IRON ORE LIMITED

Quarterly Report
Period ended 30 September 2015

About Legacy Iron Ore

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

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

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

Board

Narendra Kumar Nanda, Non-Executive Chairman
Devinder Singh Ahluwalia, Non-Executive Director
Tangula Rama Kishan Rao, Non-Executive Director
Timothy Turner, Non-Executive Director
Devanathan Ramachandran, Non-Executive Director

Rakesh Gupta, Chief Executive Officer
Ben Donovan, Company Secretary

Key Projects

Mt Bevan Iron Ore Project
South Laverton Gold Project
East Kimberley Gold, Base Metals and REE Project

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29 October 2015

The Company Announcements Office
ASX Limited

Via E Lodgement

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015

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

Yours faithfully
LEGACY IRON ORE LIMITED

Rakesh Gupta
Chief Executive Officer

HIGHLIGHTS

EXPLORATION AND DEVELOPMENT

Mt Bevan Magnetite Project (60%)

- Field mapping and geochemical sampling was completed in the Western BIF, and southern parts of the Mezzo and Eastern BIF. The principal objective was to identify areas of potential DSO hematite typically located on cross structures. Assay results are awaited.

East Kimberley – Koongie Park Gold/Basemetal Project

- Results of a 2133m RC drilling program completed last quarter were assessed. Drilling was successful in confirming an exhalative volcanisedimentary sequence identical with that hosting the AAR Koongie Park basemetal resources, and the Mt Angelo copper deposit. This highly prospective sequence extends in an arcuate trend for some 10km within the tenement.

South Laverton Gold - Mt Celia Gold Project

- Field mapping and geochemical sampling were undertaken at the Patricia North and Mt Celia projects. Statutory approvals have been received for an RC drilling program at Mt Celia targeting the Margot Find gold – soil anomaly and associated shear zone. This program is planned for October 2015.

Potential Acquisitions

- Legacy is seeking opportunities particularly in acquiring an interest in short – medium term revenue producing mines. To this end, a substantial number of projects were investigated with several undergoing further examination.

CORPORATE

- The Annual General Meeting was held on 26 August 2015 with all resolutions passed unanimously on a show of hands.

EXPLORATION

Legacy Iron is an active exploration company with a diverse portfolio of assets spanning iron ore, gold and base metals (Figure 1). The primary focus for the Company is its Joint Venture with Hawthorn on the Mt Bevan Iron Ore Project, north of Kalgoorlie in Western Australia, where the Company is progressing a potentially world class magnetite project.

The Company holds significant landholdings in the Eastern Goldfields (Yilgarn) and East Kimberley districts of WA. In the Eastern Goldfields, the company holds tenements with a number of gold resources, whilst the Koongie Park project in the East Kimberley region has excellent potential to host VHMS basemetal – gold mineralisation.

