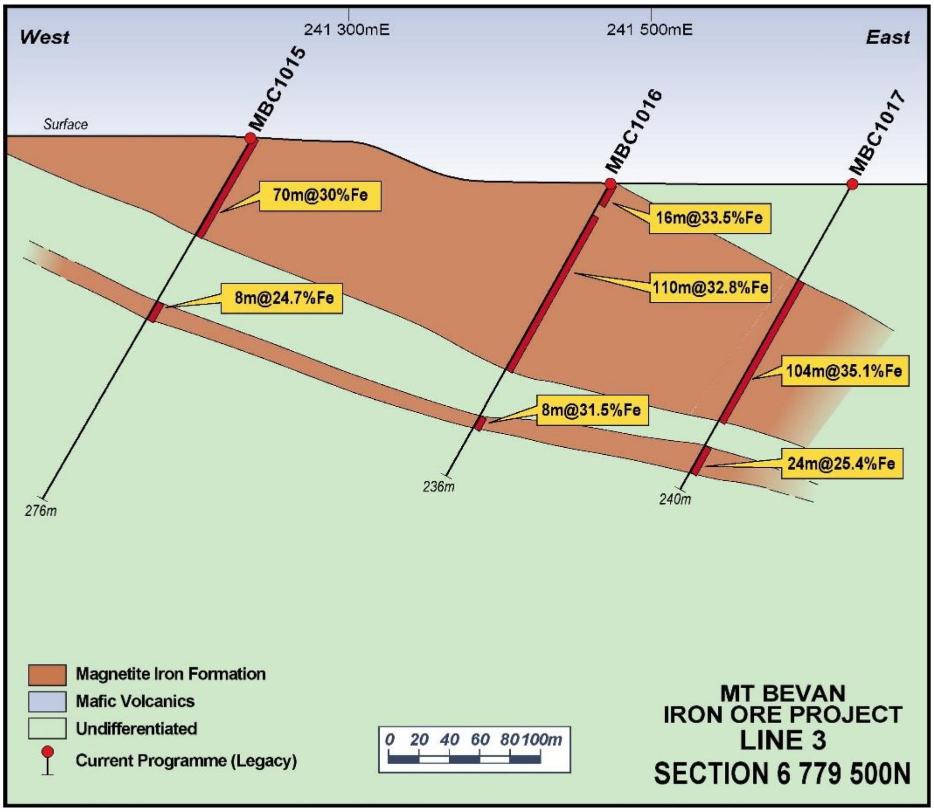


Figure 3: Drilling Cross Section - Lines 3

OPERATIONS REPORT (continued)

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_2O_3 %	CaO %	P %	S %	LOI %	MgO %	Mn %
Indicated	*In situ* Total	322	34.7	46.2	0.57	1.35	0.054	0.131	-1.05	1.91	0.31
	In situ 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	*In situ* Total	847	35.0	45.6	0.77	2.00	0.063	0.39	-1.15	1.77	0.04
	In situ 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	*In situ* Total	1,170	34.9	45.8	0.71	1.82	0.060	0.137	-1.12	1.81	0.11
	In situ 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

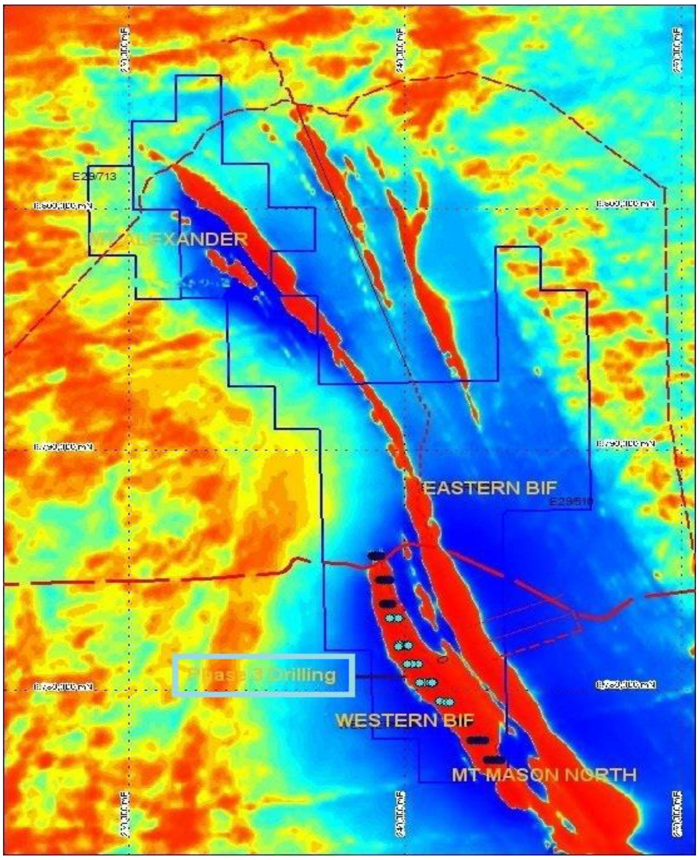


Figure 4: Aeromagnetic image showing Eastern and Western BIF targets

OPERATIONS REPORT (continued)

Mt Bevan DSO Exploration

During the period, surface mapping and geochemical programs were completed targeting DSO iron ore mineralisation within the project area

The initial work completed in the Phase 4 program returned a series of encouraging high iron, low contaminant assays after mapping and surface sampling on the Eastern BIF target. Following the success of this work, a second phase of mapping and sampling was undertaken. This program comprised infill and extensional sampling on the Eastern BIF which extends for some 20km of strike within the Mt Bevan project area (Figure 4). This work has now been completed, with encouraging results. Surface mapping also outlined another BIF horizon lying between the Western and Eastern BIFs – this has been termed the Mezzo BIF.

Visibly high iron samples were first ‘screened’ by use of a portable Niton XRF, and selected samples despatched to ALS Perth for Fe suite analysis. A number of high iron (greater than 50% Fe) assays were received from this and the earlier field program. An aerial image showing the position of high Fe samples is shown as Figure 5; with Table 2 below providing combined most significant assays (greater than 60%) for the two field programs.

The Eastern BIF was identified by Legacy Iron earlier as having potential for DSO hematite, with only very sparse drilling conducted to date on this target. Most prior drilling has focussed on the Western BIF where a major magnetite resource was defined over a 10km strike length.

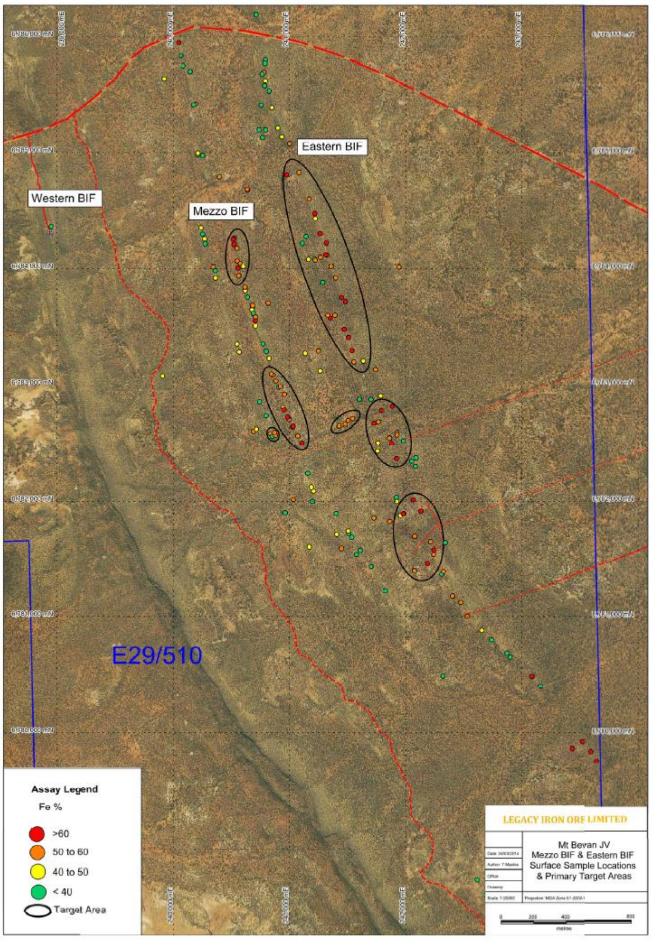


Figure 5: Eastern and Mezzo BIF Surface Sampling – Drill targets

OPERATIONS REPORT (continued)

Eastern BIF

SampleID	Easting	Northing	Fe %	Al2O3 %	SiO2 %	S %	LOI %
EB1019	241449	6783752	61.4	0.8	7.15	0.05	3.84
EB1044	241791	6782778	61.6	1.45	2.23	0.047	7.27
EB1048	243522	6779923	65.9	0.42	0.81	0.041	3.29
EB1052	242401	6781176	60.98	1.98	4.57	0.131	4.85
EB1062	241351	6783578	61.21	2.43	3.43	0.084	6.75
EB1063	241507	6783408	61.49	1.71	3.31	0.062	5.82
EB1103	242061	6782015	60.39	4.88	1.7	0.108	6.51
EB1117	243089	6780492	63.97	0.49	2.19	0.041	5.41
EB1138	243640	6779762	63.44	1.24	2.95	0.071	3.62
EB1139	243592	6779842	65.04	1.18	1.36	0.066	3.7
EB1140	243433	6779865	64.33	1.2	2.5	0.055	3.61
EB1172	240976	6784807	60.89	3	4.89	0.065	5.23
EB1180	241920	6782366	61.34	1.98	2.64	0.219	5.36
EB1185	241976	6781889	62.21	1.38	4.67	0.092	4.87
EB1186	242129	6781913	61.8	1.54	4.66	0.1	4.5
EB1190	242186	6781465	61.1	1.9	5.9	0.166	4.1
EB1193	242239	6781581	62.05	2.01	3.97	0.084	4.9
EB1205	241882	6782815	62.59	1.69	3.52	0.06	5.36
EB1214	241537	6783293	61.72	2.03	3.34	0.066	5.66
EB1215	241506	6783409	63.61	1.42	3.07	0.046	4.63
EB1216	241471	6783480	60.42	2.44	5.27	0.074	5.51
EB1241	241481	6783715	61.07	2.11	4.02	0.042	5.74
EB1251	241312	6784123	60.84	1.64	5.2	0.066	5.57
EB1252	241318	6784222	64.81	1.86	2.34	0.052	3.13
EB1253	241263	6784301	65.33	0.67	2.67	0.086	3.07
EB1255	241218	6784477	60.05	1.34	5.07	0.089	7.1
EB1283	241878	6782498	62.88	1.93	3.86	0.066	4.03

Mezzo BIF

SampleID	Easting	Northing	Fe %	Al2O3 %	SiO2 %	S %	LOI %
EB1039	240523	6784256	61.34	1.68	2.07	0.075	8.15
EB1047	241029	6782639	60.41	1.1	4.69	0.06	7.53
EB1075	241727	6782669	64.03	1.68	2.36	0.091	3.48
EB1077	241033	6782644	60.19	1.44	3.29	0.136	8.81
EB1078	240987	6782720	62.32	0.59	2.06	0.035	8.15
EB1080	240526	6784262	60.49	1.6	2.33	0.084	8.84
EB1087	240955	6782784	61.67	0.96	7	0.041	3.66
EB1088	241107	6782502	61.07	1.8	2.34	0.08	7.37
EB1147	240046	6785947	60.44	2.3	6.66	0.094	4.01
EB1221	240526	6784212	60.07	2.33	3.29	0.048	7.74
EB1222	240520	6784253	62.07	1.2	1.74	0.031	7.97
EB1230	240560	6784005	63.36	0.92	3.61	0.006	4.58
EB1236	240685	6783676	62.93	1.96	3.78	0.102	3.8
EB1261	240710	6783555	60.19	1.58	4.52	0.096	7.67

Table 2: Eastern and Mezzo BIF rock chip samples – assays > 60% Fe

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

OPERATIONS REPORT (continued)

A drilling location plan is shown in Figure 6 below.

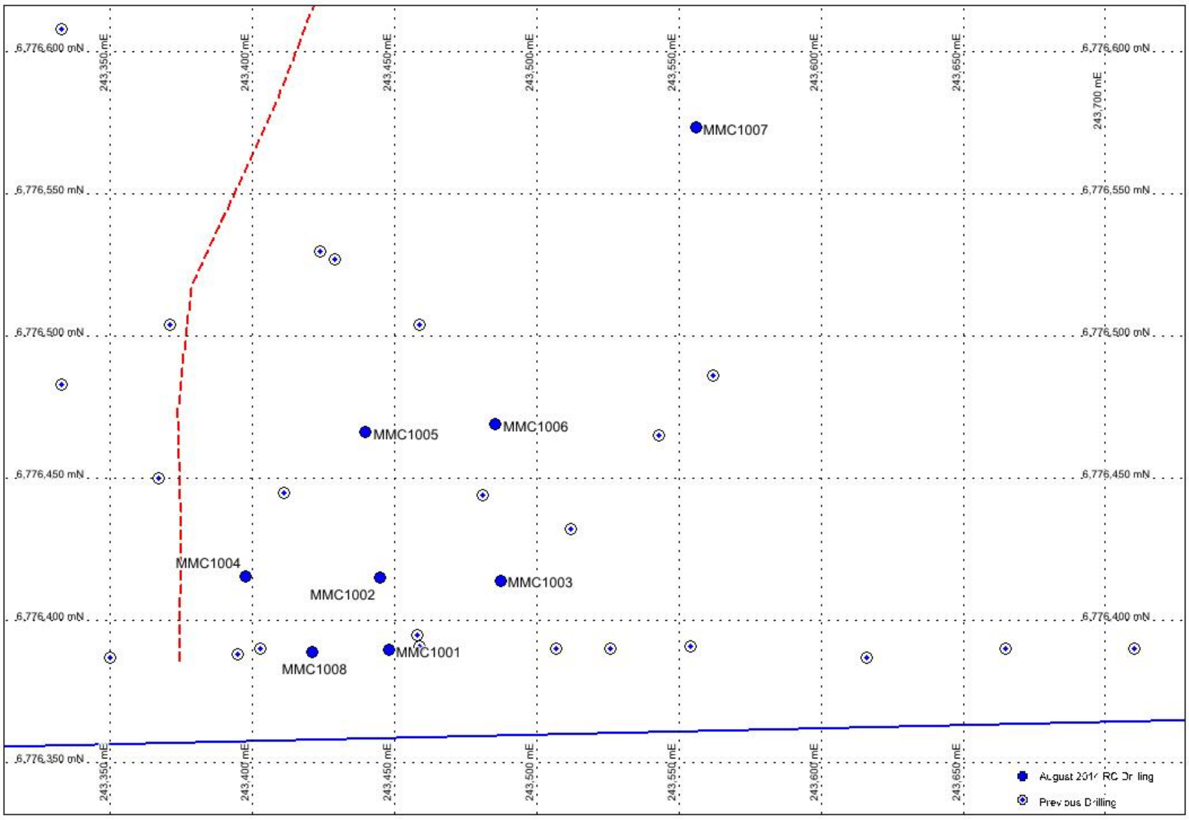


Figure 6: RC Drilling Program – Drill hole collar location plan

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 3 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.

OPERATIONS REPORT (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 3 Significant Drilling Intersections

A representative drilling cross section is shown as Figure 7. 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.

