

IRON ORE LIMITED

(ABN 31 125 010 353)

*Interim Financial Report
for the Six Month Period Ended
30 September 2015*

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity, Legacy Iron Ore Limited, consisting of Legacy Iron Ore Limited and the entities it controlled at the end of, or during, the half-year ended 30 September 2015 ("Legacy Iron", the "Group" or the "Company").

1. DIRECTORS

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

Mr Narendra Kumar Nanda (Non-Executive Chairman)
Mr Timothy Turner (Non-Executive Director)
Mr Devanathan Ramachandran (Non-Executive Director)
Mr Devinder Singh Ahluwalia (Non-Executive Director)
Dr Tanugula Rama Kishan Rao (Non-Executive Director)

2. COMPANY SECRETARY

Mr Ben Donovan holds the position of Company Secretary.

3. REVIEW OF OPERATIONS**CORPORATE**

The Company is now in a good financial position with no debt, other than a finance lease on a motor vehicle and, as at 30 September 2015 the Company holds \$6,913,083 in cash and cash equivalents. The Company is aware of the difficult market conditions and the need for conserving the funds on hand. The Company is also actively pursuing for suitable opportunities for business development.

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

Legacy Iron is an active exploration company with a diverse portfolio of assets spanning iron ore, gold and base metals. The primary focus for the Company is its Joint Venture with Hawthorn Resources Limited 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 a significant landholding in the Eastern Goldfields region on its South Laverton projects focusing on gold exploration. The Company also holds substantial ground in the East Kimberley region with the most advanced prospect being the highly prospective Koongie Park VHMS base metal - gold project.

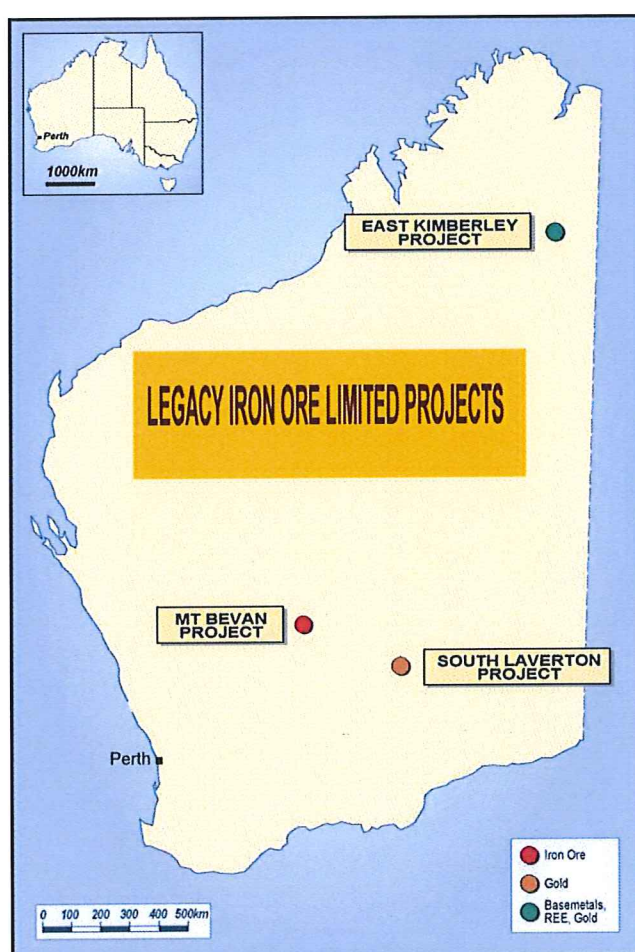


Figure 1: Location of Legacy Iron Projects

IRON ORE

Legacy Iron Ore Limited ("Legacy Iron" or "the Company") is the manager of the Mt Bevan Joint Venture in the Yilgarn of Western Australia. The Mt Bevan Iron Ore Project ("Mt Bevan") is a joint venture between Legacy Iron and Hawthorn Resources Limited (ASX: HAW or "Hawthorn") with Legacy Iron holding 60% interest in the project. Legacy Iron has now drilled out a major magnetite resource and is investigating the strong potential for shallow DSO or beneficiable hematite resources.

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

The recent highly successful exploration and resource definition program carried out now underpins the potential for a large scale development at Mt Bevan (*refer Table 1 below for the current resource estimate*). Following the successful conclusion of a strategic review and forward growth strategy, Legacy Iron has confirmed its intention to progress the Project to the next phase 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.