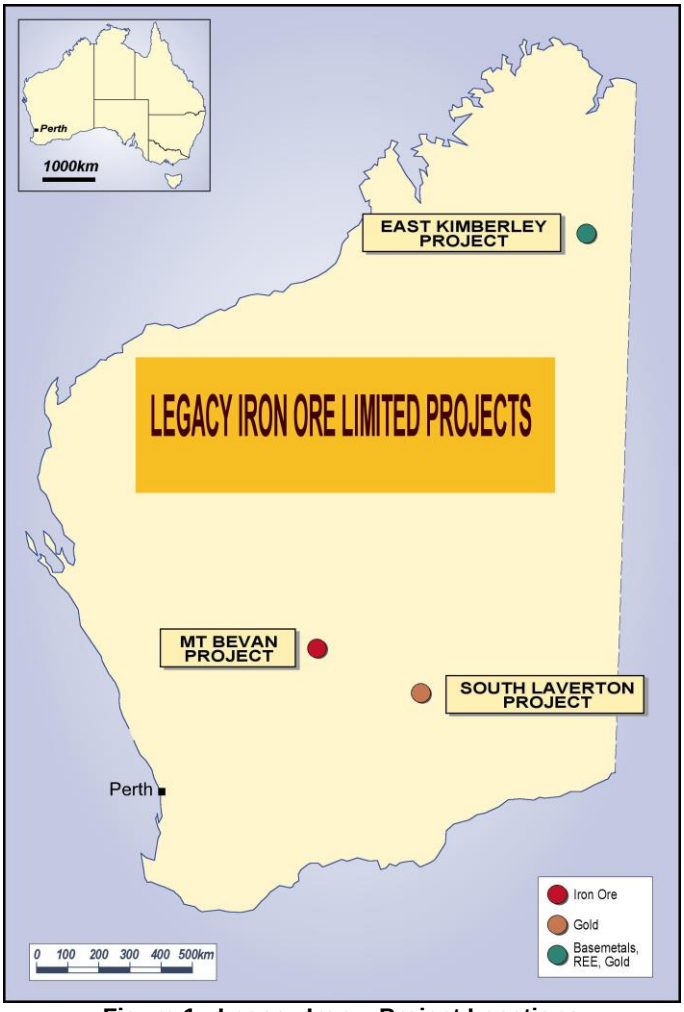


Figure 1: Legacy Iron – Project Locations

IRON ORE

Mt Bevan Magnetite Project

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

The recent highly successful exploration and resource definition program carried out now underpins the potential for a large scale development at Mt Bevan (*refer Table 1 below for the current resource estimate and Figure 2 for a representative cross section*). 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.

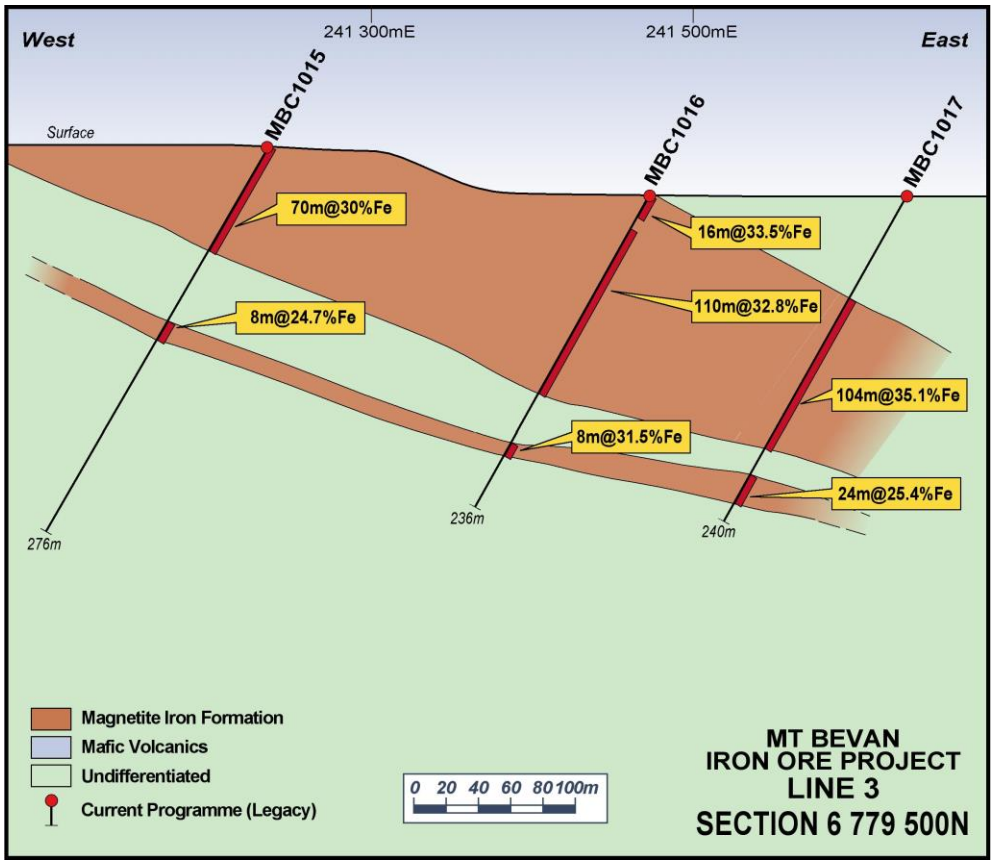


Figure 2: Drilling Cross Section - Lines 3

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

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).