OPERATIONS REPORT (continued)

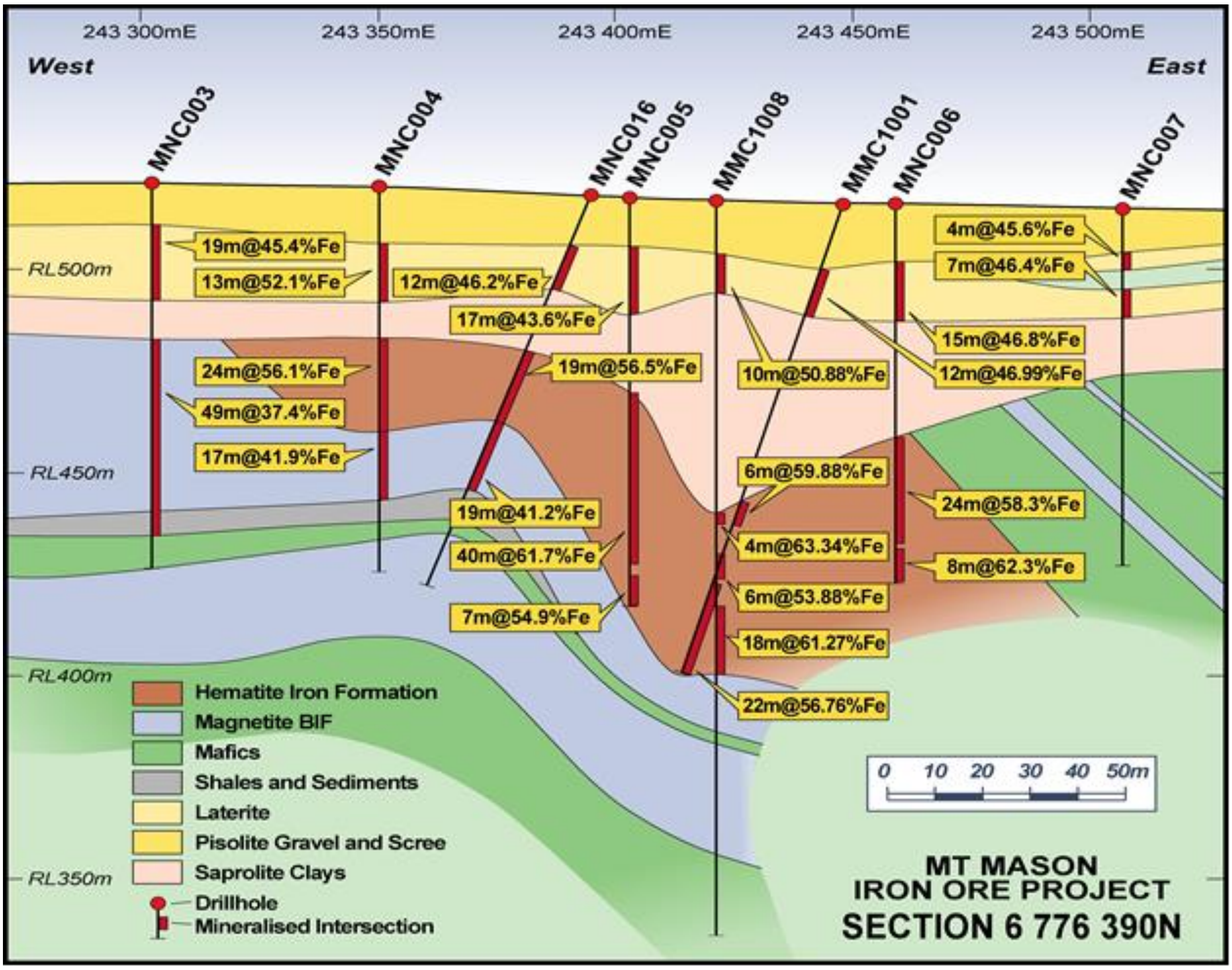


Figure 7: RC Drilling Program – Drilling Cross Section 6 776 390N.

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)

Pilbara Iron Ore and Manganese Projects

These projects were surrendered or allowed to expire during the period, taking into account current commodity prices and restrictions on exploration funding.

OPERATIONS REPORT (continued)

GOLD

Legacy's major interest lies in the South Laverton region, where the company holds some 460 square kilometres of prospective ground (*Figure 8*). The South Laverton project area lies along the Keith Kilkenny Tectonic Zone ("KKTZ") and the southern part of the Laverton Tectonic Zone ("LTZ"). These structures host numerous major gold mines, with the LTZ in particular hosting gold resources of some 20 million ounces. Drilling has defined several JORC compliant gold resources on Legacy tenements totalling 121,454 oz at Mt Celia, Yilgangi and Yerilla projects # (*Table 4*).

previously reported to ASX in detail

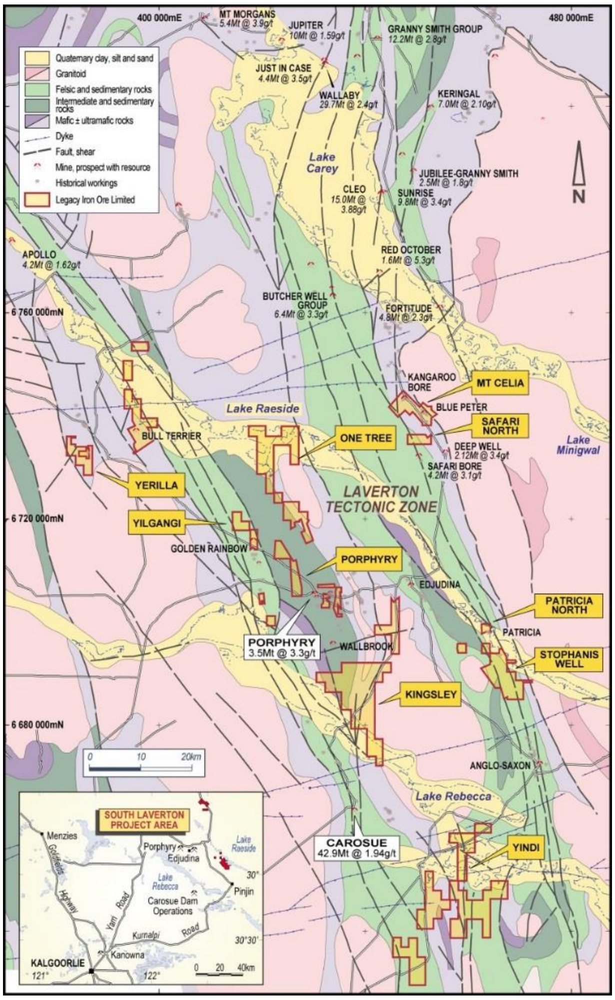


Figure 8: South Laverton Gold Project - Tenement Locations

OPERATIONS REPORT (continued)

Table 4: 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**

Only limited exploration was conducted on the South Laverton gold tenements during the period due to other exploration priorities.

South Laverton Gold – Mt Celia Project

Results of a soil geochemical program conducted on the Mt Celia project were received. A total of 88 samples were taken and analysed by Quantum Analytical Services, Perth. A gold in soil anomaly was defined in the southern Kangaroo Bore area at the Margot Find prospect, peaking at 137ppb gold. At the 20ppb gold contour level, the anomaly has approximate dimensions of 160 x 100m. This anomaly may lie on a southern extension of the Kangaroo Bore resource. A program of scout RC drilling is planned to test the target.

OPERATIONS REPORT (continued)

East Kimberley Project

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 9)*.

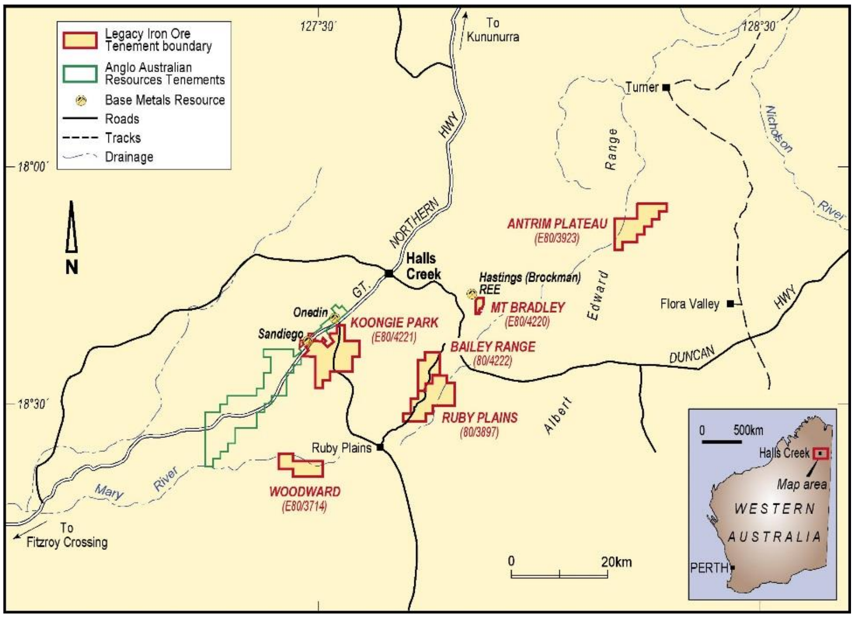


Figure 9: Location of East Kimberley Projects

Koongie Park

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 10*). These lie largely under shallow alluvial plain cover.

OPERATIONS REPORT (continued)

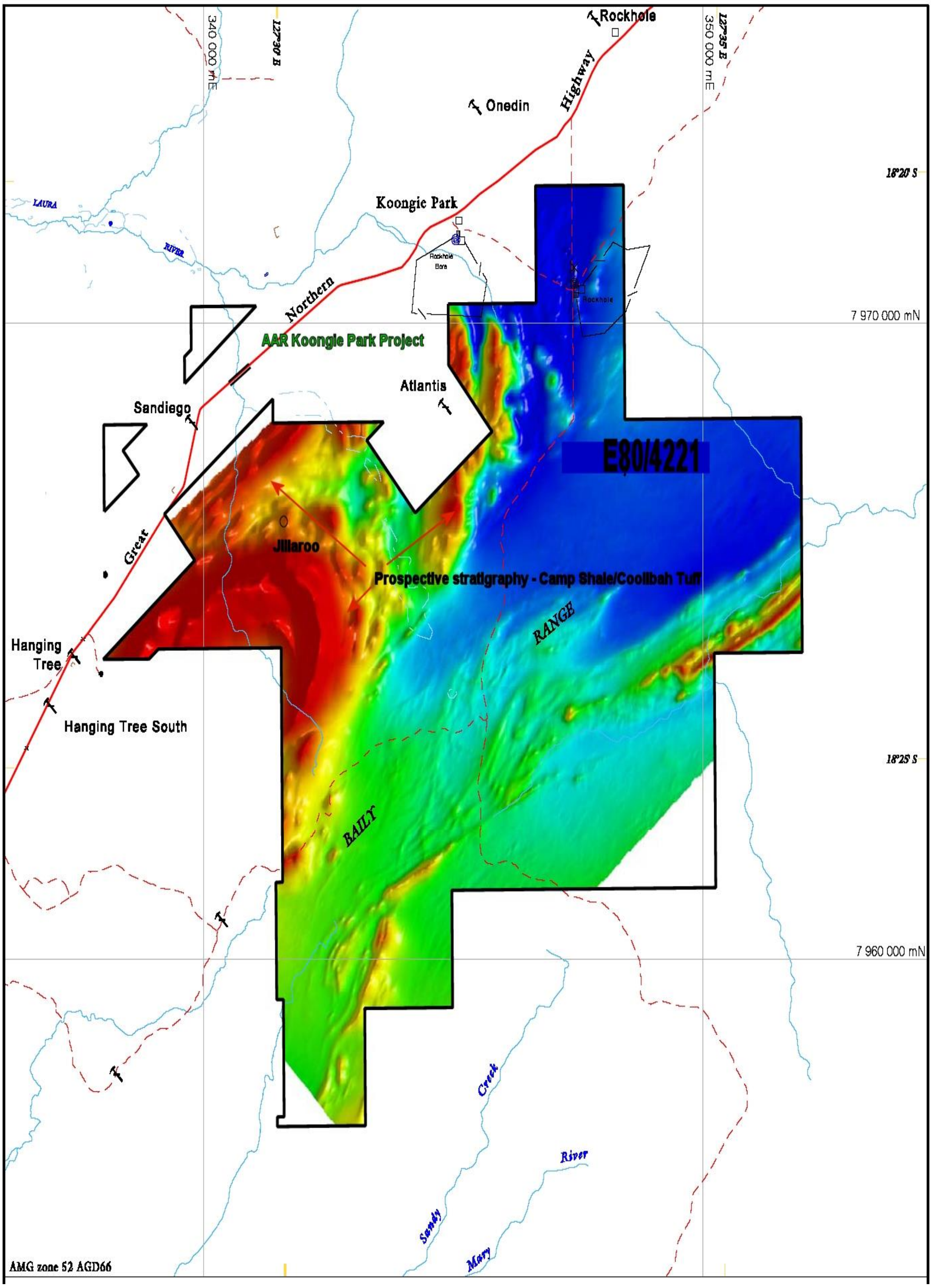


Figure 10: Koongie Park – high resolution aeromagnetics
(red = high magnetic stratigraphy equating to magnetite bearing members of prospective Camp Shale Member)

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 11*).

OPERATIONS REPORT (continued)

Figure 11: 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 12 and 13*).

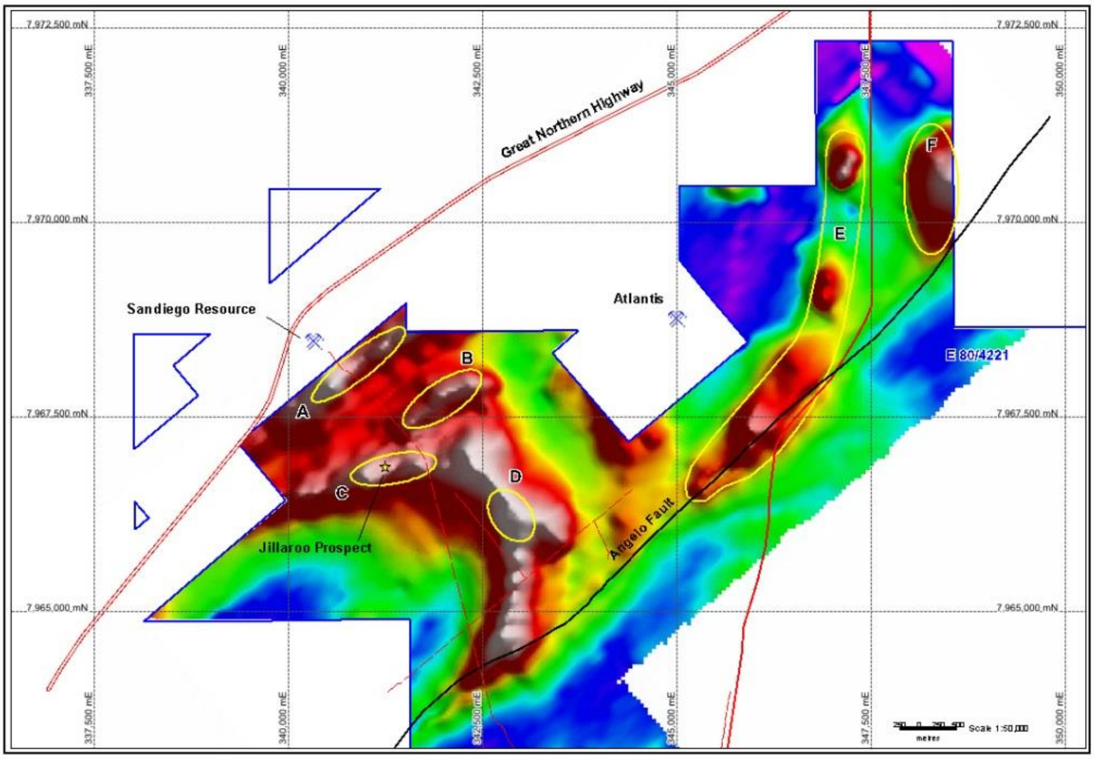
Figure 12: Jillaroo prospect – tourmalinite chert with gossan

OPERATIONS REPORT (continued)

Figure 13: 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 14*):



(Channel 15 – midtime)

Figure 14: 3D plan of HELITEM conductors

OPERATIONS REPORT (continued)

A to D: Conductors associated with the VHMS basemetal prospective volcanosedimentary 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.

Drilling is planned for a number of significant targets identified through the HELITEM airborne EM survey. A native heritage clearance survey has been completed with a 2500m RC drilling program planned to commence in May 2015.

Mt Bradley

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% ZrO_2, 0.31% Nb_2O_5, 0.023% Ta_2O_5 and heavy REE grades of 0.10% Y_2O_3, 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 volcaniclastics 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.

Assay results were returned for a helicopter assisted geochemical sampling program that focussed 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. The most significant assay results (> 0.1% TREE) are shown in Table 5 and Figure 15 below.