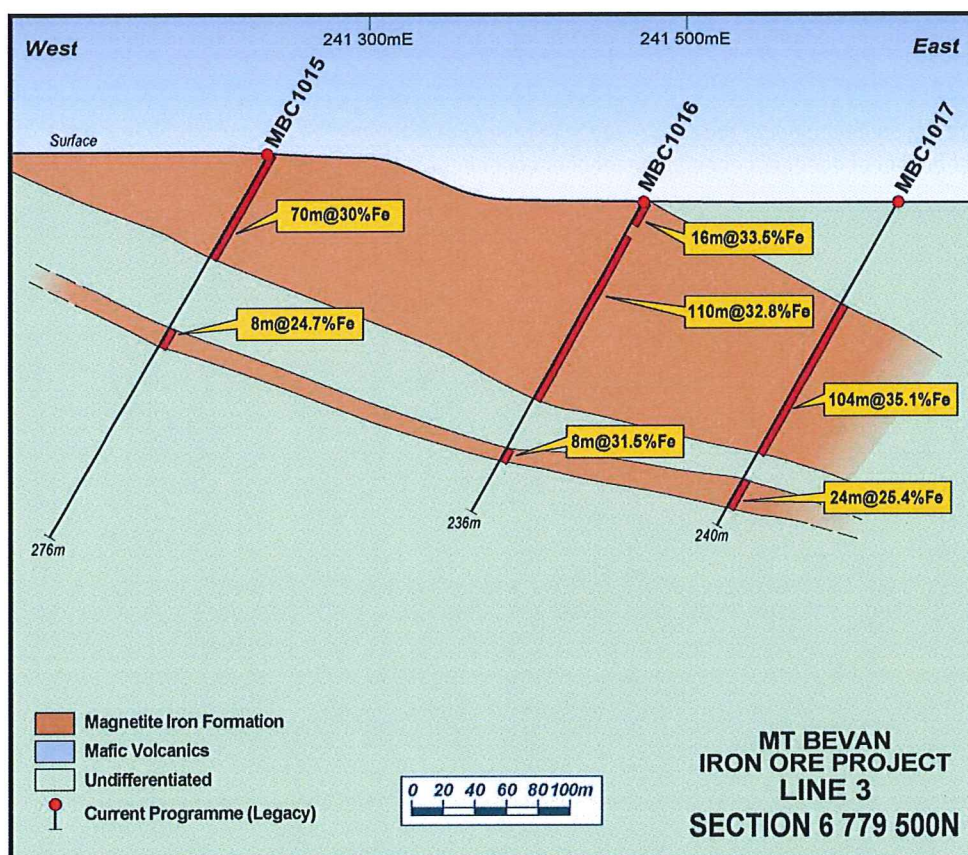


Figure 2: Drilling Cross Section - Lines 3

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

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

Table 1: Mt Bevan Resource Estimate

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

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

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

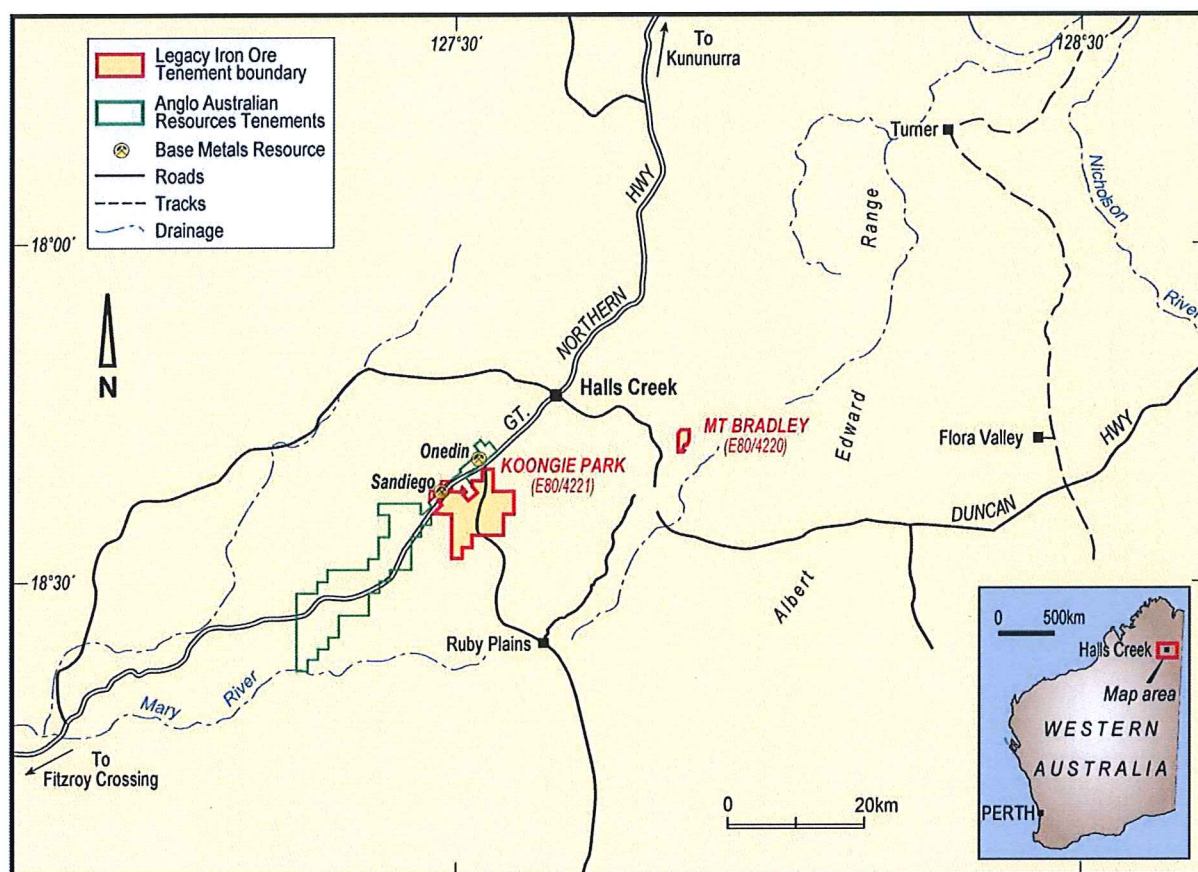


Figure 3: East Kimberley Projects

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.