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

During the quarter, a mapping and geochemical sampling program was completed over the southern part of the Western, Mezzo and Eastern BIF (Figure 3). This program added to earlier work, and focussed on cross structures that locally host substantial DSO hematite mineralisation (as at the Jupiter Mines/Legacy JV held Mt Mason resource). The program outlined in particular a zone of strongly ferruginous material lying between resource drill lines 3 to 6, a strike of approximately 3 km. This zone is associated with a discontinuous BIF unit that lies on the hanging wall of the Western BIF (ie to the east). Samples have been despatched to ALS Perth for analysis, with results awaited.

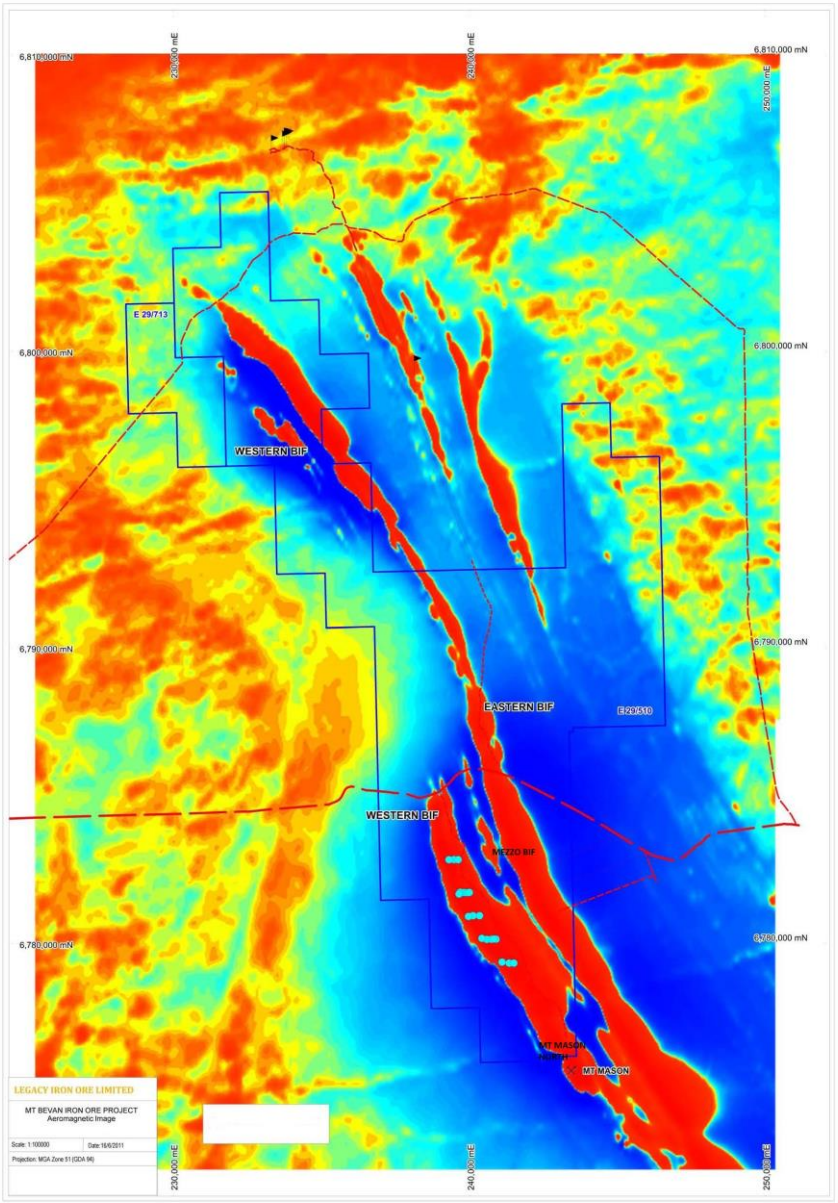


Figure 3: Location of field program

East Kimberley Projects - Koongie Park

GOLD/BASEMETALS – EAST KIMBERLEY

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 4*).