OPERATIONS REPORT (continued)

Table 5: Rock Chip Sampling – Significant Results

SampleID	Easting	Northing	GRID	TOTAL REE %
EK109	373735	7973158	UTM WGS 84 z 52	0.226786
EK114	373571	7972884	UTM WGS 84 z 52	0.22344
EK106	373635	7973273	UTM WGS 84 z 52	0.221592
EK120	373680	7973460	UTM WGS 84 z 52	0.216282
EK101	373521	7973381	UTM WGS 84 z 52	0.215031
EK119	373650	7973500	UTM WGS 84 z 52	0.193143
EK108	373680	7973175	UTM WGS 84 z 52	0.189122
EK118	373620	7973540	UTM WGS 84 z 52	0.187381
EK110	373776	7973132	UTM WGS 84 z 52	0.18195
EK104	373303	7973598	UTM WGS 84 z 52	0.181483
EK107	373667	7973237	UTM WGS 84 z 52	0.179191
EK126	373355	7973100	UTM WGS 84 z 52	0.174529
EK121	373720	7973434	UTM WGS 84 z 52	0.171574
EK102	373450	7973450	UTM WGS 84 z 52	0.171035
EK117	373639	7972807	UTM WGS 84 z 52	0.163234
EK112	373494	7972951	UTM WGS 84 z 52	0.161778
EK111	373802	7973127	UTM WGS 84 z 52	0.159756
EK127	373324	7973139	UTM WGS 84 z 52	0.159744
EK122	373752	7973400	UTM WGS 84 z 52	0.159122
EK139	374321	7973273	UTM WGS 84 z 52	0.155949
EK103	373376	7973525	UTM WGS 84 z 52	0.150324

OPERATIONS REPORT (continued)

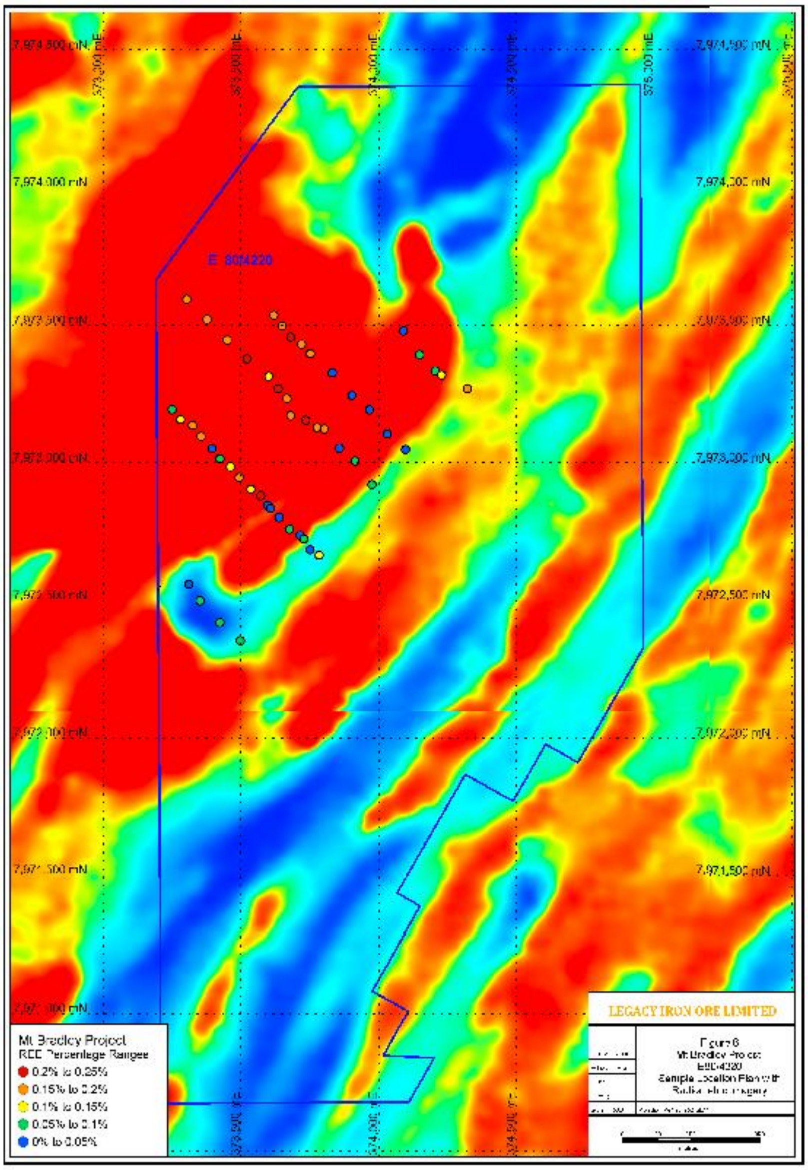


Figure 15 Mt Bradley Rock Chip Sampling – Location

Further investigation of the REE anomalous zone is planned together with a review of the gold potential of the tenement – the NE sector contains syenite hosted gold mineralisation.

COAL

Reconnaissance shallow drilling undertaken last year on the tenements held by Legacy Iron intersected only thin, poor quality coal seams in a few holes. Based on these results, Legacy Iron considers that there is low potential for an economically viable resource to be identified on these coal tenements, and the tenements have now been surrendered

OPERATIONS REPORT (continued)

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.

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of Legacy Iron Ore Limited and the entities it controlled at the end of, or during, the nine month period ended 31 March 2015.

1. DIRECTORS

The names of Directors in office during the whole of the period 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)
Mr Tanugula Rama Kishan Rao (Non-executive Director) (appointed 26 March 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 Benjamin Donovan holds the position of Company Secretary.

3. PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial period were the exploration and evaluation of the Group's iron ore and gold assets.

4. REVIEW OF OPERATIONS

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 March 2015 the Group holds $7,995,082 in cash and cash equivalents.

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

5. OPERATING RESULTS

The Group incurred a loss after income tax of $3,539,114 for the nine month period ended 31 March 2015 (12 months ended 30 June 2014: Loss of $9,773,185). This lower loss is a result of the following:

- Cost savings in the area of employee benefits and corporate services; and
- The write off of abandoned exploration tenements amounting to $1, 875,120 (30 June 2014: $5,581,732).

The Group had cash funds on hand of $7,995,082 at 31 March 2015 (30 June 2014: $337,879).

6. DIVIDENDS PAID OR RECOMMENDED

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than the matters outlined in Section 4 above, no significant changes in the Group's state of affairs occurred during the financial period.

8. AFTER BALANCE DATE EVENTS

The wholly controlled subsidiary, Legacy Gold Limited, was wound up and deregistered effective 6 April 2015.

The Company commenced plans for drilling at its Koongie Park tenements.

Other than what has been reported above, there are no other matters or circumstance that have arisen since 31 March 2015 that have significantly affected, or may significantly affect:

(a) the Group's operations in the future financial years; or
(b) the results of those operations in future financial years; or
(c) the Group's state of affairs in future financial years.

9. FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The Group will continue its mineral exploration activity on its exploration projects with the object of identifying commercial resources. The main area of focus will be the ongoing development of the Mt Bevan iron ore project and advancing several of the projects of the Group. The Group will also seek to acquire other exploration and mining projects.

DIRECTORS' REPORT (continued)

10. INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Mr Narendra Kumar Nanda	Non-Executive Chairman
Qualifications	He is a fellow member of the Institution of Engineers (India), a fellow member of the Mining Engineers Association of India and a Council Member of the Mining Engineers Association of India. Shri. Nanda holds a Bachelor's Degree in Mining with a 1st Division from Indian School of Mines, Dhanbad and a Master's Degree in Mining from Indian School of Mines, Dhanbad.
Experience	Shri N. K. Nanda, currently Director (Technical) in NMDC Limited, a Government of India Enterprise, under the Ministry of Steel, was born in 1960. After having early education in Orissa, he graduated with B. Tech. (Mining) from prestigious Indian School of Mining, Dhanbad in 1982 and further his education with a post graduate of M-Tech. from ISM, Dhanbad in 2000. He started his career with Hindustan Copper Ltd., Malanjkhand in 1982 and after a five-year stint at ACC Ltd., joined NMDC in 1989. After enriching experience to his credit, in various capacities and projects of NMDC, he has been elevated on the Board of NMDC as Director (Technical) in 2008. He was also awarded "Eminent Engineer" award by the Institution of Engineers, Bhilai in 2004. As Director (Technical), NMDC, he is looking after Research & Development, Investigation, Engineering, New Project Execution including NMDC Integrated Steel Plant at Nagarnar, apart from Joint Ventures, mergers and acquisitions. Shri Nanda specialises in projects planning, execution and development and has special interest in diversification activities, He has published and presented a number of technical papers during various seminars in India as well as abroad. Shri Nanda is conferred with Abheraj Baldota Memorial Award "Mining Engineer of the Year for 2010 – 2011" by the Mining Engineers Association of India on 13 July 2012 at Ahemdabad.
Other Directorships	NMDC Limited, JKMDC Limited, NMDC-CMDC Limited, NMDC-SARL, NMDC Power Limited (subsidiaries of NMDC Limited), Krishnapatnam Railway Company Limited and ICVL Pty Ltd.
Interest in Shares and Options	NIL. It is noted that Mr Nanda is a Director of NMDC Limited, but is not deemed to control NMDC Limited.
Special Responsibilities	Mr Nanda is a member of the Nomination Committee

DIRECTORS' REPORT (continued)

10. INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

Mr Timothy Paul Turner	Non-Executive Director
Qualifications	B.Bus, FCPA, CTA, Registered Company Auditor
Experience	As the senior partner of the accounting firm Hewitt, Turner & Gelevitis he specialises in all areas of business consultancy, strategic planning and is responsible for the issuing of audit opinions. Mr Turner has a Bachelor of Business (Accounting and Business Administration), is a Registered Company Auditor, a Fellow of CPA (Australia) and a Chartered Tax Advisor.
Other Directorships	Mr Turner is also a Director of Cape Lambert Resources Limited (appointed 16 September 2004), International Petroleum Limited (appointed 31 January 2006) and African Petroleum Corporation Limited (appointed 16 May 2007).
Interest in Shares and Options	Fully Paid Ordinary Shares 750,000
Special Responsibilities	Member of the Audit and Risk Committee, Chairman of the Remuneration Committee
Mr Devanathan Ramachandran	Non-Executive Director (appointed 5 November 2014)
Qualifications	Master of Business Administration, Australian Graduate School of Management, Sydney; a Master of Science, Virginia Polytechnic Institute & State University, USA; and a Bachelor of Technology (Honours), Indian Institute of Technology, India.
Experience	Mr Ramachandran has approximately 30 years of wide-ranging experience in global mining and fertilizer industries. He has acquired hands-on business expertise across a variety of mineral commodities and cultures working in corporate, technical and operational roles in global leaders such as BHP Billiton, Rio Tinto and Vale. Holding extensive business development experience ranging from identification and evaluation of investment opportunities through due diligence and post-merger integration, Mr Ramachandran has a proven track record in large investments in mining and fertilizer industries often with significant rail, port, power and other infrastructure.
Other Directorships	NIL
Interest in Shares and Options	NIL
Special Responsibilities	Member of the Audit and Risk Committee, Chairman of the Nomination Committee, and Member of the Remuneration Committee

DIRECTORS' REPORT (continued)

10. INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

<u>Mr Devinder Singh Ahluwalia</u>	Non-Executive Director (appointed 22 January 2015)
Qualifications	Bachelor of Commerce (Hons) from Delhi University.
Experience	Mr Ahluwalia is the current director (finance) of NMDC Limited. Prior to assuming this role, Mr Ahluwalia was the executive director (finance) at Rural Electrification Corporation in India and worked on the appraisal, financing and monitoring of numerous power projects, resource mobilisation, treasury management functions and ALM functions. Mr Ahluwalia also has extensive experience in accounting, taxation and commercial transactions.
Other Directorships	NMDC Limited
Interest in Shares and Options	NIL. It is noted that Mr Ahluwalia is a Director of NMDC Limited, but is not deemed to control NMDC Limited.
Special Responsibilities	Chairman of the Audit and Risk Committee, Member of the Nomination Committee, and a Member of the Remuneration Committee.
<u>Mr Tanugula Rama Kishan Rao</u>	Non-Executive Director (appointed 26 March 2015)
Qualifications	Dr Rao holds a Doctorate Degree from the Indian Agricultural Institute, New Delhi and also holds a Masters Degree in Economic Policy Management from Columbia University, USA.
Experience	Dr. T R K Rao, belongs to the 1986 batch of the Indian Railway Traffic Service (IRTS) and held various key positions in the Ministry of Railways, Government of India and State Government. His earlier positions also included working as Vice-Chairman-cum-Managing Director of Andhra Pradesh Mineral Development Corporation Ltd., Hyderabad, Managing Director of Sports Authority and Executive Director (Finance, Marketing & Public Relations) in Singareni Collieries Company Limited (Government owned Coal Company with large number of operating coal mines producing over 50 MTPA). He also served as a Special Secretary in Infrastructure and Revenue (Disaster Management) Department in Government of Andhra Pradesh, India, and as a Consultant at the World Bank, Washington DC. He had served as Director on various Boards including Hindustan Shipyard Ltd, GMR Hyderabad, Vishakhapatnam Port Trust etc. and is presently working as Director (Commercial) in NMDC Ltd. since 17 November 14.
Other Directorships	NMDC Limited
Interest in Shares and Options	NIL. It is noted that Mr Rao is a Director of NMDC Limited, but is not deemed to control NMDC Limited.
Special Responsibilities	NIL

DIRECTORS' REPORT (continued)

10. INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

Ms Sharon Heng	Executive Director/Managing Director (resigned 31 October 2014)	
Qualifications	B.A. (Pol Sc), MBA	
Experience	Ms Heng has a background in commodities trading, international business development and strategic alliance planning. She has over 15 years' experience in international business consultancy, joint venture negotiations, resource funding and capital raising. Ms Heng has extensive experience in China, dealing with government and private sectors, within the oil and gas, energy, infrastructure and mining industries.	
Other Directorships	Ms Heng has not held a directorship in any other listed company in the last 3 years.	
Interest in Shares at the date of resignation	Fully Paid Ordinary Shares	50,183,603
Special Responsibilities	Ms Heng was a member of the Audit and Remuneration and Nomination Committees.	

Mr Swaminathan Thiagarajan	Non-Executive Director (resigned 6 January 2015)
Qualifications	Bachelor's Degree in Science from the University of Madras and a Fellow Member of the Institute of Chartered Accountants of India.
Experience	Shri Swaminathan Thiagarajan has been Director of Finance at NMDC Limited since 9 July 2009 and serves as its Chief Financial Officer. Shri Thiagarajan has approximately 32 years of experience in the field of Finance. He is actively involved in all the expansion and diversification activities of NMDC, both India and abroad. He is also handling investor / analyst relations post-divestment of 10% of equity of GOI to public. He joined NMDC in March 1979 and has served in various capacities in different units of it during his service with it. He served as Head of Finance Department at the Corporate office at NMDC since 2004.
Other Directorships	NMDC Limited, JKMDC Limited, NMDC-CMDC Limited and NMDC Power (subsidiaries of NMDC Limited).
Interest in Shares and Options	NIL. It is noted that Mr Thiagarajan was a Director of NMDC Limited, but was not deemed to control NMDC Limited.
Special Responsibilities	Mr Thiagarajan was Chairman of the Audit Committee and a member of the Remuneration and Nomination Committee.

DIRECTORS' REPORT (continued)

10. INFORMATION ON DIRECTORS AND COMPANY SECRETARY (continued)

Mr Subimal Bose	Non-Executive Director (resigned 13 November 2014)
Qualifications	B.Tech. (Hons) Degree in Mining Engineering from I.I.T., Kharagpur and I Class Mines Manager Certificate of Competency.
Experience	Mr Subimal Bose has been the Director of Production at NMDC Limited since 17 June 2011. Mr Bose has over 30 years of experience in the field of mining. Mr Bose served as General Manager of Kirandul at NMDC Limited until 17 June 2011. Mr Bose joined NMDC as Deputy General Manager (Mining) in 2001, where he served in various positions such as Additional General Manager, Joint General Manager and General Manager/Head of the Project. He was associated with Cement Corporation of India Limited from 30 December 1981 to 12 November 2001.
Other Directorships	Mr Bose was a Director of NMDC Limited from 17 June 2011 to 13 November 2014.
Interest in Shares and Options	NIL. It is noted that Mr Bose was a Director of NMDC Limited, but was not deemed to control NMDC Limited.
Special Responsibilities	NIL

Benjamin Donovan	Company Secretary	
Qualifications	B.Comm (Hons)	
Experience	Mr Donovan is a member of Chartered Secretaries Australia and provides corporate advisory and consultancy services to a number of companies. Mr Donovan is currently a Director and Company Secretary of several ASX listed and public unlisted companies, and has extensive experience in listing rules, compliance and corporate governance, having served as a Senior Adviser at the Australian Securities Exchange (ASX) in Perth, including as a member of the ASX JORC Committee. In addition, Mr Donovan has experience in the capital markets having raised capital and assisted numerous companies on achieving a listing on ASX, as well as for a period of time, as a private client adviser at a boutique stock broking group.	
Interest in Shares and Options	Fully Paid Ordinary Shares	5,008,012
	10 cents, 23 December 2015 options	2,215,000
	25 cents, 31 December 2015 options	3,150,000

DIRECTORS' REPORT (continued)

11. REMUNERATION REPORT (audited)

This report details the nature and amount of remuneration for the Directors and other key management personnel of Legacy Iron Ore Limited.