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

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 4). These lie largely under shallow alluvial plain cover.

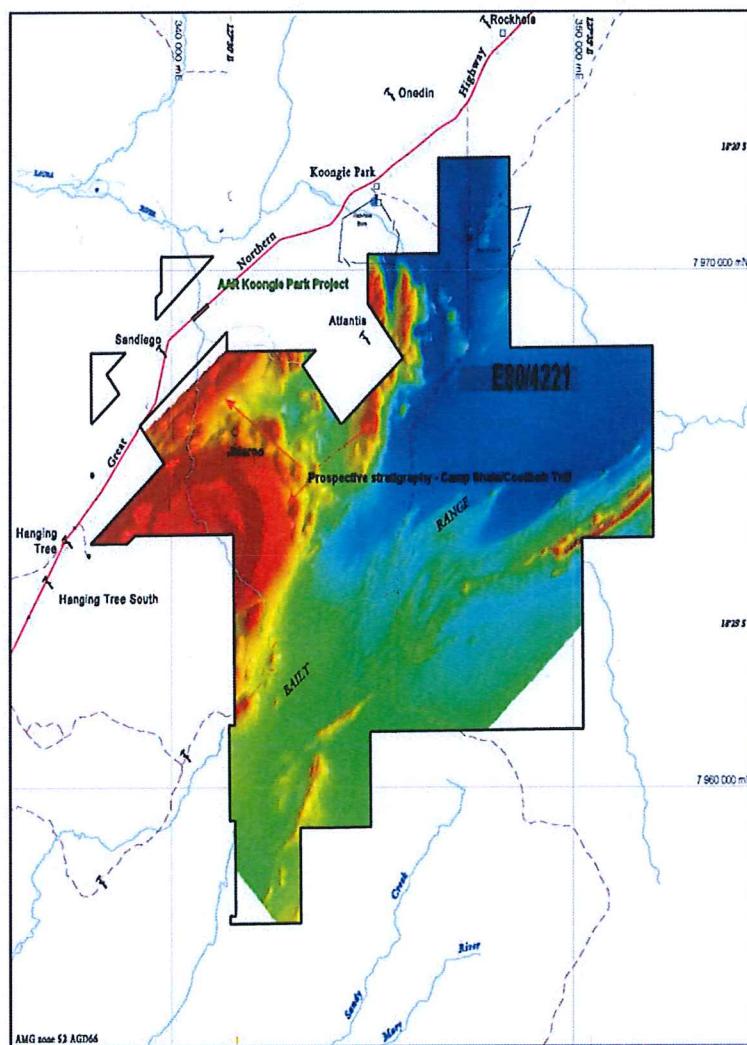


Figure 4: Koongie Park – High Resolution Aeromagnetics

(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).

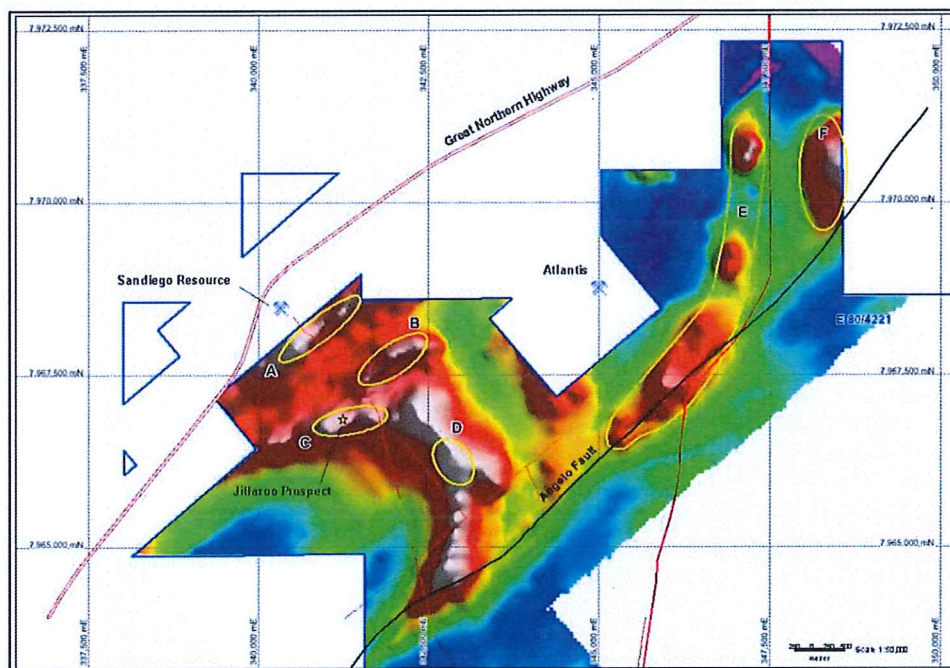
DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)**

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 5*).