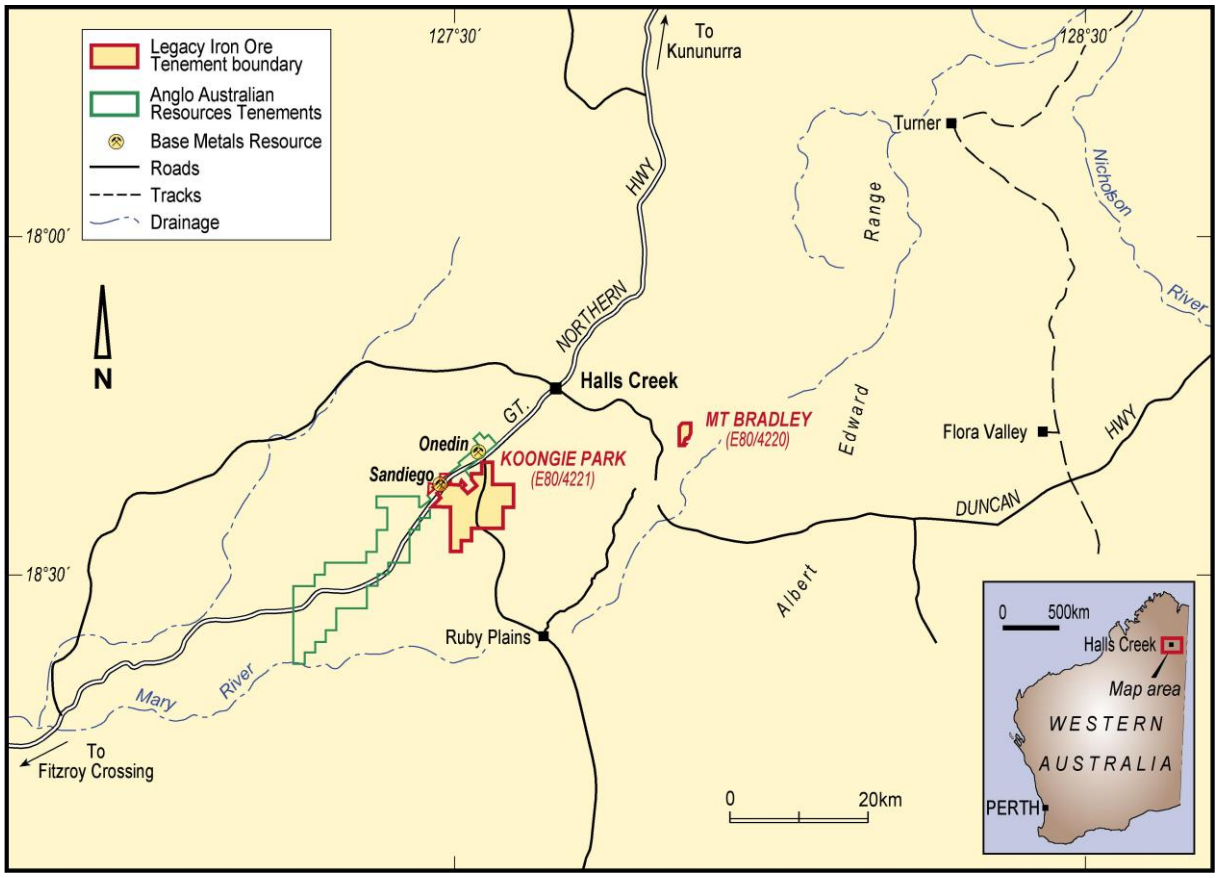


Figure 4: East Kimberley Projects

Koongie Park Project

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 and Monty discoveries 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 5*). These lie largely under shallow alluvial plain cover.