Non-Executive Director Remuneration Policy

The key principle underpinning Non-Executive Director remuneration is the need to attract skilled and experienced Directors to direct the current business and into the future. The Board's policy is to periodically review its approach to Non-Executive Director remuneration and seek independent advice to ensure its Non-Executive Directors' fees remain competitive with other similarly sized mining exploration companies listed on the ASX. The Board also periodically reviews its policies to ensure these are in line with best practice and follow principles of good corporate governance.

Remuneration Consultants

The Company does not engage the services of any remuneration consultants.

Non-Executive Director Fees

Total fees are set within the maximum aggregate amount approved by shareholders at the November 2011 Annual General Meeting, being in aggregate $500,000. Currently Non-Executive Directors receive a fixed fee for their services as a Director and do not receive additional committee fees or other payments for additional services.

There is no direct link between remuneration paid to the Non-Executive Directors and corporate performance such as bonus payments for achievement of certain key performance indicators.

There are no retirement benefits for Non-Executive Directors.

In addition to these fees, Non-Executive Directors are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred attending meetings of the Board, committees or shareholders, or while engaged on the Company's business.

It is noted that the Non-Executive Directors appointed by NMDC Limited, (Messrs Ahluwalia, Rao, Nanda, Thiagarajan and Bose) have informed the Company to waive their director fees.

The total remuneration paid to, or in respect of, each Non-Executive Director during the financial period is set out in this report.

Executive Remuneration Policy

The Group's Remuneration Policy aims to reward executives fairly and responsibly in accordance with the Australian market and ensure that the Company:
• provides competitive rewards that attract, retain and motivate executives of the highest calibre;
• structures remuneration at a level that reflects the executive's duties and accountabilities and is competitive within Australia;
• aligns executive incentive rewards with the creation of value for shareholders; and
• complies with applicable legal requirements and appropriate standards of governance.

Voting and Comments made at the Company's 2014 Annual General Meeting

The Group received 0.4% of "no" votes on its remuneration report for the 2014 financial year. The Group did not receive any specific feedback at the AGM on its remuneration report.

DIRECTORS' REPORT (continued)

11. REMUNERATION REPORT (audited) (continued)

Details of Directors and Key Management Personnel

(i) *Directors*
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)
Mr Tanugula Rama Kishan Rao (Non-executive Director) (appointed 26 March 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)

(ii) *Other Key Management Personnel*
Mr Steve Shelton – Exploration Manager
Mr Benjamin Donovan – Company Secretary
Mr Viswa Prasad Dheram – Chief Financial Officer
Mr Rakesh Gupta – Chief Executive Officer (appointed 21 January 2015)
Mr Julian Mizera – Chief Executive Officer (appointed 24 March 2014 and resigned 29 August 2014)

Group Performance and Shareholder Wealth and Directors' and Executives' Remuneration

Options were issued to key management personnel to increase goal congruence between shareholders and key management personnel.

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial period and the previous four financial years:

	2015 (9 months)	2014 (12 months)	2013 (12 months)	2012 (12 months)	2011 (12 months)
Loss per share (cents)	(0.27)	(1.67)	(2.02)	(2.16)	(3.60)
Net loss	(3,539,114)	(9,773,185)	(11,717,947)	(9,155,485)	(6,426,026)
Share price	0.6 cents	2 cents	5 cents	10 cents	10 cents
Dividends	Nil	Nil	Nil	Nil	Nil

However given the nature and stage of the Group's operation being exploration and evaluation activities, the Board does not believe historical performance is the most appropriate basis to compensate key management personnel.

Options

To provide further goal congruence between shareholders and key management personnel (KMP), the Group has, at times, issued options to key management personnel. No options have been issued during the nine month period ended 31 March 2015 or during the year ended 30 June 2014.

The Group has no other policy for other short term or long term incentive bonuses or other benefits.

In the event of serious misconduct by KMP, there is no current policy to reduce, cancel or claw-back any performance based remuneration.

DIRECTORS' REPORT (continued)

11. REMUNERATION REPORT (audited) (continued)

Details of Remuneration for Nine Month Period Ended 31 March 2015

The remuneration for key management personnel of the group during the period was as follows:

31 March 2015	Short Term Benefits			Share-Based Payments		Post Employment Benefits	Other Long Term			
Name	Salary, Fees and Commissions $	Non-Cash Benefits $	Short term incentive $	Shares $	Options $	Superannuation Contribution $	Long Service Leave	Termination Benefits	Total $	Value of options/ performance shares as a proportion of remuneration %
Narendra Kumar Nanda	-	-	-	-	-	-	-	-	-	-
Timothy Turner	54,000	-	-	-	-	-	-	-	54,000	-
Devanathan Ramachandran (appointed 5/11/14)	20,137	-	-	-	-	-	-	-	20,137	-
Devinder Ahluwalia (appointed 22/1/15)	-	-	-	-	-	-	-	-	-	-
Tanugula Rao (appointed 26/3/15)	-	-	-	-	-	-	-	-	-	-
Swaminathan Thiagarajan (resigned 6/1/15)	-	-	-	-	-	-	-	-	-	-
Subimal Bose (resigned 13/11/14)	-	-	-	-	-	-	-	-	-	-
Sharon Heng (resigned 31/10/14)	165,554	55,503 (i)	-	-	-	15,728	-	-	236,785	-
Rakesh Gupta (appointed 22/1/15)	47,711	13,136 (i)	-	-	-	4,533	-	-	65,380	-
Ben Donovan	64,551	-	-	-	-	-	-	-	64,551	-
Steve Shelton	150,000	-	-	-	-	14,250	-	-	164,250	-
Viswa Prasad Dheram	78,585	37,004 (ii)	-	-	-	7,466	-	-	123,055	-
Julian Mizera (resigned 29/8/14)	47,096	-	-	-	-	4,117	-	-	51,213	-
Total	**627,634**	**105,643**	**-**	**-**	**-**	**46,094**	**-**	**-**	**779,371**	**-**

(i) Relates to the use of a motor vehicle.
(ii) Relates to rental and outgoings and other expenses.

Details of Remuneration for Year Ended 30 June 2014

The remuneration for key management personnel of the group during the year was as follows:

30 June 2014	Short Term Benefits			Share-Based Payments		Post - Employment Benefits	Other Long Term			
Name	Salary, Fees and Commissions $	Non-Cash Benefits $	Short term incentive $	Shares $	Options $	Superannuation Contribution $	Long Service Leave	Termination Benefits	Total $	Value of options/ performance shares as a proportion of remuneration %
Narendra Kumar Nanda	-	-	-	-	-	-	-	-	-	-
Timothy Turner	72,000	-	-	-	-	-	-	-	72,000	-
Swaminathan Thiagarajan	-	-	-	-	-	-	-	-	-	-
Subimal Bose	-	-	-	-	-	-	-	-	-	-
Sharon Heng	324,723	86,761 (i)	-	-	-	25,514	-	-	436,998	-
Ben Donovan	89,100	-	-	-	-	-	-	-	89,100	-
Steve Shelton	216,969	-	-	-	-	20,427	-	-	237,396	-
Viswa Prasad Dheram	25,308	17,994 (ii)	-	-	-	2,154	-	-	45,456	-
Julian Mizera	76,822	-	-	-	-	6,530	-	-	83,352	-
Total	**804,922**	**104,755**	**-**	**-**	**-**	**54,625**	**-**	**-**	**964,302**	**-**

DIRECTORS' REPORT (continued)

11. REMUNERATION REPORT (audited) (continued)

The Non-Executive Directors appointed by NMDC Limited, (Messrs Nanda, Thiagarajan, Bose, Ahluwalia and Rao) have informed the Company to waive their director fees.

(i) Relates to the use of a motor vehicle.
(ii) Relates to rental and outgoings and other expenses.

SHARE BASED COMPENSATION

Options Issued as Part of Remuneration

There were no options issued as part of remuneration for the nine month period ended 31 March 2015 or the year ended 30 June 2014.

No options issued to key management personnel were exercised during the nine month period ended 31 March 2015 (year ended 30 June 2014: NIL).

Key management personnel are prohibited from hedging their exposure to incentive remuneration for arrangements entered into on or after 1 July 2011.

SERVICE AGREEMENT

Non-Executive Director – Tim Turner

Mr Turner has entered into a 3 year (plus 1 year option to extend) consultancy contract with the group for $72,000 per annum. This contract, after exercising the 1 year extension, ends on 7 August 2015.

On 8 September 2011, the Group also entered into an agreement with Hewitt Turner & Gelevitis for the provision of accounting services and ATO compliance. From 1 March 2012 the agreed fee is $6,350 per month. Mr Turner is a partner of the Hewitt Turner & Gelevitis. This agreement ended on 30 September 2014 and now accounting services are provided and charged on an ad hoc basis.

Chief Executive Officer – Mr Rakesh Gupta

Effective 21 January 2015, Mr Rakesh Gupta was contracted to provide the services of a chief executive officer for $250,000 pa including superannuation. He is entitled to the use of a company car. Each party may give the other party one month's written notice to terminate the agreement.

Exploration Manager – Steve Shelton

Effective 12 October 2009, the Group entered into an employment contract with Mr Steve Shelton to provide the services of Exploration Manager of the Company. His current base salary is $200,000 pa plus superannuation. The contract expires with one month's notice. Upon termination he is entitled to any unpaid salary until the date of termination.

Company Secretary – Ben Donovan

The Group entered into a Company Secretary services' agreement with Mr Benjamin Donovan. His base fee is $72,000 pa and ends on 3 July 2016. Except for gross misconduct, which allows for immediate termination of the agreement, the Group and Mr Donovan may terminate the agreement by either party giving 3 months' notice. If the Group requires Mr Donovan to not fulfil the 3 months' notice, he is eligible to 3 months payment in lieu.

DIRECTORS' REPORT (continued)

11. REMUNERATION REPORT (audited) (continued)

Former Executive Director – Sharon Heng (resigned 31 October 2014)

On 1 October 2011 and as amended, the Group entered into a services agreement with Sharon Heng as Managing Director. The key terms being:

- Annual gross salary of $300,000 plus superannuation.
- Subject to review 36 months from the date of commencement.
- Entitled to any bonus once declared by the Board.
- Entitled to the use of a fully maintained company car.
- Termination can occur by either party giving 3 months' notice. If the Group required Ms Heng to not fulfil the 3 months' notice, she was eligible to 3 months payment in lieu.

Sharon Heng resigned on 31 October 2014.

Former Chief Executive Officer – Julian Mizera (appointed 24 March 2014 and resigned 29 August 2014)

On 24 March 2014, the Group entered into a services agreement with Julian Mizera as Chief Executive Officer. The key terms being:

- Annual gross salary of $260,000 plus superannuation.
- Subject to annual review.
- Entitled to any bonus once declared by the Board.
- Termination can occur by either party giving 3 months' notice. If the Group required Mr Mizera to not fulfil the 3 months' notice, he was eligible to 3 months payment in lieu.

Julian Mizera resigned on 29 August 2014.

Ordinary Shareholdings

Number of ordinary shares held directly, indirectly or beneficially by Directors and other Key Management Personnel:

31 March 2015	Balance at 1 July 2014 No	Balance on appointment No	Received as Compensation No	Net Change Other No	Balance 31 March 2015 No
Narendra Kumar Nanda	-	-	-	-	-
Timothy Turner	750,000	-	-	-	750,000
Devanathan Ramachandran (appointed 5/11/14)	NA*	-	-	-	-
Devinder Ahluwalia (appointed 22/1/15)	NA*	-	-	-	-
Tanugula Rao (appointed 26/3/15)	NA*	-	-	-	-
Swaminathan Thiagarajan (resigned 6/1/15)	-	-	-	-	NA*
Subimal Bose (resigned 13/11/14)	-	-	-	-	NA*
Sharon Heng (resigned 31/10/14)	50,138,603	-	-	-	NA*
Rakesh Gupta (appointed 22/1/15)	NA*	-	-	-	-
Ben Donovan	5,008,012	-	-	-	5,008,012
Steve Shelton	11,80,000	-	-	(740,000)	440,000
Viswa Parasd Dheram	-	-	-	-	-
Julian Mizera (resigned 29/8/14)	-	-	-	-	NA*
Total	**57,076,615**	**-**	**-**	**(740,000)**	**6,198,012**

* Did not hold office at this date hence disclosure is not necessary.

DIRECTORS' REPORT (continued)

11. REMUNERATION REPORT (audited) (continued)

Option Holdings

Numbers of options held by Key Management Personnel:

31 March 2015	Balance at 1 July 2014 No	Balance on Appoint ment No	Granted During the Period as Compensation No	Exercised No	Forfeited/ Expired No	Balance at 31 March 2015 No	Total Vested No	Total Exercisable at 31 March 2015 No
Narendra Kumar Nanda	-	-	-	-	-	-	-	-
Timothy Turner	600,000	-	-	-	-100,000	500,000	500,000	500,000
Devanathan Ramachandran (appointed 5/11/14)	NA*	-	-	-	-	-	-	-
Devinder Ahluwalia (appointed 22/1/15)	NA*	-	-	-	-	-	-	-
Tanugula Rao (appointed 26/3/15)	NA*	-	-	-	-	-	-	-
Swaminathan Thiagarajan (resigned 6/1/15)	-	-	-	-	-	NA*	NA*	NA*
Subimal Bose (resigned 13/11/14)	-	-	-	-	-	NA*	NA*	NA*
Sharon Heng (resigned 31/10/14)	22,800,000	-	-	-	-	NA*	NA*	NA*
Rakesh Gupta (appointed 22/1/15)	NA*	-	-	-	-	-	-	-
Ben Donovan	5,365,000	-	-	-	-	5,365,000	5,365,000	5,365,000
Steve Shelton	9500,000	-	-	-	-3,500,000	6,000,000	6,000,000	6,000,000
Viswa Prasad Dheram	-	-	-	-	-	-	-	-
Julian Mizera (resigned 29/8/14)	-	-	-	-	-	NA*	NA*	NA*
Total	**38,265,000**	**-**	**-**	**-**	**-3,600,000**	**11,865,000**	**11,865,000**	**11,865,000**

* Did not hold office at this date hence disclosure is not necessary.

Loans to Key Management Personnel

Other than $399,718 (30 June 2014: $868,144) recoverable from Ms Sharon Heng arising from the restatement of certain transactions, there have been no loans made to key management personnel. Refer to Note 10 for details of monies recoverable from Ms Heng.

END OF THE AUDITED REMUNERATION REPORT

DIRECTORS' REPORT (continued)

12. MEETINGS OF DIRECTORS

During the financial period, 8 directors' meetings were held. Attendances by each director during the period were as follows:

	Directors' Meetings	
Director	Number Eligible to Attend	Meetings Attended
Narendra Kumar Nanda	8	8
Timothy Turner	8	7
Devanathan Ramachandran (appointed 5 November 2014)	4	3
Devinder Ahluwalia (appointed 22/1/15)	1	1
Tanugula Rao (appointed 26/3/15)	-	-
Swaminathan Thiagarajan (resigned 6 January 2015)	6	6
Subimal Bose (resigned 13 November 2014)	5	2
Sharon Heng (resigned 31 October 2014)	4	4

The above does not include circular resolutions of the Board.

There were 2 audit committee meetings held during the period. Given the size of the Group the Board as a whole reviewed matters relating to nomination and remuneration matters as indicated below.

	Audit		Nomination and Remuneration	
Director	Eligible to attend	Attended	Eligible to attend	Attended
Narendra Kumar Nanda	2	1	-	-
Timothy Turner	2	2	-	-
Devanathan Ramachandran (appointed 5 November 2014)	2	2	-	-
Devinder Ahluwalia (appointed 22/1/15)	1	1	-	-
Tanugula Rao (appointed 26/3/15)	-	-	-	-
Swaminathan Thiagarajan (resigned 6 January 2015)	1	1	-	-
Subimal Bose (resigned 13 November 2014)	1	1	-	-
Sharon Heng (resigned 31 October 2014)	-	-	-	-

13. INDEMNIFYING OFFICERS

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001, every Director, Principal Executive Officer or Secretary of the Group shall be indemnified out of the property of the Group against any liability incurred by him/her in his/her capacity as Director, Principal Executive Officer or Secretary of the Group or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. During the period, the Group paid a premium to insure the Directors and Secretary of the Company. The terms of the contract of insurance prohibit disclosure of the premium paid and nature of liabilities covered.