Figure 5: 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 6*):



(Channel 15 – midtime)

Figure 6: 3D Plan of HELITEM Conductors

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

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 7 below.

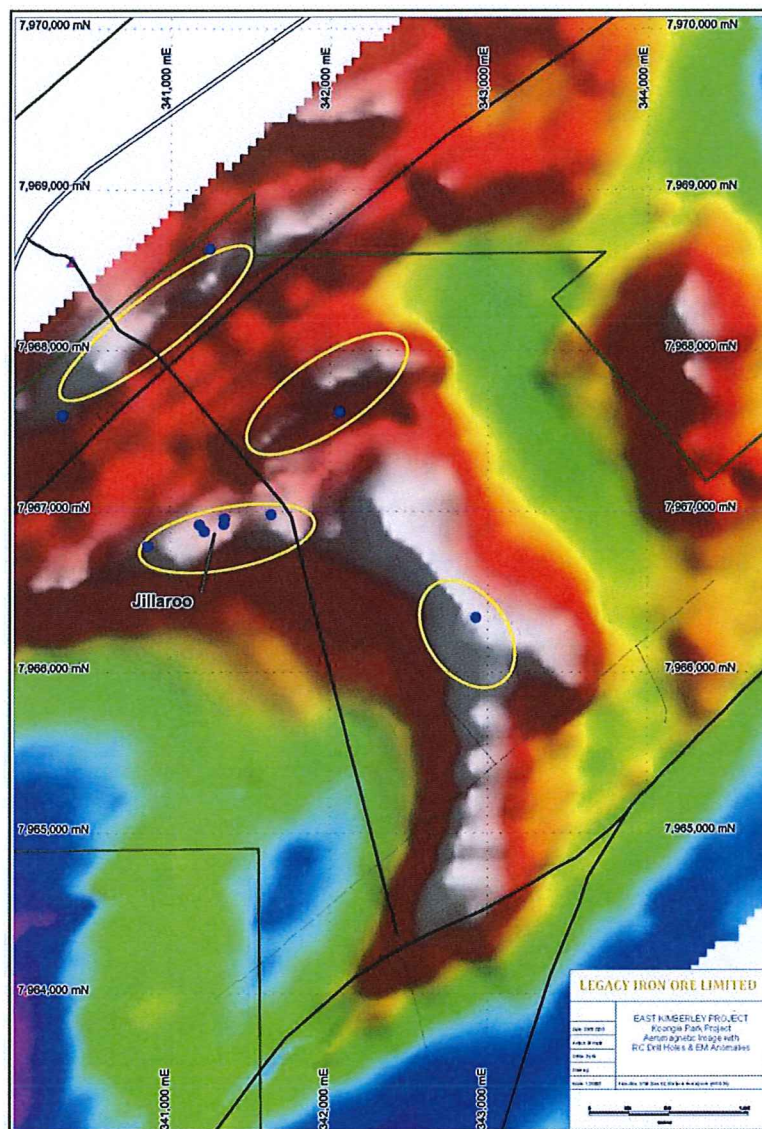


Figure 7: RC Drill hole location plan

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

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

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 volcanosedimentary 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.