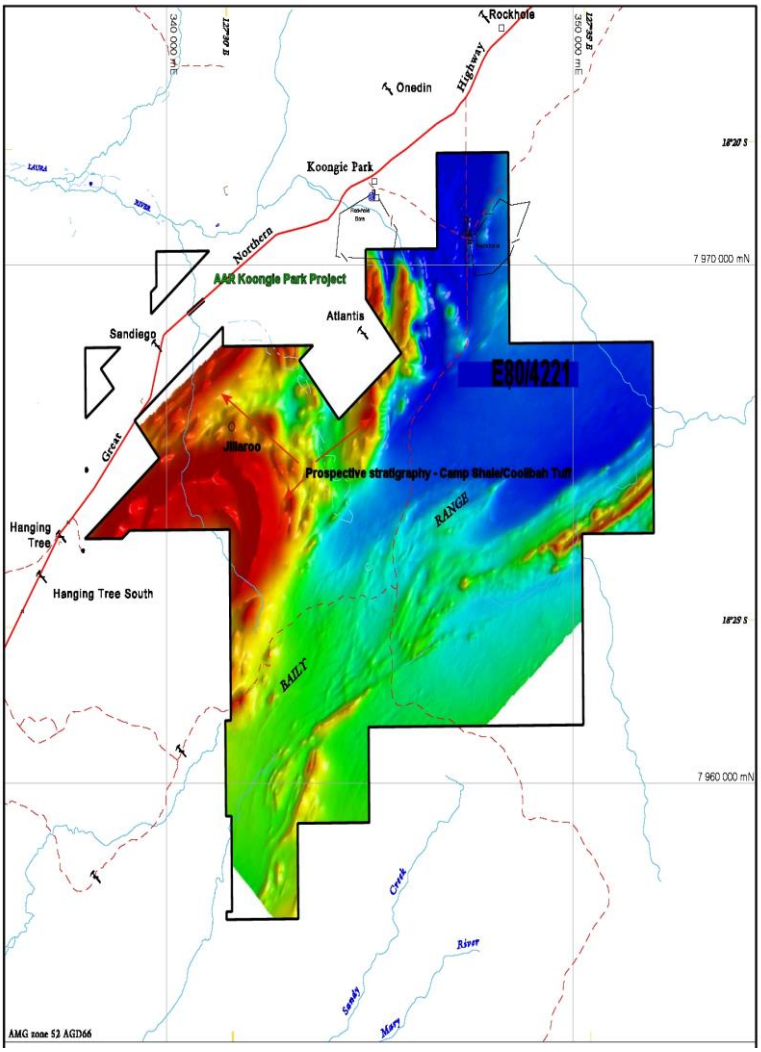


Figure 5: Koongie Park – High Resolution Aeromagnetics

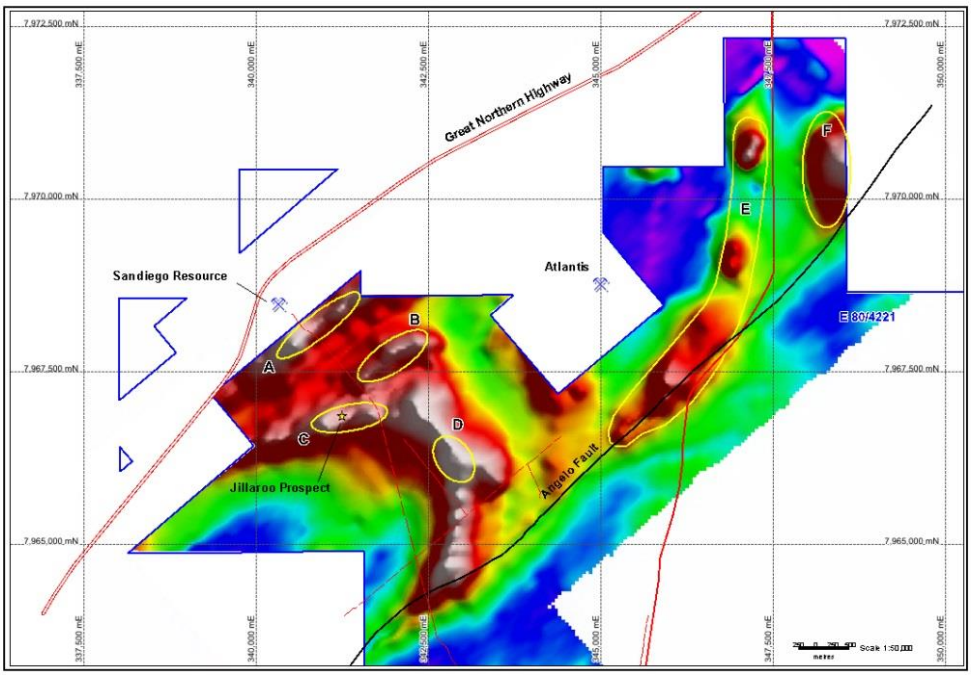
(red = high magnetic stratigraphy equating to magnetite bearing members of prospective Camp Shale Member)