14. PROCEEDINGS ON BEHALF OF GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceeding. The Group was not a party to any such proceedings during the period, 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**).

DIRECTORS' REPORT (continued)

14. PROCEEDINGS ON BEHALF OF GROUP (continued)

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

This litigation is ongoing.

15. OPTIONS

Unissued Shares under Option

At the date of this report unissued ordinary shares of the Company under option are:

Expiry Date	Exercise Price	Number Under Option
23 December 2015	$0.10	12,430,000
31 December 2015	$0.25	46,200,000
24 May 2016	$0.18	4,000,000
TOTAL		**62,630,000**

All options issued to NMDC Limited are subject to a voluntary escrow, where the options held by NMDC can only be exercised following the exercise by an option-holder unrelated to NMDC Limited.

During the period ended 31 March 2015, no amounts are unpaid on any of the shares. No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Details of Shares Issued During or Since Period End as a Result of Exercise of Options

No shares have been issued during or since the period ended 31 March 2015 as a result of the exercise of options. No amounts are unpaid on any of the shares.

16. ENVIRONMENTAL ISSUES

The Group is subject to significant environmental regulation in respect of its exploration activities. The Company aims to ensure the appropriate standard of environmental care is achieved, and in doing so, that it is aware of and is in compliance with all environmental legislation. The directors of the Group are not aware of any breach of environmental legislation for the period under review.

17. AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the nine month period ended 31 March 2015 has been received and can be found on page 35 of the annual report.

18. NON AUDIT SERVICES

During the period, Stantons International Audit and Consulting Pty Ltd did not provide any non-audit services to the Group.

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

Narendra Kumar Nanda
Non-Executive Chairman

25 May 2015

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

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25 May 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 audit of the financial statements of Legacy Iron Ore Limited for the nine months' period ended 31 March 2015, 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

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 NINE MONTH PERIOD ENDED 31 MARCH 2015

	Note	9 months ended 31 March 2015 $	12 months ended 30 June 2014 $
Revenue	3	202,442	60,721
Compliance and regulatory expenses		(90,371)	(86,650)
Depreciation and amortisation	11	(35,373)	(41,020)
Key management personnel remuneration	4	(511,337)	(616,078)
Employee benefit expense		(175,729)	(638,617)
Exploration expenditure expensed	4	-	(33,592)
Exploration tenements written off	12	(1,875,120)	(5,581,732)
Occupancy expenses	4	(200,165)	(595,087)
Legal expenses		(2,963)	(163,233)
Travel expenses		-	(52,447)
Other expenses		(224,913)	(398,159)
Corporate services	4	(60,509)	(1,066,049)
Finance expense	4	(26,870)	(321,242)
Impairment	4	(465,275)	(240,000)
Loss on disposal of motor vehicle	4	(72,931)	-
Loss before income tax	4	(3,539,114)	(9,773,185)
Income tax benefit	5	-	-
Loss for the period		(3,539,114)	(9,773,185)
Other Comprehensive Income/(Loss)			
Items that may be reclassified to profit or loss			
Changes in the fair value of available-for-sale financial assets, net of tax	18	(113,175)	(352,100)
Impairment of available-for-sale financial assets transferred to loss for the period	18	465,275	-
Items that will not be reclassified to profit or loss		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(3,187,014)**	**(10,125,285)**
Basic and diluted (loss) per share	6	(0.27) cents	(1.67) cents

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Note	31 March 2015 $	30 June 2014 $
Assets			
Current Assets			
Cash and Cash Equivalents	9	7,995,082	337,879
Other Receivables	10	669,469	672,744
Other Financial Assets	13	446,028	983,522
TOTAL CURRENT ASSETS		9,110,579	1,994,145
Non-Current Assets			
Plant and Equipment	11	129,606	64,979
Exploration and Evaluation Expenditure	12	7,635,874	9,002,294
Other Receivable	10	-	286,144
TOTAL NON CURRENT ASSETS		7,765,480	9,353,417
TOTAL ASSETS		**16,876,059**	**11,347,562**
Liabilities			
Current Liabilities			
Trade and Other Payables	14	151,080	615,105
Employee Benefits	15	31,294	116,618
Borrowings	16	37,233	3,000,000
TOTAL CURRENT LIABILITIES		219,607	3,731,723
Non-Current Liabilities			
Employee Benefits	15	28,153	6,345
Borrowings	16	99,545	100,000
TOTAL NON-CURRENT LIABILITIES		127,698	106,345
TOTAL LIABILITIES		**347,305**	**3,838,068**
NET ASSETS		**16,528,754**	**7,509,494**
Equity			
Issued Capital	17	54,626,757	42,420,483
Reserves	18	16,332,623	15,980,523
Accumulated Losses		(54,430,626)	(50,891,512)
TOTAL EQUITY		**16,528,754**	**7,509,494**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2015

	Note	Ordinary Share Capital $	Share Based Payment Reserve $	Option Premium Reserve $	Financial Assets Reserve $	Accumulated Losses $	Total $
BALANCE AT 30 JUNE 2013		**42,158,338**	**16,242,084**	**90,539**	**-**	**(41,118,327)**	**17,372,634**
Loss for the year		-	-	-	-	(9,773,185)	(9,773,185)
Other comprehensive income	18	-	-	-	(352,100)	-	(352,100)
Total comprehensive income for the year		-	-	-	(352,100)	(9,773,185)	(10,125,285)
Shares issued during the year	17	275,000	-	-	-	-	275,000
Transaction costs relating to shares issued	17	(12,855)	-	-	-	-	(12,855)
BALANCE AT 30 JUNE 2014		**42,420,483**	**16,242,084**	**90,539**	**(352,100)**	**(50,891,512)**	**7,509,494**
Loss for the period		-	-	-	-	(3,539,114)	(3,539,114)
Other comprehensive income/(loss)	18	-	-	-	352,100	-	352,100
Total comprehensive income for the period		-	-	-	352,100	(3,539,114)	(3,187,014)
Shares issued during the period	17	12,287,106	-	-	-	-	12,287,106
Transaction costs relating to shares issued	17	(80,832)	-	-	-	-	(80,832)
BALANCE AT 31 MARCH 2015		**54,626,757**	**16,242,084**	**90,539**	**-**	**(54,430,626)**	**16,528,754**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2015

	Note	9 months 31 March 2015 $	12 months 30 June 2014 $
Cash Flows from Operating Activities			
Receipts from customers		-	16,871
Payment to suppliers and employees		(1,571,838)	(3,853,911)
Interest received		37,633	48,182
Finance costs paid		(37,167)	(210,945)
Amounts recovered from former director		458,358	-
Net cash flows (used in) operating activities	24	(1,113,014)	(3,999,803)
Cash Flows from Investing Activities			
Payments for purchase of fixed assets		-	(818)
Payments for exploration and evaluation		(751,963)	(991,628)
Net payments of security deposits		(408)	27,187
Repayment of loan from unrelated entities		-	100,000
Receipt of cash call from joint venture participant		-	666,917
Deposits paid		-	(2,993)
Proceeds from held-to-maturity financial asset		425,174	-
Payments to related entity		-	(110,000)
Net cash flows (used in) investing activities		(327,197)	(311,335)
Cash Flows from Financing Activities			
Proceeds from borrowings from related entity		-	15,000
Proceeds from issue of convertible securities		-	1,000,000
Proceeds from issue of shares and options		12,287,106	-
Proceeds from borrowings		100,000	3,000,000
Repayment of borrowings		(3,200,000)	(725,000)
Repayment of loan to related entity		-	(15,000)
Payments for costs of capital raising		(80,832)	(12,855)
Repayment of finance lease		(8,860)	-
Net cash flows from financing activities		9,097,414	3,262,145
Net Increase/(Decrease) in Cash and Cash Equivalents		7,657,203	(1,048,993)
Cash and Cash Equivalents at the Beginning of Period		337,879	1,386,872
Cash and Cash Equivalents at the End of Period	9	**7,995,082**	**337,879**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is for the consolidated entity consisting of Legacy Iron Ore Limited and its subsidiaries (the "Group"). The Group is domiciled in Australia and the address of the registered office is Ground Floor, Canute House, 15 Rheola Street, West Perth WA 6005. The Group is primarily involved in mineral exploration.

To synchronise its financial year end with its parent entity, NMDC Limited, Legacy Iron Ore Limited changed its financial year end from 30 June to 31 March. This financial report presents the performance of the group for the 9 month period ended 31 March 2015 (comparative period is 12 months to 30 June 2014) The financial report was approved by the Board of Directors on 21 May 2015.

Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report is presented in Australian dollars, which is the Group's functional currency.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and share-based payments.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent and all of the subsidiaries . Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Income Tax

The income tax expense/(revenue) for the period comprises current and deferred taxation. Income tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes.

Temporary differences are not provided for where the initial recognition of assets and liabilities affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Repairs and maintenance are charged to the Statement of Profit or Loss during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are as follows:

Computers and software	67%
Equipment	20%
Furniture and fittings	4-20%
Motor Vehicles	25%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Exploration and Evaluation Expenditure

Mineral tenements are carried at cost, less accumulated impairment losses. Mineral exploration and evaluation is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest or sale of that area of interest, or exploration and evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations on or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area of interest are written off in full against profit in the period in which the decision to abandon that area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(e) Leases

Finance Leases
Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Group are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased assets or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating Leases
Payment made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

(f) Financial Instruments

Initial Recognition and Measurement
Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Group becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by market place convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through the profit and loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the Statement of Profit or Loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

Available for Sale Financial Assets
Available for sale financial assets represent non-derivative financial assets that are not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor determinable payments. Available for sale financial assets are included in non-current assets, except those which are expected to mature within 12 months after the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments (continued)

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method. The fair value of trade and other receivables, which is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Financial Liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method. The fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Fair Value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and options pricing models.

Impairment
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in the profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at that point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will entre bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognised the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

Defined Contribution Plans
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the Statement of Profit or Loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Equity-Settled Compensation
The Group operates equity-settled share-based payment share and option schemes to Directors and employees. The fair value of the equity to which Directors and employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Binomial or Black and Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Earnings per Share

The Group presents basis and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options and performance shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank over overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(l) Share-Based Payments

The fair value determined at grant date of equity settled share-based payments is treated as the cost of assets acquired or expensed on a straight line basis over the vesting period, based on the group's estimate of shares that will eventually vest. Vesting is not conditional upon a market condition. No asset or expense is recognised for share based payments that do not vest. For cash settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(m) Share Capital and Transaction Costs

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of any tax effects.

(n) Revenue Recognition

Interest income is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(p) Jointly Controlled Assets

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Separate joint venture entities providing joint venturers with an interest to net assets are classified as a "joint venture" and accounted for using the equity method. Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements. Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the joint venture are set out in note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Valuation techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Fair Value of Assets and Liabilities (continued)

Fair Value Hierarchy
AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:
(i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
(ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(r) Critical Accounting Estimates and Judgments

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 12 Exploration and Evaluation Expenditure
- Note 13 Impairment of Available for Sale Financial Assets
- Note 25 Measurement of Share-Based Payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Adoption of New and Revised Accounting Standards

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2014.

- AASB 2013-3: *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets;*
- AASB 2013-4: *Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting;*
- Interpretation 21: *Accounting for Levies;* and
- AASB 2014-1: *Amendments to Australian Accounting Standards.*

The adoption of AASB 2013-3 had a small impact on the impairment disclosures and AASB 2014-1 has required additional disclosures in our segment note. Other than that, the adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods.

The Group also elected to adopt the following two standards early:

- *Amendments made to Australian Accounting Standards by AASB 2015-1 (Improvements 2012-2014 cycle);* and
- *Amendments made to AASB 101 by AASB 2015-2 (Disclosure initiative).*

As these amendments merely clarify the existing requirements, they do not affect the group's accounting policies or any of the disclosures.

(t) New Accounting Standards and Interpretations for Application in Future Years

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- *AASB 9 Financial Instruments* and associated Amending Standards (applicable for annual reporting period commencing 1 January 2018).

  Nature of Change AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

  Impact Following the changes approved by the AASB in December 2014, the group no longer expects any impact from the new classification, measurement and derecognition rules on the group's financial assets and financial liabilities. While the group has yet to undertake a detailed assessment of the debt instruments classified as available-for-sale financial assets, it would appear that they would satisfy the conditions for classification as at fair value through other comprehensive income and hence there will be no change to the accounting for these assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

There will also be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities.

The new hedging rules would not impact the group as the group does not have any hedging arrangements. The new impairment model is an expected credit loss model which may result in the earlier recognition of credit losses. The group has not yet assessed how its own impairment provisions would be affected by the new rules.

- *AASB 15 Revenue from Contracts with Customers* (applicable for annual reporting period commencing 1 January 2018).

  Nature of Change The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for good and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial recognition without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

  Impact This is unlikely to impact the group as the group does not have any revenue from contracts with customers at this stage.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(u) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. Where the group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

2. DIVIDENDS

No dividends have been paid or proposed during the nine month period ended 31 March 2015 (2014: NIL). There are no franking credits available for use in subsequent reporting periods.

3. REVENUE

	9 months ended 31 March 2015 $	12 months ended 30 June 2014 $
Interest income	193,074	43,850
Other revenue	9,368	16,871
Total Revenue	**202,442**	**60,721**

4. LOSS BEFORE INCOME TAX

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

	9 months ended 31 March 2015 $	12 months ended 30 June 2014 $
Depreciation of non-current assets	35,373	41,020
Exploration expenditure expensed	-	33,592
Exploration tenements written off	1,875,120	5,581,732
Impairment	465,275	240,000
Finance expenses	26,870	321,242
Key management personnel remuneration (A)	511,337	616,078
Loss on sale of assets	72,931	25,297
Operating lease rental expense	200,165	595,087
Corporate services (B)	60,509	1,066,049

(A) Costs of $151,212 (2014: $348,224) directly related to exploration efforts are capitalised in exploration and evaluation expenditure.

5. INCOME TAX

		9 months ended 31 March 2015 $	12 months ended 30 June 2014 $
(a)	The components of tax expense comprise:		
	Current tax	-	-
	Deferred tax	-	-
		-	-
(b)	The prime facie tax on loss before income tax is reconciled to income tax benefit as follows:		
	Prima facie tax benefit on loss before income tax at 30%	(1,061,734)	(2,931,955)
	Add / (Less) Tax effect of:		
-	Fines and penalties	11	340
-	Unrecognised deferred tax asset attributable to tax losses	1,061,723	2,931,615
	Income Tax Attributable to the Group	-	-
(c)	Deferred Tax Assets and Liabilities		
	Deferred tax assets and liabilities are attributable to the following:		
	Deferred Tax Liabilities		
	Exploration and evaluation expenditure	1,978,466	2,525,280
	Interest receivable	47,558	926
	Total Deferred Tax Liabilities	2,026,024	2,526,206
	Deferred Tax Assets		
	Accrued expenses	11,440	5,227
	Provisions	17,834	36,889
	Available for Sale Financial Assets	405,458	371,505
	Provision for impairment of loan receivable	60,000	60,000
	Capital raising costs	338,018	494,554
	Tax losses recognised	1,193,274	1,558,031
	Total Deferred Tax Assets	2,026,024	2,526,206
	Net Tax Assets/Liabilities	-	-

(d) Tax Losses

At 31 March 2015, the Group has $47,351,562 (30 June 2014: $46,237,691) tax losses that are available for offset against future taxable profits of the Group. Amount of tax losses recognised at 31 March 2015 to offset deferred tax liabilities is $3,977,580 (30 June 2014: $5,193,437). Amount of unrecognised tax losses at 31 March 2015 is $43,373,982 (30 June 2014: $41,044,254).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

The potential benefit of carried forward losses will only be obtained if assessable income is derived of a nature and, of an amount sufficient to enable the benefit from the deductions to the realised or the benefit can be utilised by the Group providing that:

(i) the provisions of deductibility imposed by law are complied with; and
(ii) no change in tax legislation adversely affect the realisation of the benefit from the deductions.

6. LOSS PER SHARE

		9 months ended 31 March 2015	12 months ended 30 June 2014
(a)	Basic and diluted loss per share	(0.27) cents	(1.67) cents
(b)	Loss used in the calculation of basic and diluted loss per share	($3,539,114)	($9,773,185)

		No	No
(c)	Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted loss per share	1,327,327,587	586,619,052

(d) Options

The options to subscribe for ordinary shares have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the period ended 31 March 2015 and the year ended 30 June 2014. These options could potentially dilute basic earnings per share in the future.

7. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Name and Positions of Key Management Personnel at any time during the financial period are:

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 Ahluwalia	Non-Executive Director (appointed 22 January 2015)
Mr Tanugula Rao	Non-Executive Director (appointed 26 March 2015)
Mr Swaminathan Thiagarajan	Non-Executive Director (resigned 6 January 2015)
Mr Subimal Bose	Non-Executive Director (resigned 13 November 2014)
Ms Sharon Heng	Executive Director/Managing Director (resigned 31 October 2014)
Mr Rakesh Gupta	Chief Executive Officer (appointed 22 January 2015)
Mr Ben Donovan	Company Secretary
Mr Steve Shelton	Exploration Manager
Mr Viswa Prasad Dheram	Chief Financial Officer
Mr Julian Mizera	Chief Executive Officer (resigned 29 August 2014)

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.
Key management personnel remuneration is as follows:

	9 months to 31 March 2015 $	12 months to 30 June 2014 $
Short-term employee benefits	733,277	909,677
Post-employment benefits	46,094	54,625
Share-based payments	-	-
TOTAL	**779,371**	**964,302**

(b) Other Transactions with Key Management Personnel

Refer to Note 19 for details on other transactions with key management personnel.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

8. AUDITORS' REMUNERATION

	9 months ended 31 March 2015 $	12 months ended 30 June 2014 $
During the period the following fees were expensed for services provided by the auditor of the parent entity:		
Stanton International Audit & Consulting Pty Ltd:		
- Auditing or reviewing the financial report	39,500	29,000
Grant Thornton Audit Pty Ltd		
- Auditing or reviewing the financial report	-	2,511
Total remuneration for assurance services	**39,500**	**31,511**

9. CASH AND CASH EQUIVALENTS

	31 March 2015 $	30 June 2014 $
Cash at bank and on hand	7,995,082	337,879
	7,995,082	**337,879**

The effective interest rate on cash at bank was 2.95% (2014: 2.64%).

10. OTHER RECEIVABLES

	31 March 2015 $	30 June 2014 $
Current		
Loans receivable – unrelated entity (a)	200,000	200,000
Less Provision for impairment	(200,000)	(200,000)
Sundry receivables – unrelated entity (b)	226,563	4,493
Recovery of amounts from related entity (c)	381,357	582,000
Sundry receivables - related entity (d)	18,361	52,826
Prepayments	43,188	33,425
Total current receivables	**669,469**	**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. Interest accrues from 31 October 2014. The receivable is secured.
(d) The amount is recoverable from the former Managing Director.
(e) Fair value, credit risk and risk exposure
Due to the short term nature of the current receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of receivables mentioned above. Refer further to Note 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

11. PLANT AND EQUIPMENT

	31 March 2015 $	30 June 2014 $
Furniture, fittings and equipment		
At cost	260,378	260,378
Accumulated depreciation	(214,608)	(195,399)
	45,770	64,979
Motor vehicles		
At cost	100,000	-
Accumulated depreciation	(16,164)	-
	83,836	-
TOTAL PLANT AND EQUIPMENT	**129,606**	**64,979**

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the financial period are set at below:

31 March 2015	Motor Vehicles $	Furniture, Fittings and Equipment $	Total $
Net carrying value at 1 July 2014	-	64,979	64,979
Additions	318,385	-	318,385
Disposals	(218,385)	-	(218,385)
Depreciation	(16,164)	(19,209)	(35,373)
Net Carrying Value at 31 March 2015	**83,836**	**45,770**	**129,606**
30 June 2014			
Net carrying value at 1 July 2013	-	130,479	130,479
Additions	-	818	818
Disposals	-	(25,298)	(25,298)
Depreciation	-	(41,020)	(41,020)
Net Carrying Value at 30 June 2014	**-**	**64,979**	**64,979**

12. EXPLORATION AND EVALUATION EXPENDITURE

	31 March 2015 $	30 June 2014 $
Non-Current		
Costs carried forward in respect of areas of interest in:		
Exploration and evaluation phases – at cost	**7,635,874**	**9,002,294**
Movement in Carrying Amounts		
Carrying amount at the beginning of the period	9,002,294	14,302,047
Exploration expenditure capitalised	611,714	866,956
Less: Recovery of expenditure by Joint Venture participant	(103,014)	(584,977)
Less: Exploration written-off on areas to be relinquished	(1,875,120)	(5,581,732)
Carrying Amount at the End of the Period	**7,635,874**	**9,002,294**

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

12. EXPLORATION AND EVALUATION EXPENDITURE (continued)

Impairment of Exploration and Evaluation Assets

The ultimate recoupment of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties. The Group undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Should an indicator exist, then the area of interest is tested for impairment. There is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

In addition, an allocation of the cost associated with acquired mineral rights to individual projects was performed during the period. This allocation process required estimates and judgement by management as to the fair value of those projects acquired.

13. OTHER FINANCIAL ASSETS

	31 March 2015 $	30 June 2014 $
Current		
Held-to-maturity financial assets		
- Security Deposits Held (i)	282,553	706,872
Available-for-sale financial assets		
- Shares in listed corporation at fair value – Level 1(ii) (iii)	163,475	276,650
	446,028	**983,522**

(i) Deposits have been pledged as security for a bank guarantee provided to lessors relating to leases of office premises, lease of motor vehicle and credit card facility.

(ii) During the period, the movement in the balance is as follows:

	31 March 2015	30 June 2014
Opening balance 1 July 2014	276,650	628,750
Fair value gain/(loss) on available-for-sale assets reserve	(113,175)	(352,100)
Closing balance 31 March 2015	**163,475**	**276,650**

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

14. TRADE AND OTHER PAYABLES

	31 March 2015 $	30 June 2014 $
Current		
Trade payables	32,077	379,794
Sundry payables and accrued expenses	119,003	235,311
	151,080	**615,105**

Trade payables and sundry payables are non-interest bearing and are normally settled on 45 day terms.

15. EMPLOYEE BENEFITS

	31 March 2015 $	30 June 2014 $
Current		
Annual leave	31,294	81,749
Long service leave	-	34,869
	31,294	116,618
Non-Current		
Long service leave	28,153	6,345

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

15. EMPLOYEE BENEFITS (continued)

	31 March 2015 $	30 June 2014 $
Opening balance at 1 July 2014	122,963	140,568
Additional provisions	62,550	84,648
Amount used	(126,066)	(102,253)
Increase in the discounted amount arising because of time and effect of change in discount rate	-	-
Closing balance at 31 March 2015	**59,447**	**122,963**

16. BORROWINGS

	31 March 2015 $	30 June 2014 $
Current		
Bank loans (i)	-	3,000,000
Lease liability (ii)	37,233	-
	37,233	**3,000,000**
Non Current		
Convertible securities (iii)	-	100,000
Lease liability (ii)	99,545	-
	99,545	**100,000**

(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. The movement in convertible securities during the period is as follows:

	31 March 2015 $	30 June 2014 $
Opening balance at 1 July 2014	100,000	-
Convertible notes issued	-	1,000,000
Convertible notes repaid	(100,000)	(725,000)
Convertible notes converted into ordinary shares	-	(175,000)
Closing balance at 31 March 2015	**-**	**100,000**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

17. ISSUED CAPITAL

	31 March 2015 $	30 June 2014 $
1,468,264,157 Fully paid ordinary shares (30 June 2014: 590,613,697)	**54,626,757**	**42,420,483**

	31 March 2015 No	31 March 2015 $	30 June 2014 No	30 June 2014 $
(a) Fully Paid Ordinary Shares				
At the Beginning of the Reporting Period	590,613,697	42,420,483	581,308,502	42,158,338
Shares Issued During the Reporting Period				
9 September 2013 – Commencement fee for convertible notes	-	-	2,380,952	100,000
11 December 2013 – Conversion of convertible notes	-	-	1,515,152	50,000
31 December 2013 – Conversion of convertible notes	-	-	2,000,000	50,000
16 January 2014 – Conversion of convertible notes	-	-	3,409,091	75,000
25 August 2014 - Rights issue	877,650,460	12,287,106	-	-
Transaction costs relating to share issues	-	(80,832)	-	(12,855)
At Reporting Date	**1,468,264,157**	**54,626,757**	**590,613,697**	**42,420,483**

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held irrespective of the amount paid up or credited as paid up, less any amounts which remain unpaid on these shares at the time of the distribution.

At shareholders' meetings each share is entitled to one vote in proportion to the paid up amount of the share when a poll is called, otherwise each shareholder has one vote on a show of hands.

	31 March 2015 No	30 June 2014 No
(b) Options on Issue		
At the Beginning of the Reporting Period	135,378,908	145,678,908
Movement of Options on Issue During the Reporting Period		
31 December 2013 – Options expired	-	(6,000,000)
14 February 2014 – Options expired	-	(4,300,000)
31 December 2014 – Options expired	(39,658,908)	-
7 January 2015 – Options expired	(21,430,000)	-
At Reporting Date	**74,290,000**	**135,378,908**

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity. Refer further to Note 25 Share Based Payments for details of options granted, lapsed, exercised and expired.

(c) Capital Management

The Board as a whole controls the capital of the Group in order to ensure the Group can fund its operations and continue as a going concern. The Directors oversee the risk management strategy.

The Group's capital consists of financial liabilities supported by financial assets. There are no externally imposed capital requirements. The Board effectively manage the Group's capital by assessing the Group's financial risks and responding to changes in these risks and in the market. This strategy is to ensure that there is sufficient cash to meet trade payables and ongoing exploration expenditure commitments. The Group is dependent on its ability to raise capital from the issue of equity from time to time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

18. RESERVES

	31 March 2015 $	30 June 2014 $
Option Premium Reserve (a)	90,539	90,539
Share-Based Payment Reserve (b)	16,242,084	16,242,084
Financial Asset Reserve (c)	-	(352,100)
	16,332,623	**15,980,523**
(a) Option Premium Reserve		
Balance at the beginning of the reporting period	90,539	90,539
Premiums received from the issue of options	-	-
Less transaction costs relating to option issues	-	-
Balance at the end of the reporting period	**90,539**	**90,539**

The option premium reserve is used to recognise premiums paid by option holders, net of transaction costs.

(b) Share Based Payment Reserve		
Balance at the beginning of the reporting period	16,242,084	16,242,084
Movement during the period	-	-
Balance at the end of the reporting period	**16,242,084**	**16,242,084**

Refer to Note 25 for further details on share-based payments.

(c) Financial Asset Reserve		
Balance at the beginning of the reporting period	(352,100)	-
Revaluation/(Devaluation), net of tax	(113,175)	(352,100)
Impairment of asset – reclassified to profit or loss	465,275	-
Balance at the end of the reporting period	**-**	**(352,100)**

The financial assets reserve records revaluation of Available-for-Sale financial assets.

19. RELATED PARTY TRANSACTIONS

The transactions set out below identify all transactions to related parties of the Company. Where a transaction is identified with an asterix (*), the transaction was entered into with a related party (Sharon Heng, Managing Director, resigned 31 October 2014) where a benefit was gained without prior disclosure of interests to the Board under section 191 of the Corporations Act, and without any necessary shareholder approvals under section 208 of the Corporations Act. All transactions below without an asterix (*) are transactions entered into on commercial terms and conditions no more favourable than those available to unrelated parties.

(a) Parent Entity

The parent entity within the group is Legacy Iron Ore Limited.

(b) Subsidiary

Interest in the subsidiary is set out in Note 28.

(c) Key Management Personnel Remuneration

19. RELATED PARTY TRANSACTIONS (continued)

(c) Key Management Personnel Remuneration (continued)

Details of key management personnel remuneration, shares and options issued to key management personnel and their personally related entities during the period are disclosed in the Remuneration Report section of the Directors' Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

Other Transactions with Key Management Personnel and Their Personally Related Entities

	9 months to 31 March 2015 $	12 months to 30 June 2014 $
Provision of accountancy services by Hewitt Turner & Gelevitis, an entity related to Director, Mr Timothy Paul Turner	36,885	83,091
Remuneration to closely related family member of Director, Ms Sharon Heng	-	92,490
Provision of non-cash benefit to closely related family member of Director, Ms Sharon Heng	-	11,763
Remuneration to closely related family members of Exploration Manager, Mr Stephen Shelton	2,628	15,077
Interest revenue from Ms Sharon Heng	10,767	-
Provision of consultancy services by Raven Resources Pty Ltd, an entity closely related family member of Exploration Manager, Mr Stephen Shelton	66,600	65,700
Unsecured, interest free loan to the group in August 2013 from Director, Ms Sharon Heng, which was repaid in full in October 2013 *	-	15,000
Expenses of Ms Sharon Heng paid by the group and to be reimbursed to the group by Ms Heng *	18,361	52,825
Payments to entities related to Director Ms Sharon Heng, which are to be recovered from Ms Heng *	-	110,000
Outstanding balances arising from these transactions		
Other current receivables – Ms Sharon Heng, unsecured, interest free *	18,361	52,825
Trade and other payables	(40,655)	(21,935)
Employee benefits payable	(27,669)	(104,490)
Amounts recoverable from Ms Sharon Heng – current, secured, interest bearing from October 2014 *	381,357	582,000
Amounts recoverable from Ms Sharon Heng - non-current, secured, interest bearing from October 2014 *	-	286,144

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

20. 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 two (2) previously three (3) reportable segments being:
(i) Gold exploration and development in Australia;
(ii) Iron ore exploration and development in Australia; and
(iii) Coal exploration and development in Australia (discontinued).

Basis of accounting for purposes of reporting by operating segments:

(a) Accounting Policies Adopted
Unless otherwise stated, all amounts reported to the Board of Directors, being the Chief Operating Decision Makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the financial statements of the Group.

(b) Inter-Segment Transactions
There are no inter-segment transactions. Segment assets are clearly identifiable on the basis of their nature. Segment liabilities include trade and other payables.

(c) Corporate charges, finance costs and interest revenue are not allocated to reporting segments.

Segment Performance 31 March 2015	Western Australia Iron Ore $	Western Australia Gold $	Coal $	Corporate $	Total $
SEGMENT REVENUE	9,368	-	-	193,074	**202,442**
SEGMENT NET LOSS BEFORE TAX					
Exploration tenements written off	1,777,543	97,577	-	-	1,875,120
Depreciation	-	-	-	35,373	35,373
Impairment of Available for sale financial assets	465,275	-	-	-	465,275
Corporate charges	-	-	-	1,365,788	1,365,788
Segment loss before tax	2,233,450	97,577	-	1,208,087	**3,539,114**
SEGMENT ASSETS	5,193,994	2,605,355	-	9,076,710	**16,876,059**
Segment asset increases/(decreases) for the period:	(1,692,800)	213,205	-	7,008,092	5,528,497
SEGMENT LIABILITIES	-	-	-	(347,305)	**(347,305)**

Segment Performance 30 June 2014	Western Australia Iron Ore $	Western Australia Gold $	Coal $	Corporate $	Total $
SEGMENT REVENUE	16,871	-	-	43,850	**60,721**
SEGMENT NET LOSS BEFORE TAX					
Exploration tenements written off	1,297,772	728,827	3,555,133	-	5,581,732
Depreciation	-	-	-	41,020	41,020
Corporate charges	-	-	-	4,211,154	4,211,154
Segment loss before tax	1,280,901	728,827	3,555,133	4,208,324	**9,773,185**
SEGMENT ASSETS	6,886,794	2,392,150	-	2,068,618	**11,347,562**
Segment asset increases/(decreases) for the period	(1,758,697)	(413,579)	(3,479,576)	(790,946)	(6,442,798)
SEGMENT LIABILITIES	-	-	-	3,838,068	**3,838,068**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

21. EVENTS SUBSEQUENT TO REPORTING DATE

The wholly controlled subsidiary, Legacy Gold Limited, was wound up and deregistered effective 6 April 2015. Legacy Gold Limited was effectively dormant and held no assets nor liabilities at 31 March 2015.

No other matter or circumstance has arisen since the end of the financial period 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.

22. CAPITAL AND LEASING COMMITMENTS AND CONTINGENCIES

	31 March 2015 $	30 June 2014 $

(a) Lease Commitments

Commitments in relation to non-cancellable operating leases not recognised as liabilities:

Within 1 year	187,939	163,698
Later than 1 year but not later than 5 years	185,343	304,492
Later than 5 years	-	-
	373,282	**468,190**

The property lease is a non-cancellable sub-lease with a fixed term of 3 years with rent payable monthly in advance. The lease does not allow for further subletting of the leased area. Cash deposit of $64,613 (30 June 2014: $64,613) has been pledged as security for a bank guarantee provided to the lessor.