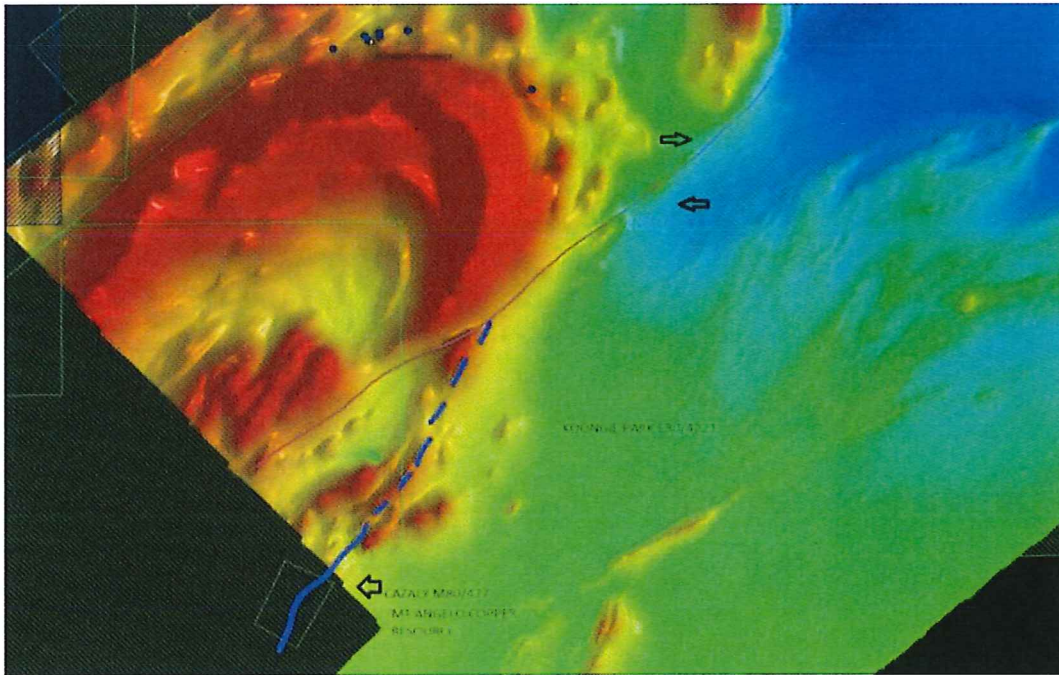


Figure 8: Jillaroo Arc showing drilling and MAN basemetal deposit.

Mt Bradley Project – REE, Gold

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

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

during the 1980s. The high Niobium content of the resource is of particular economic interest. Although a substantial deposit, the relatively low grade and metallurgical characteristics have impeded economic development.

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

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 2 and Figure 9 below.