Fieldwork discovered sparse outcrop of weathering resistant tourmaline rich cherts in the southern sector within open alluvial plain. These are indicative of submarine exhalative processes related to VHMS mineralisation.

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 (*Figure 6*).

Figure 6: Jillaroo Prospect – Tourmalinite Chert with Gossan

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 7*):



(Channel 15 – midtime) **Figure 7: 3D Plan of HELITEM Conductors**

A 2133m/12 hole RC drilling program was recently completed at the project. This program
had as its objective to evaluate the previously unexplored tenement for VHMS basemetal gold mineralisation. The drilling focussed on a number of priority Helitem

conductors as described above. Some of these conductors were coincident with a poorly outcropping gossan and tourmalinite cherts at or close to the Jillaroo prospect.

The location of the drill holes in relation to the modelled Helitem conductors is shown in Figure 8 below.

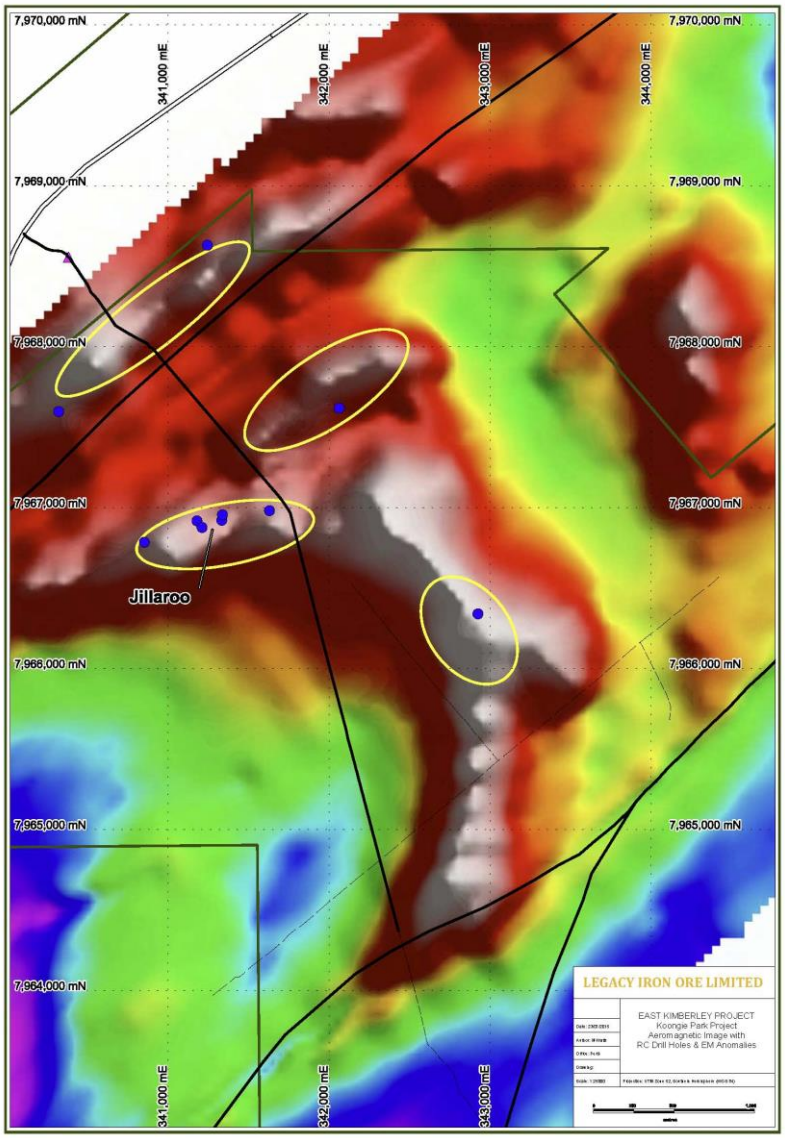


Figure 8: RC Drill hole location plan

Drilling was successful in confirming an exhalative volcanisedimentary sequence in this latter position. The sequence appears identical with that hosting the Anglo Australian Resources Koongie Park deposits, and the Cazaly/3D Resources Mt Angelo VHMS resource to the south west. The sequence, as at the AAR Koongie Park, is very deeply weathered along the exhalite horizon – probably due to the alteration and deformation intensity. This necessitated quite deep drilling in this area. Two drill holes to the north of the Jillaroo prospect encountered an unprospective dolerite unit.

No anomalous basemetal or gold assays were recorded from the drilling, although strong pyrite was noted within the exhalative sequence in one drill hole. Although disappointing from the point of view of early commercial success, this is not unusual for

VHMS exploration, where a holistic detective approach is required utilising surface geochemistry and EM geophysics at surface and down hole to zero in on the discrete orebodies. This is best illustrated by the exploration history leading to the recent discovery of VHMS basemetal mineralisation by Sandfire Resources/Talisman Mining at their Monty prospect.

The drilling essentially has shown the presence of a highly prospective exhalative volcanisedimentary sequence that extends over some 10km within our tenement in the form of an arc (probably syncline) now termed the Jillaroo Arc. The drilling to date has only tested a small part of this unit (less than 1 km strike), and at a wide spacing. The Jillaroo Arc sequence and Cazaly/3D Resources Mt Angelo North (MAN) is shown in Figure 8 below.