(b) Minimum Exploration Expenditure Commitments

In order to maintain current rights of tenure to exploration and mining tenements, the Group has the following discretionary exploration expenditure and rental requirements up until expiry of leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:

	31 March 2015 $	30 June 2014 $
Within 1 year	246,767	523,858
Later than 1 year but not later than 5 years	715,472	1,319,627
Later than 5 years	231,020	1,925,543
	1,193,259	**3,769,028**

If the Group decides to relinquish certain leases and/or does not meet these requirements, assets recognised in the statement of financial position may require review to determine the appropriateness of carrying values. The sale, transfer or farm out of exploration rights to third parties will reduce or extinguish these obligations.

(c) Finance Lease Commitments

Minimum lease payments

	31 March 2015 $	30 June 2014 $
Within 1 year	46,692	-
Later than 1 year but not later than 5 years	105,547	-
Later than 5 years	-	-
Minimum lease payments	152,239	-
Less future finance charges	(15,461)	-
Present value of minimum lease payments	**136,778**	**-**

The finance lease on a motor vehicle has an effective interest rate of 7.89% and expires on February 2017. A cash deposit of $174,000 has been pledged as security for a bank guarantee provided to the lessor.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

23. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable and loans.

Derivatives are not used by the Group.

(i) Treasury Risk Management

The Board analyses financial risk exposure and evaluates treasury strategies in the context of the most recent economic conditions and forecasts.
The overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

(ii) Financial Risk Exposure and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

Exposure to interest rate arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or fair value of fixed financial instruments. Interest rate risk is managed by the Group only using fixed rates on debt. Refer to Note 23(b)(ii) for further details on interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by monitoring forecast and actual cash flows. Trade and other payables have contractual maturities of six (6) months or less.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

There are no other material amounts of collateral held as security at 31 March 2015.

The Board manages credit risk by only depositing cash with Australian Authorised deposit taking institutions. Cash, cash equivalents and held to maturity financial assets have a AA rating.
The Group has not taken out any security or guarantees over loans and other receivables.
The carrying amount of the Group's financial assets represents the maximum credit exposure:

	31 March 2015 $	30 June 2014 $
Other receivables (i)	226,563	57,319
Receivable – related entities	399,718	868,144
Cash and cash equivalents	7,995,082	337,879
Held to maturity Financial assets	282,553	706,872
	8,903,916	**1,970,214**

(i) In addition to other receivables above is a $200,000 receivable which is considered past due and fully impaired (30 June 2014: $200,000). Refer to Note 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

23. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial Instruments

(i) Derivative Financial Instruments

Derivative financial instruments are not used by the Group.

(ii) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period maturity, as well as management's expectations of the settlement period for all other financial instruments. As such the amount may not reconcile to the Statement of Financial Position.

31 March 2015	Weighted Average Effective Interest Rate %	Floating Interest Rate within 1 Year $	Fixed Interest Rate Maturing within 1 Year $	Maturing over 1 year, less than 5 Years $	Non-Interest Bearing $	Total $
Financial Assets						
Cash & cash equivalents	2.95	494,756	7,500,000	-	326	7,995,082
Held to maturity financial assets	2.37	-	282,553	-	-	282,553
Loans & receivables	3.88	370,590	-	-	255,691	626,281
Available for Sale Financial Investments		-	-	-	163,475	163,475
		865,346	7,782,553	-	419,492	9,067,391
Financial Liabilities (at Amortised Cost)						
Trade & other payables		-	-	-	151,080	151,080
Borrowings	7.89	-	37,233	99,545	-	136,778
		-	37,233	99,545	151,080	287,858
Net Financial Assets/(Liabilities)		**865,346**	**7,745,320**	**(99,545)**	**268,412**	**8,779,533**

30 June 2014	Weighted Average Effective Interest Rate %	Floating Interest Rate within 1 Year $	Fixed Interest Rate Maturing within 1 Year $	Fixed Interest Maturing over 1 year, less than 5 Years $	Non-Interest Bearing $	Total $
Financial Assets						
Cash & cash equivalents	2.64	336,879	-	-	1,000	337,879
Held to maturity financial assets	2.64	-	706,872	-	-	706,872
Loans & receivables		-	-	-	925,463*	925,463
Available for Sale Financial Investments		-	-	-	276,650	276,650
		336,879	706,872	-	1,203,113	2,246,864
Financial Liabilities (at Amortised Cost)						
Trade & other payables		-	-	-	615,105	615,105
Borrowings	3.48	3,000,000	-	-	100,000	3,100,000
		3,000,000	-	-	715,105	3,715,105
Net Financial Assets/(Liabilities)		**(2,663,121)**	**706,872**	**-**	**488,008**	**(1,468,241)**

All trade and sundry payables are expected to be paid in less than 6 months.

* $868,144 will became interest bearing from 31 October 2014.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)**

23. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial Instruments (continued)

(iii) Net Fair Value of Financial Assets and Liabilities

The net fair value of the financial assets and financial liabilities approximates their carrying value. The available for sale financial investment's fair value has been determined using Level 1 inputs, ie quoted prices in active markets. The fair value of these financial assets has been based on the closing quoted bid prices at reporting date, excluding transaction costs.

Cash and cash equivalents, loans and receivables, held to maturity assets and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values. The fair values are determined on the basis of an income approach using a discounted cash flow methodology. Discount rates are based on market interest rates for similar instruments.

(iv) Sensitivity Analysis

Interest Rate Risk

The Group has performed a sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in this risk.

Interest Rate Sensitivity Analysis

As 31 March 2015, the effect on loss and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	(Higher)/Lower 31 March 2015 $	30 June 2014 $
(Increase)/Decrease in loss		
- Increase in interest rate by 100 basis points	63,541	(26,631)
- Decrease in interest rate by 100 basis points	(63,541)	26,631
Change in equity		
- Increase in interest rate by 100 basis points	63,541	(26,631)
- Decrease in interest rate by 100 basis points	(63,541)	26,631

The movements in the loss for the period are due to lower interest revenue from cash balances than interest charge on bank borrowings.

24. CASH FLOW INFORMATION

	9 months ended 31 March 2015 $	12 months ended 30 June 2014 $
(i) Reconciliation of Cash Flows from Operating Activities with Loss from or after Income Tax		
- Loss from ordinary activities after income tax	(3,539,114)	(9,773,185)
Non-cash flows in loss from ordinary activities		
- Non-cash finance expenses	-	100,000
- Depreciation	35,373	41,020
- Impairment	465,275	240,000
- Exploration tenements written off	1,875,120	5,581,732
- (Profit)/Loss from sale of fixed assets	-	25,297
- Consultancy services settled by way of decrease in loan receivable	-	110,000
Changes in assets and liabilities		
- (Increase)/decrease in other receivables	245,966	7,474
- Increase/(decrease) in trade and other payables	(177,757)	(265,332)
- Increase/(decrease) in employee benefits	(63,516)	(66,809)
- Increase/(decrease) in finance lease	45,639	-
Net Cash Outflows from Operating Activities	**(1,113,014)**	**(3,999,803)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (CONTINUED)

24. CASH FLOW INFORMATION (continued)

	31 March 2015 $	30 June 2014 $
(ii) Non-Cash Financing and Investing Activities		
- Finance charges paid for by way of issue of shares	-	100,000
- Conversion of convertible notes into fully paid shares	-	175,000
- Acquisition of motor vehicle by finance lease	100,000	-
	100,000	**275,000**
(iii) Borrowing Facility		
Used	136,778	3,100,000
Unused	-	-
Total Facility	**136,778**	**3,100,000**

25. SHARE-BASED PAYMENTS

During the last two financial periods no options were granted to directors, employees, promoters, vendors, lenders and advisers as part of their remuneration package and/or ongoing support of the Group.

Total amounts arising from share based payment transactions recognised during the period are as follows:

	9 months ended 31 March 2015 $	12 months ended 30 June 2014 $
Shares issued for commencement fees of convertible notes (i)	-	100,000
	-	**100,000**

(i) This expense is classified as finance expense in the Statement of Profit or Loss.

The number and weighted average exercise prices of share options are as follows:

	31 March 2015		30 June 2014	
	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options
Outstanding at beginning of period	$0.23	135,378,908	$0.22	145,678,908
Granted during the period	N/A	-	N/A	-
Expired during the period	$0.23	(61,088,908)	$0.19	(10,300,000)
Exercised during the period	N/A	-	N/A	-
Outstanding and exercisable at end of period	$0.22	74,290,000	$0.23	135,378,908

The weighted average remaining contractual life of options outstanding at period end was 0.65 years (30 June 2014: 1.0 years).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

26. INTERESTS IN JOINT VENTURE OPERATION

The Group has a 60% interest in the following joint venture operation which was set up with Hawthorn Resources Limited to explore and develop the Mt Bevan exploration tenements in Western Australian. The principal place of business of the joint venture operation is Australia. Under the Mt Bevan joint venture agreement, Legacy has a 60% direct interest in all of the asset of the joint venture, the revenue generated and the expenses incurred by the joint arrangement. Legacy is also liable for 60% of any liabilities incurred by the joint venture.

	31 March 2015 $	30 June 2014 $
Mt Bevan	60%	60%

The Company's interest in the joint venture is included in the Statement of Financial Position in accordance with the accounting policy described in note 1(r) under the following classifications:

	31 March 2015 $	30 June 2014 $
Exploration and evaluation expenditure	5,015,157	4,861,859
Trade and other payables	-	(80,523)

Included in the Group commitments (Note 22(b)) are the following commitments in relation to the joint venture:

Minimum Exploration Expenditure Commitments	31 March 2015 $	30 June 2014 $
Not later than 1 year	32,813	24,518
Later the 1 year but not later than 5 years	-	62,003
Later than 5 years	-	-
	32,813	**86,521**

The joint venture has no contingent liabilities.

27. PARENT ENTITY FINANCIAL INFORMATION

(a) Summary Financial Information

The individual financial statements for the parent entity show the following aggregate amounts:

Statement of Financial Position	31 March 2015 $	30 June 2014 $
Current Assets	9,110,579	1,984,277
Non-Current Assets	7,775,608	10,253,517
Total Assets	16,886,187	12,237,794
Current Liabilities	219,607	3,731,722
Non-Current Liabilities	127,698	989,845
Total Liabilities	347,305	4,721,567
Net Assets	**16,538,882**	**7,516,227**
Shareholders' Equity		
Issued Capital	54,626,757	42,420,483
Reserves	16,332,623	15,980,523
Accumulated Losses	(54,420,498)	(50,884,779)
	16,538,882	**7,516,227**
Loss of the Period	**(3,535,719)**	**(9,767,362)**
Total Comprehensive Loss of the Period	**(3,183,619)**	**(10,119,462)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

27. PARENT ENTITY FINANCIAL INFORMATION (continued)

(b) Contractual Commitments of the Parent Entity

Refer to Note 22 for contractual commitments. All commitments relate to the parent entity.

(c) Contingent Liabilities and Guarantees of the Parent Entity

The parent entity did not have any contingent liabilities or guarantees as at 31 March 2015 or 30 June 2014.

28. SUBSIDIARY

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 1(a). The principal place of business is also its country of incorporation. Share capital consists solely of ordinary shares which are held directly by the Group.

Name of Subsidiary	Principal Place of Business	Class of shares	Ownership Interest 31 March 2015 %	Ownership Interest 30 June 2014 %
Legacy Gold Limited	Perth, Australia	Ordinary	100%	100%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Legacy Gold Limited was wound up and deregistered effective 6 April 2015.

29. FAIR VALUE MEASUREMENTS

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Available-for-sale financial assets

The Group does not measure any assets or liabilities on a non-recurring basis.

Fair Value Hierarchy
AASB 13: *Fair value measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuations techniques. Valuation techniques would maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable data, the asset or liability is included in Level 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015 (continued)

29. FAIR VALUE MEASUREMENTS (continued)

The following table provides the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

31 March 2015	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Available for sale financial assets				
- Shares in listed companies (Note 13)	163,475	-	-	163,475
Total financial assets recognised at fair value on a recurring basis	163,475	-	-	163,475

30 June 2014	Level 1 $	Level 2 $	Level 3 $	Total $
Recurring fair value measurements				
Available for sale financial assets				
- Shares in listed companies (Note 13)	276,650	-	-	276,650
Total financial assets recognised at fair value on a recurring basis	276,650	-	-	276,650

DIRECTORS' DECLARATION

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 and:

(i) Comply with Australian Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

(ii) give a true and fair view of the consolidated entity's financial position as at 31 March 2015 and of its performance for the financial period ended on that date; and

(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; and

(c) the Directors have been given the declarations required by s295A of the Corporations Act 2001 from the Chief Financial Officer.

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

Narendra Kumar Nanda
Non-Executive Chairman

25 May 2015

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

Report on the Financial Report

We have audited the accompanying financial report of Legacy Iron Ore Limited, which comprises the consolidated statement of financial position as at 31 March 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

(a) the financial report of Legacy Iron Ore Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 March 2015 and of its performance for the period ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 27 to 32 of the directors' report for the period ended 31 March 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards

Opinion

In our opinion the remuneration report of Legacy Iron Ore Limited for the period ended 31 March 2015 complies with section 300A of the *Corporations Act 2001*.

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

Samir Tirodkar
Director
West Perth, Western Australia
25 May 2015

ADDITIONAL SHAREHOLDER INFORMATION

Shareholding

The distribution of members and their holdings of unrestricted equity securities in the Company as at 31 March 2015 were as follows:

Category (Size of Holding)	Shareholders
1-1,000	74
1,001-5,000	68
5,001-10,000	158
10,001-100,000	574
100,001 and over	300
Totals	**1,174**

The number of shareholdings held in less than a marketable parcel is seven hundred and eighty (780) holders.

Substantial Shareholders

The names of the substantial shareholders listed in the Company's register as 31 October 2014:

Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. NMDC Limited	1,153,450,796	78.56

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary Shares
Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options
The options have no voting rights.