Table 2: 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

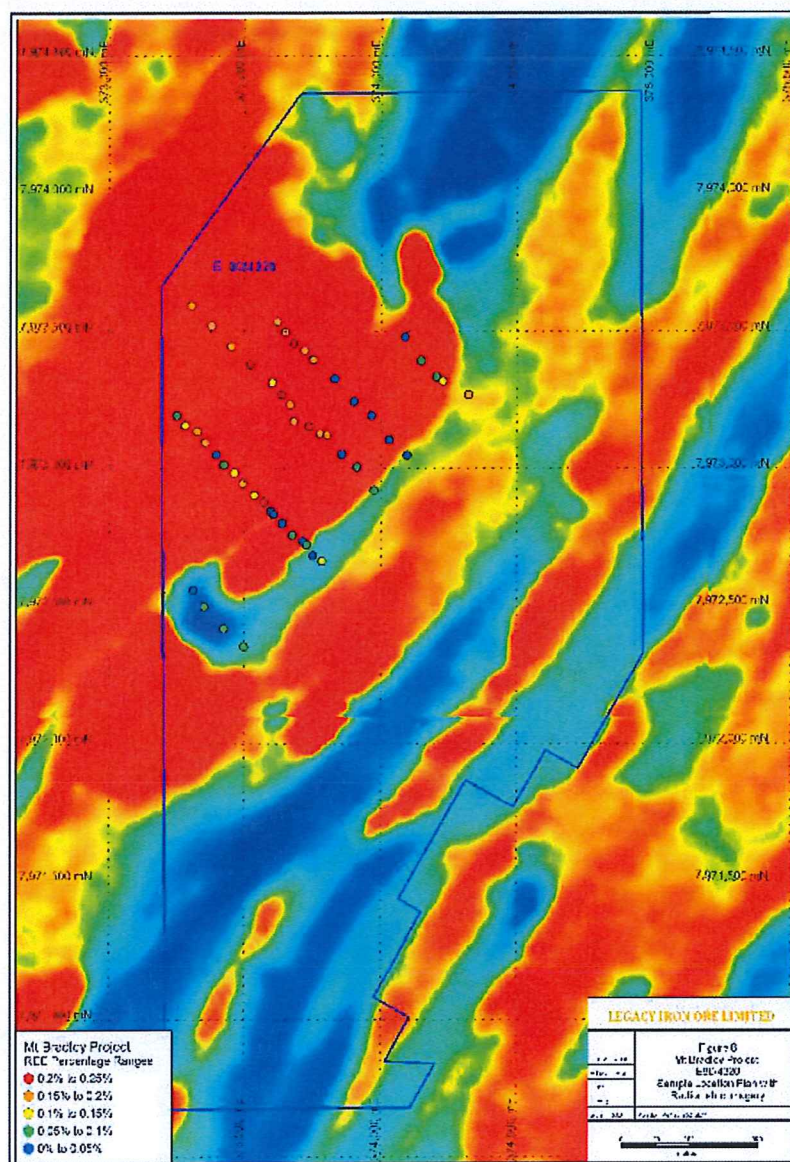


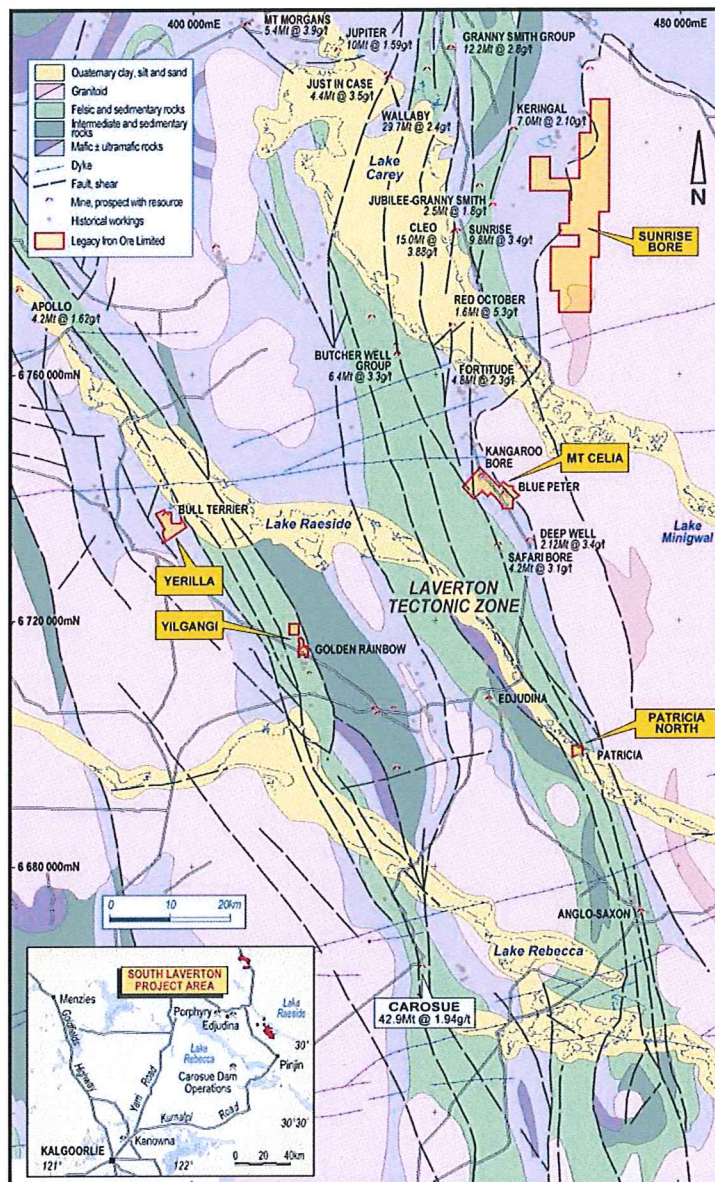
Figure 9: Mt Bradley Rock Chip Sampling – Location

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.

GOLD – SOUTH LAVERTON

Legacy Iron has several tenements in the world class South Laverton gold province (*Figure 10*). 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 3*).

previously reported to ASX in detail

DIRECTORS' REPORT (continued)**3. REVIEW OF OPERATIONS (continued)****Figure 10: South Laverton Gold Project - Tenement Locations**

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

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

Mt Celia Project

Limited work was conducted on the South Laverton Projects due to the focus on the Koongie Park Project. A review of geochemical and drilling data for the Blue Peter and Kangaroo Bore gold resource areas was made. Preparations were made for RC drilling at two target areas – infill drilling at Blue Peter and at the undrilled southerly extension of the Kangaroo gold resource. Recent soil geochemical sampling in that area has produced encouraging gold anomalism at the Margot Find prospect.

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.

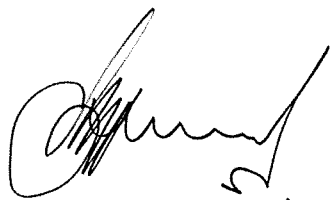
DIRECTORS' REPORT (continued)

3. REVIEW OF OPERATIONS (continued)

4. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15.

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

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

Mr Timothy Turner
Director
Perth
3 December 2015

3 December 2015

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

Dear Sirs

RE: LEGACY IRON ORE LIMITED

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

As Audit Director for the review of the financial statements of Legacy Iron Ore Limited for the period ended 30 September 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

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



Samir Tirodkar
Director

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2015**

	Note	Consolidated Half Year ended 30 September 2015 \$	Consolidated Half Year ended 31 December 2014 \$
Other Revenue		140,872	122,882
Compliance and regulatory expenses		(31,892)	(80,016)
Depreciation and amortisation expenses		(24,964)	(13,018)
Key management personnel remuneration		(274,941)	(285,364)
Employee benefits expenses		(172,378)	(131,438)
Exploration expenditure expensed		(6,839)	-
Exploration tenements written off	3	-	(1,875,120)
Occupancy expenses		(139,884)	(134,327)
Legal expenses		(9,910)	(1,803)
Travel expenses		(36,961)	-
Other expenses		(32,719)	(165,311)
Corporate services		(36,325)	(50,165)
Finance costs		(6,684)	(23,684)
Loss on disposal of motor vehicle		-	(72,931)
Net Gain on deregistration of Subsidiary Company	3	-	-
Loss before income tax		(632,625)	(2,710,295)
Income tax benefit	4	-	-
LOSS FOR THE HALF YEAR ATTRIBUTABLE TO THE MEMBERS OF LEGACY IRON ORE LIMITED		(632,625)	(2,710,295)
OTHER COMPREHENSIVE INCOME/(LOSS)			
<i>Items that may be reclassified to profit or loss</i>			
Net gain/(loss) on revaluation of financial assets		276,650	(88,026)
<i>Items that will not be reclassified to profit or loss</i>		-	-
Total other comprehensive income/(loss)		276,650	(88,026)
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR ATTRIBUTABLE TO THE MEMBERS OF LEGACY IRON ORE LIMITED		(355,975)	(2,798,321)
Basic and diluted loss per share		(0.04) cents per share	(0.22) cents per share