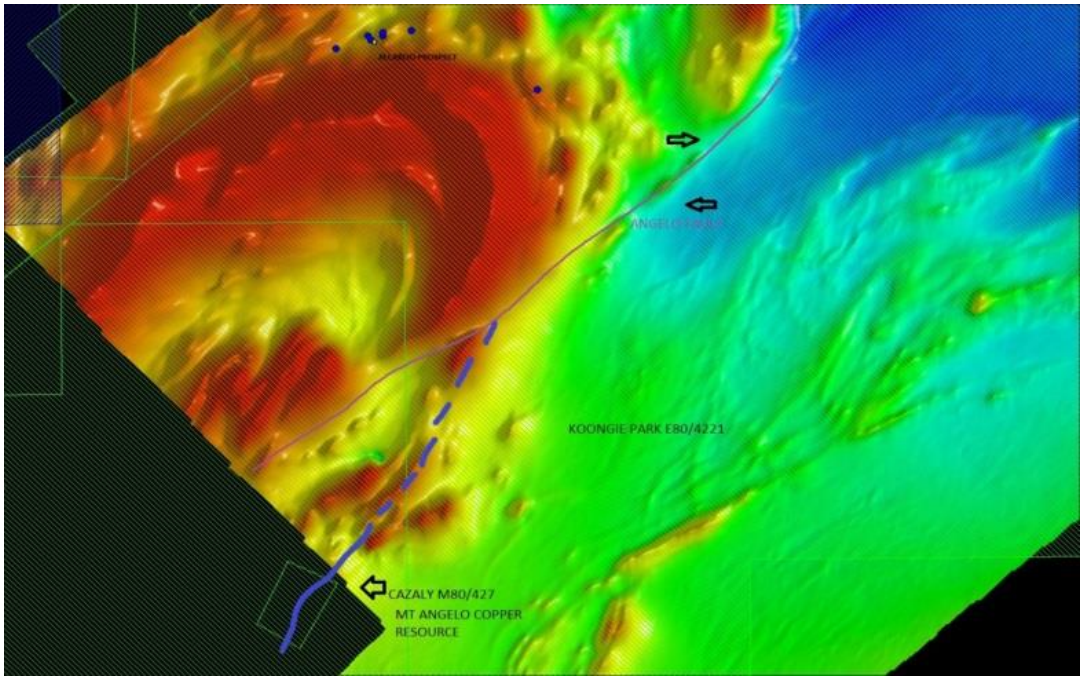


Figure 8: Jillaroo Arc showing drilling and MAN basemetal deposit.

GOLD

South Laverton Gold Project

Figure 9 shows the location of current projects at South Laverton

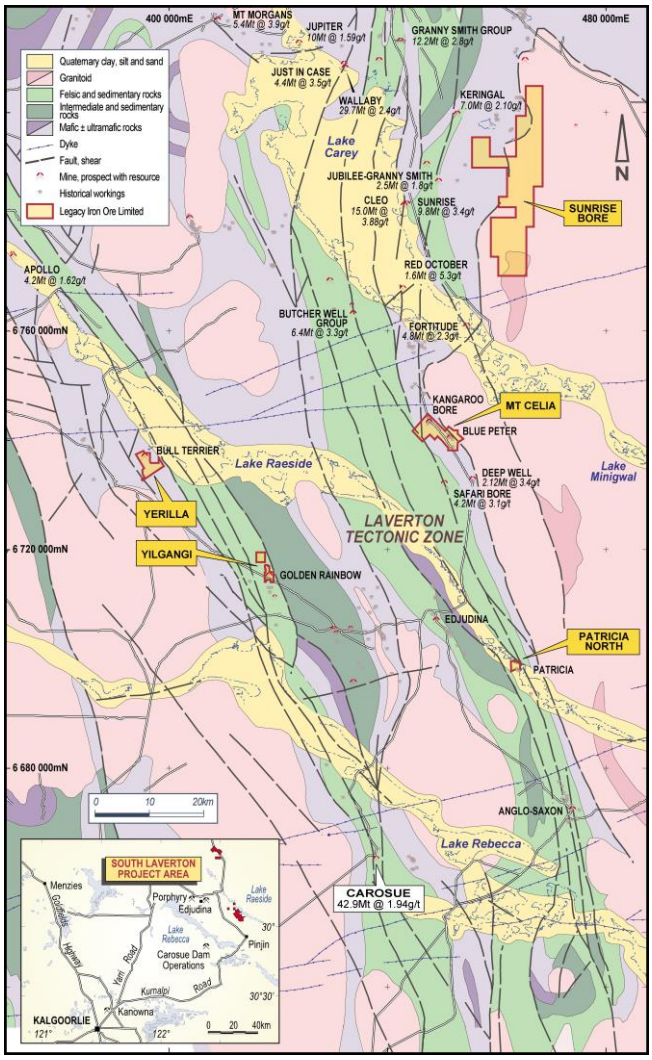


Figure 9: South Laverton Gold Project

Field mapping and geochemical sampling were undertaken at the Patricia North and Mt Celia projects. Statutory approvals have been received for an RC drilling program to be conducted at Mt Celia. This program will test the Margot Find gold-soil anomaly and associated shear zone. This program is planned for October 2015.

PLANNED ACTIVITIES – DECEMBER 2015 QUARTER

Principal activities planned for the December 2015 quarter will comprise:

Mt Bevan Magnetite: Assessment of DSO sampling/mapping following receipt of assays. Planning of RC drilling.

South Laverton: RC drilling at the Mt Celia gold project.
Geochemical sampling/mapping at Sunrise Bore project.

Competent Person's Statement:

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