ADDITIONAL SHAREHOLDER INFORMATION (continued)

Twenty Largest Share & Option Holders

The names of the twenty largest ordinary fully paid shareholders as at 31 October 2014 are as follows:

	Holder Name	Number Held	Percentage
1	NMDC LIMITED	1,153,450,796	78.56%
2	DBS VICKERS SECURITIES	51,983,603	3.54%
3	J P MORGAN NOMINEES AUSTRALIA	49,380,641	3.36%
4	ARTKING HOLDINGS PTY LTD	8,450,853	0.58%
5	HSBC CUSTODY NOMINEES	7,223,000	0.49%
6	UOB KAY HIAN PRIVATE LIMITED	5,556,144	0.38%
7	ELOHIM NOMINEES PTY LTD	5,008,012	0.34%
8	PURKIS PTY LTD	4,620,000	0.31%
9	MR BRETT DOUGLAS DOYLE	4,000,000	0.27%
10	CITICORP NOMINEES PTY LIMITED	3,557,590	0.24%
11	DR DOMENICO FARAONE & DR VICKI CATHERINE LYNCH	3,501,426	0.24%
12	MS SUAN CHENG TAN	3,000,000	0.20%
13	MASTERBRANDS (AUS) PTY LTD	2,950,000	0.20%
14	MR CRAIG CHARLES VINEY	2,550,000	0.17%
15	MR JOSEPH ADAM LEE	2,500,000	0.17%
16	MR PAUL RANDALL	2,390,781	0.16%
17	NAXOS CORPORATION PTY LTD	2,250,000	0.15%
18	MR VINCENZO NOCITA	2,100,000	0.14%
19	WESTERN RESOURCES AUST PTY LTD	2,000,000	0.14%
20	MR ANTANOUS AZIZI	2,000,000	0.14%
	TOTAL	**1,318,472,846**	**89.8%**

The names of the twenty largest listed option holders as at 31 October 2014 are as follows:

HOLDER NAME	EXP DATE	PRICE	NO OF SECS.
MR STEPHEN SHELTON	23/12/2015	$ 0.10	4,000,000
ELOHIM NOM PL	23/12/2015	$ 0.10	2,215,000
			6,215,000
NMDC LIMITED	23/12/2015	$ 0.10	6,215,000
			6,215,000
PURKIS LIMITED	31/12/2015	$ 0.25	8,400,000
BURNBANK LIMITED	31/12/2015	$ 0.25	8,400,000
LAWLEY INVESTMENTS PTY LTD	31/12/2015	$ 0.25	3,150,000
ELOHIM NOMINEES PTY LTD	31/12/2015	$ 0.25	3,150,000
NMDC LIMITED	31/12/2015	$ 0.25	23,100,000
			46,200,000
NMDC LIMITED	24/05/2016	$ 0.18	2,000,000
MS MARINA SHELTON	24/05/2016	$ 0.18	2,000,000

SCHEDULE OF MINERAL TENEMENTS
AS AT 31 MARCH 2015

The Company has an interest in the gold rights of the following tenements:

Tenement	Holder/Applicant	Shares Held/Interest	Area Size
Gold			
E80/4220	Legacy Iron Ore Limited	100%	2 Blocks
E80/4221	Legacy Iron Ore Limited	100%	33 Blocks
E31/1034	Legacy Iron Ore Limited	100%	1 Block
E39/1748	Legacy Iron Ore Limited	100%	70 Blocks
M31/0426	Legacy Iron Ore Limited	100%	29 Hectares
E39/1443	Legacy Iron Ore Limited	100%	9 Blocks
P39/5001	Legacy Iron Ore Limited	100%	174 Hectares
P31/5002	Legacy Iron Ore Limited	100%	190 Hectares
P31/5003	Legacy Iron Ore Limited	100%	190 Hectares
P31/5004	Legacy Iron Ore Limited	100%	56 Hectares
P31/5005	Legacy Iron Ore Limited	100%	96 Hectares
P31/5006	Legacy Iron Ore Limited	100%	6 Hectares
P31/5007	Legacy Iron Ore Limited	100%	82 Hectares
M31/0427	Legacy Iron Ore Limited / Cazaly Resources	90% / 10%	91 Hectares
P31/1746	Legacy Iron Ore Limited / Cazaly Resources	90% / 10%	200 Hectares
E31/1019	Legacy Iron Ore Limited / Cazaly Resources	90% / 10%	1 Block
E31/1020	Legacy Iron Ore Limited / Cazaly Resources	90% / 10%	1 Block
M31/0107*	Murrin Murrin Holdings / Glenmurrin Pty Ltd	90%	456 Hectares
M31/0229*	Murrin Murrin Holdings / Glenmurrin Pty Ltd	90%	78 Hectares
M31/0230*	Murrin Murrin Holdings / Glenmurrin Pty Ltd	90%	629 Hectares

The Company has an interest in the iron ore rights of the following tenements:

Tenement	Holder/Applicant	Shares Held/Interest	Area Size
Iron Ore			
E29/0865	Legacy Iron Ore Limited	100%	16 Blocks
E29/0510	Legacy Iron Ore Limited / Hawthorn Resources Limited	60% / 40%	59 Blocks

*The Company has a 90% interest in the gold rights of these tenements.

Key to Tenement Schedule
E - Exploration Licence
P - Prospecting Licence
M - Mining Licence

CORPORATE GOVERNANCE STATEMENT

Legacy Iron Ore Limited ("Company") has made it a priority to adopt systems of control and accountability as the basis for the administration of corporate governance. These policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("**Principles & Recommendations**") third edition, the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. Where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for the adoption of its own practice, in compliance with the "if not, why not" regime.

Disclosure of Corporate Governance Practices

Summary Statement

	ASX P & R	If not, why not		ASX P & R	If not, why not
Recommendation 1.1	✓		Recommendation 4.1		✓
Recommendation 1.2	✓		Recommendation 4.2	✓	
Recommendation 1.3	✓		Recommendation 4.3	✓	
Recommendation 1.4	✓		Recommendation 5.1	✓	
Recommendation 1.5		✓	Recommendation 6.1	✓	
Recommendation 1.6	✓		Recommendation 6.2	✓	Recommendation 1.3
Recommendation 1.7	✓		Recommendation 6.3	✓	
Recommendation 2.1		✓	Recommendation 6.4	✓	
Recommendation 2.2	✓		Recommendation 7.1	✓	
Recommendation 2.3	✓		Recommendation 7.2	✓	
Recommendation 2.4		✓	Recommendation 7.3	✓	
Recommendation 2.5		✓	Recommendation 7.4	✓	
Recommendation 2.6	✓		Recommendation 8.1	✓	
Recommendation 3.1	✓		Recommendation 8.2	✓	

Website Disclosures

Further information about the Company's charters, policies and procedures may be found at the Company's website at www.legacyiron.com.au, under the section marked Corporate Governance.

Disclosure – Principles & Recommendations

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2014/2015 financial period ("**Reporting Period**").

Principle 1 – Lay Solid Foundations for Management and Oversight

Recommendation 1.1: A listed entity should disclose:

(a) the respective roles and responsibilities of its board and management; and

(b) those matters expressly reserved to the board and those delegated to management.

Disclosure:

The Company has established the functions reserved to the Board and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

The Company has established the functions delegated to senior executives and has set out these functions in its Board Charter. Senior executives are responsible for supporting the Managing Director and assisting the Managing Director in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Managing Director or, if the matter concerns the Managing Director, then directly to the Chair or the lead independent Director, as appropriate.

Recommendation 1.2: A listed entity should:

(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and

(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Disclosure:
The board undertakes a review of the potential candidate and their appropriate skills through a reference of previous positions and industry contacts.

Full details of each person are announced in the initial appointment announcement and also in the Annual Report. Where a director is seeking election, shareholders are given full details.

Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

Disclosure:
Upon joining the Company, each director and senior executive enters into an agreement with the Company which sets out the key terms of their employment and their responsibilities including adhering to all Company policies.

Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

Disclosure:
The Company Secretary advises the board directly on all matters regarding the function of the board, in consultation with any legal advice if so required. The Secretary is responsible for the co-ordinating of all board matters, committee meetings and advice.

Recommendation 1.5: A listed entity should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.16

Disclosure: The Company does not qualify under the Act. The Company has a policy of appointing the most suitably qualified person to each position in the Company. Where there is a vacancy in the Company, the most suitable party will be employed.

At present, there is no documented policy of objectives, as positions are selected on the best available candidate.

At the date of this report, all senior executive positions, being persons who can influence the direction of the Company, are filled by males.

Recommendation 1.6:

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:
The Chair is responsible for evaluating the board and the various committee members. The Chair holds informal discussions with the board on an ongoing basis, as required. It is envisaged that in the coming period, a more formal process for evaluation will be implemented.

Recommendation 1.7

A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of its senior executives; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

Disclosure:
The Managing Director is responsible for evaluating the senior executives, and does this by holding informal discussions with the senior executives on an ongoing basis, as required. It is envisaged that in the coming period, a more formal process for evaluation will be implemented.

Principle 2 – Structure the Board to Add Value

Recommendation 2.1
The board of a listed entity should:

(a) have a nomination committee which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director,

and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

Disclosure:
As at 31 March 2015, the Nomination Committee consists of 3 members being Mr Nanda, Mr Ahluwalia and Mr Devanathan. Mr Devanathan is considered to be independent, with the other two directors deemed as not independent. Given the size of the Company, the Board considers the make up of the Committee as appropriate. The Committee has a charter setting out the criteria and responsibilities for the selection of new Directors.

The number of times the committee met is outlined in the annual report.

Recommendation 2.2
A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

Disclosure:
The skills of each individual director is outlined in the annual report setting out the qualifications and experience of each person.

Recommendation 2.3
A listed entity should disclose:
(a) the names of the directors considered by the board to be independent directors;
(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
(c) the length of service of each director

Name	Position	Independent
Mr Narendra Kumar Nanda	Non-Executive Chairman	No
Mr D.S. Ahluwalia	Non-Executive Director	No
Dr T.K. Rao	Non-Executive Director	No
Mr Timothy Turner	Non-Executive Director	Yes
Mr Devanathan Ramachandran	Non-Executive Director	Yes

An independent Director is defined as a Non-Executive Director and;

- Is not a substantial shareholder of the Company or an officer of or directly or indirectly associated with a substantial shareholder of the Company;
- Within the last three years has not been employed in an executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- Within the past three years has not been a principal of a material professional advisor or a material consultant to the Company or an employee associated with a such a material service provider or advisor; and,
- Does not have a material contractual relationship with the Company other than as a Director of the Company.

Disclosure:
The Board comprises five Directors, with Mr Turner and Mr Devanathan being the two independent directors. The remaining Directors are not independent because Mr Nanda, Mr Ahluwalia, and Dr Rao are nominees of the largest shareholder in the Company. The Board considers that the merits of appointing additional Directors in order to achieve majority independent status are outweighed by the Board's wish to maintain a relatively small Board of five Directors, which the Board believes is adequate having regard to the operations of the Company.

A profile of each Director containing their skills, experience, expertise and term of office is set out in the Directors' Report.

Identification of Independent Directors

The independent Directors of the Company are Mr Tim Turner and Mr Devanathan Ramachandran. Mr Turner and Mr Ramachandran is independent as they are both Non-Executive Directors who are not a members of management and are free of any material business or other relationship that could interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

Independence is measured having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The materiality thresholds are set out below.

Group's Materiality Thresholds

The Board has agreed on the following guidelines for assessing the materiality of matters, as set out in the Company's Board Charter:

- Statement of Financial Position items are material if they have a value of more than 10% of net assets.

- Profit and loss items are material if they will have an impact on the current period operating result of 10% or more.

- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, they could affect the Company's rights to its assets, if accumulated they would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on statement of financial position or profit and loss items, or they will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.

Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default, and the default may trigger any of the quantitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost of such a quantum, triggering any of the quantitative tests, contain or trigger change of control provisions, they are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

Disclosure:
Set out above, the Company does not meet this requirement due to the size of the Company.

Recommendation 2.5: The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Disclosure:
The Chair of the Board since December 2011 has been Mr Narendra Kumar Nanda and is a nominated representative of the largest shareholder. He is not deemed to be independent. During the Reporting Period Mr Narendra Kumar Nanda was chair of the Company with the Managing Director position carried out by Ms Sharon Heng until October 2014, and Mr Rakesh Gupta from January 2015.

Recommendation 2.6: A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Disclosure:
Each director is provided with an induction to the Company's assets and business including all policies and procedures. Each director can request appropriate development opportunities which will be considered by the board on each occasion.

If a Director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a Director then, provided the Director first obtains approval for incurring such expense from the Chair, the Company will pay the reasonable expenses associated with obtaining such advice.

Principle 3 – Act ethically and responsibly

Recommendation 3.1

A listed entity should:

(a) have a code of conduct for its directors, senior executives and employees; and

(b) disclose that code or a summary of it.

Disclosure:
The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, practices necessary to take into account their legal obligations and the expectations of their stakeholders and responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Principle 4 – Safeguard Integrity in Financial Reporting

Recommendation 4.1

The board of a listed entity should:

(a) have an audit committee which:

(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and

(2) is chaired by an independent director, who is not the chair of the board,

and disclose:

(3) the charter of the committee;

(4) the relevant qualifications and experience of the members of the committee; and

(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Disclosure:
The Board has established an Audit committee that is structured in accordance with Recommendation 4.1 where possible.

Mr D.S Ahluwlia is the chair of committee along with Mr Turner and Mr Ramachandran. Both Mr Turner and Mr Ramachandran are considered independent, although Mr Ahluwalia is considered non-independent, but is not the chair of the Board.

The Company has adopted an Audit Committee Charter which sets out the responsibilities and role of the Committee and how it reports to the Board.

Details of each of the Director's qualifications are set out in the Directors' Report. The Chairman of the Audit Committee has formal qualifications in the area of accounting, while the other members either have formal qualifications or have industry knowledge and experience and consider themselves to be financially literate. Further, the Company's Audit Committee Charter provides that the Board meet with the external auditor without management present, as required.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Group through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.

The Audit Committee met twice during the Reporting Period.

Recommendation 4.2

The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Disclosure:
The Managing Director / Chief Executive Officer and the Chief Financial Officer (or equivalent) have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial risk.

Recommendation 4.3

A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

Disclosure:

The Company invites the auditors to attend the AGM and forwards any questions received to the auditors for comment.

Principle 5 – Make Timely and Balanced Disclosure

Recommendation 5.1: Recommendation 5.1

A listed entity should:

(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and

(b) disclose that policy or a summary of it.

Disclosure:
The Company has established written policies designed to ensure compliance with ASX Listing Rule disclosure and accountability at a senior executive level for that compliance. The policies also include examples of disclosure requirements and who can communicate with media outlets.

Principle 6 – Respect the Rights of Security Holders

Recommendation 6.1:

A listed entity should provide information about itself and its governance to investors via its website.

Disclosure:
The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings. This includes all relevant information being disclosed on the Company's website.

Recommendation 6.2

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

Disclosure:

The company welcomes open communication with shareholders.

Recommendation 6.3

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.

Disclosure:

A copy is available on the Company's website.

Recommendation 6.4

A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

Disclosure:
The Company has an email where shareholders can request to receive all information electronically and offers the same service through its share registry.

Principle 7 – Recognise and Manage Risk

Recommendation 7.1: The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director,

and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

Disclosure:
The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Managing Director / Chief Executive Officer who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director/ Chief Executive Officer and the Chief Financial Officer are responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board.

In fulfilling the duties of risk management, the Managing Director/ Chief Executive Officer may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management which, if exceeded, will require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Group's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Board has also established an audit and risk committee.

Recommendation 7.2:

The board or a committee of the board should:

(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and

(b) disclose, in relation to each reporting period, whether such a review has taken place.

Disclosure:
Management report to the Board as to the effectiveness of the Company's management of its material business risks via the Audit Committee meetings. In addition at every board meeting, the Board is provided with an update to ensure all relevant risks and systems are in place and working effectively.

Recommendation 7.3: A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Disclosure:

The Company has a Chief Financial Officer which oversees the operations of the Company and sets the required measures for financial management. The Board receives assurances from the Chief Executive Officer and the Chief Financial Officer that the financial accounts are founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company has an internal audit committee as outlined above, which then reviews these financial reports in addition to the external auditors.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Disclosure:
The Company is an exploration company and as such has exposure to the risks of the mining industry including commodity prices, environmental risks etc.

Principle 8 – Remunerate Fairly and Responsibly

Recommendation 8.1

The board of a listed entity should:

(a) have a remuneration committee which:

(1) has at least three members, a majority of whom are independent directors; and

(2) is chaired by an independent director,

and disclose:

(3) the charter of the committee;

(4) the members of the committee; and

(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or

(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

Disclosure:

The Company has established a Remuneration Committee. The Committee has adopted a formal charter setting out the responsibilities and considerations in determining remuneration of Executives and Non-Executives. The Committee consists of Mr Turner as Chairman, with Mr Ramachandran and Mr Ahluwalia as members. Both Mr Turner and Mr Ramachandran are considered to be independent given they are not employed as an executive or represent a major shareholder. The Board considers the remuneration committee is sufficient given the size of the Board.

The remuneration committee did not meet during the period.

Recommendation 8.2:

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Disclosure:

Non-Executive Directors are remunerated at a fixed fee for their time and their responsibilities to various committees.

The Non-Executive Directors are however eligible to participate in the Company’s incentive plan. The Board considers that this is a necessary motivation to attract the highest calibre candidates to the Board at this stage in the Company’s operations.

Recommendation 8.3:

A listed entity which has an equity-based remuneration scheme should:

(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and

(b) disclose that policy or a summary of it.

Disclosure:

Details of remuneration, including the Company’s policy on remuneration, are contained in the “Remuneration Report” which forms of part of the Directors’ Report.

The Company does not have any equity-based remuneration policies at present.

The Remuneration Committee meets to discuss the employments terms of the Managing Director and Non-Executive Directors where required, under an adopted Remuneration Committee Charter.

There are no termination or retirement benefits for Non-Executive Directors (other than for superannuation).

Securities Trading Policy

The Company has also established a policy concerning trading in the Company's securities by Directors, senior executives and employees.

The policy includes blackout periods where no trading in Group securities shall take place between:

(i) Up to and including five (5) weeks prior to the announcement of the annual results, due to be lodged by no later than 30 September of each calendar year;

(ii) Up to and including five (5) weeks prior to the announcement of the half year results, due to be lodged by no later than 31 March of each calendar year; and

(iii) The last two (2) week period of the months of January, April, July and October prior to the release of the quarterly results for the periods ending 31 December, 31 March, 30 June and 30 September; or

(iv) as directed in writing by the Company's Board at any time in its sole discretion.

If Directors including the Managing Director wish to trade securities outside the blackout period, they must obtain approval from the Chairman. Employees must obtain the approval of the Managing Director, and the Chairman must obtain the approval of the Board.