The accompanying notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	Note	Company 30 September 2015 \$	Consolidated 31 March 2015 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		6,913,083	7,995,082
Other Receivables	6	468,472	669,469
Other Financial Assets	5	217,406	217,940
TOTAL CURRENT ASSETS		<u>7,598,961</u>	<u>8,882,491</u>
NON CURRENT ASSETS			
Other Financial Assets	5	506,870	228,088
Plant and Equipment		104,642	129,606
Exploration and Evaluation Expenditure	7	8,258,249	7,635,874
TOTAL NON CURRENT ASSETS		<u>8,869,761</u>	<u>7,993,568</u>
TOTAL ASSETS		16,468,722	16,876,059
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		127,601	151,080
Employee Benefits		26,995	31,294
Borrowings	8	38,726	37,233
TOTAL CURRENT LIABILITIES		<u>193,322</u>	<u>219,607</u>
NON CURRENT LIABILITIES			
Employee Benefits		22,820	28,153
Borrowings	8	79,801	99,545
TOTAL NON CURRENT LIABILITIES		<u>102,621</u>	<u>127,698</u>
TOTAL LIABILITIES		295,943	347,305
NET ASSETS		<u>16,172,779</u>	<u>16,528,754</u>
EQUITY			
Issued Capital	9	54,626,757	54,626,757
Reserves		16,609,273	16,332,623
Accumulated Losses		(55,063,251)	(54,430,626)
TOTAL EQUITY		<u>16,172,779</u>	<u>16,528,754</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2015**

	Issued Capital \$	Share Based Payment Reserve \$	Option Premium Reserve \$	Financial Assets Reserve \$	Accumulated Losses \$	Total \$
CONSOLIDATED BALANCE AT 1 JULY 2014	42,420,483	16,242,084	90,539	(352,100)	(50,891,512)	7,509,494
Loss for the half-year	-	-	-	-	(2,710,295)	(2,710,295)
Other comprehensive income for the period	-	-	-	(88,026)	-	(88,026)
Total comprehensive income/(loss) for the period	-	-	-	(88,026)	(2,710,295)	(2,798,321)
Shares issued during the period	12,206,274	-	-	-	-	12,206,274
BALANCE AT 31 DECEMBER 2014	54,626,757	16,242,084	90,539	(440,126)	(53,601,807)	16,917,447
CONSOLIDATED BALANCE AT 1 APRIL 2015	54,626,757	16,242,084	90,539	-	(54,430,626)	16,528,754
Loss for the half-year	-	-	-	-	(632,625)	(632,625)
Other comprehensive income for the period	-	-	-	276,650	-	276,650
Total comprehensive income/(loss) for the period	-	-	-	276,650	(632,625)	(355,975)
Shares issued during the period (net of transaction costs)	-	-	-	-	-	-
BALANCE AT 30 SEPTEMBER 2015	54,626,757	16,242,084	90,539	276,650	(55,063,251)	16,172,779

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2015**

	Consolidated Half Year ended 30 September 2015 \$	Consolidated Half Year ended 31 December 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(786,549)	(1,143,266)
Interest received	246,981	18,085
Finance costs paid	(6,684)	(33,981)
Amount received from former director	100,000	458,358
<i>Net cash flows (used in) operating activities</i>	<u>(446,252)</u>	<u>(700,804)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for exploration and evaluation	(658,352)	(639,581)
Payment of security deposit	-	(408)
Proceeds from/payment for held to maturity financial assets	(2,132)	425,174
Receipt of cash call from Joint Venture participant	42,988	-
<i>Net cash flows (used in) investing activities</i>	<u>(617,496)</u>	<u>(214,815)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	-	12,287,106
Costs of raising capital	-	(80,832)
Repayment of borrowings	-	(3,200,000)
Proceeds from borrowings	-	100,000
Repayment of finance lease	(18,251)	
<i>Net cash flows (used in)/from financing activities</i>	<u>(18,251)</u>	<u>9,106,274</u>
Net (Decrease)/Increase in Cash and Cash Equivalents	(1,081,999)	8,190,655
Cash and Cash Equivalents at the Beginning of Half Year	<u>7,995,082</u>	<u>337,879</u>
CASH AND CASH EQUIVALENTS AT THE END OF HALF YEAR	<u><u>6,913,083</u></u>	<u><u>8,528,534</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2015**

1. BASIS OF PREPARATION OF HALF YEAR REPORT

This condensed interim financial report for the half year reporting period ended 30 September 2015 is a general purpose financial statement prepared in accordance with requirements of the *Corporations Act 2001*, Applicable Accounting Standards, including *AASB 134 Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

This condensed interim financial report is intended to provide users with an update on the latest annual financial statements of Legacy Iron Ore Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 31 March 2015 together with any public announcements made during the half year.

Comparative information

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 and finalised its accounts for 2015 for the transitional period (9 months) ending 31 March 2015. Accordingly, the half year report presents performance of the Company for the first half year period from 1 April 2015 to 30 September 2015. The comparative half year of previous period is 1 July 2014 to 31 December 2014.

Accounting Policies

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

(a) Going Concern

The 30 September 2015 financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

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

In the half-year ended 30 September 2015, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company's operations and effective for annual reporting periods beginning on or after 1 April 2015.

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

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 30 September 2015. As a result of this review the directors have determined that there is no impact, material or otherwise, of these new and revised Standards and Interpretations on the Company. The Company does not expect to early adopt any of these standards and interpretations that are not yet effective.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2015**

2. DIVIDENDS

No dividends have been paid or proposed during the six month period ended 30 September 2015 (31 December 2014: NIL).

3. LOSS BEFORE INCOME TAX

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

	30 September 2015	31 December 2014
	\$	\$
Exploration tenements written off	-	1,875,120
Net Gain on deregistration of subsidiary	-	-

The wholly controlled subsidiary, Legacy Gold Limited, was wound up and deregistered effective 6th April 2015. The net investment of \$10,128 as on the date of deregistration has been impaired during the period. Gain on deregistration of subsidiary of \$10,128 was recognised.

4. INCOME TAX

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 30 September 2015 is 0% (31 December 2014: 0%).

5. OTHER FINANCIAL ASSETS

	Company 30 September 2015	Consolidated 31 March 2015
	\$	\$
Current		
Held-to-maturity financial assets		
- Security deposits held(i)	217,406	217,940
Non-current		
- Security deposit for lease of Office premises (i)	66,745	64,613
- Shares in listed corporation at fair value – Level 1 (ii)	440,125	163,475
	506,870	228,088
<i>(i) Deposits have been pledged as security for bank guarantees provided to lessors relating to lease of office premises, lease of motor vehicle and credit card facility.</i>		
<i>(ii) During the half year, the movement in the available for sale financial assets is as follows:</i>		
Opening balance 1 April 2015	163,475	276,650
Fair value gain/(loss) on available-for-sale financial assets (a)	276,650	(113,175)
Closing balance 30 September 2015	440,125	163,475

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2015**

6. OTHER RECEIVABLES	Company 30 September 2015	Consolidated 31 March 2015
Current	\$	\$
Loans receivable- unrelated entity	200,000	200,000
Less Provision for impairment	(200,000)	(200,000)
Sundry receivables – unrelated entity (b)	92,376	226,563
Recovery of amounts from related entity (c)	301,681	381,357
Sundry receivables - related entity (d)	18,361	18,361
Prepayments	56,054	43,188
Total current receivables	468,472	669,469

(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.

7. EXPLORATION AND EVALUATION EXPENDITURE

	Company Six months ended 30 September 2015	Consolidated Six months ended 31 March 2015
Non-Current	\$	\$
Costs carried forward in respect of areas of interest in:		
- Exploration and evaluation phases – at cost	8,258,249	7,635,874
Movement in carrying amounts		
Carrying amount at the beginning of the period	7,635,874	9,182,094
Exploration expenditure capitalised during the period	657,634	431,914
Less: Recovery of expenditure from Joint Venture participant	(35,259)	(103,014)
Less: Provision for Impairment of exploration expenditure	-	(1,875,120)
Carrying amount at the end of the period	8,258,249	7,635,874

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

- the continuance of the Company'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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2015**

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

8. BORROWINGS	Company 30 September 2015 \$	Consolidated 31 March 2015 \$
Current		
Lease liability (i)	38,726	37,233
	38,726	37,233
Non Current		
Lease liability (i)	79,801	99,545
	79,801	99,545

- (i) 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%.

9. ISSUED CAPITAL

(a) Fully paid ordinary shares	Six months ended 30 September 2015		Six month ended 31 March 2015	
	No	\$	No	\$
At beginning of reporting period	1,468,264,157	54,626,757	1,468,264,157	54,626,757
Shares issued during the half year	-	-	-	-
At reporting date	1,468,264,157	54,626,757	1,468,264,157	54,626,757

(b) Options on issue	Six months ended 30 September 2015		Six months ended 31 March 2015	
	No		No	
At beginning of reporting period	74,290,000		135,378,908	
Options issued during the half year	-		-	
Options expired during the half year	(11,660,000)		(61,088,908)	
At reporting date	62,630,000		74,290,000	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2015**

10. SEGMENT INFORMATION

Identification of Reportable Segments

The Company 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 Company is managed on the basis of there being 2 (two) reportable segments being:

- (i) Gold exploration and development in Australia;
- (ii) Iron ore (and manganese) exploration and development in Australia;

	<i>Iron Ore</i> \$	<i>Gold</i> \$	<i>Corporate</i> \$	<i>Total</i> \$
Six months ended 30 September 2015				
SEGMENT REVENUE	3,205	-	137,667	140,872
SEGMENT NET LOSS BEFORE TAX				
Depreciation	-	-	(24,964)	(24,964)
Net gain on deregistration Of Subsidiary Company	-	-	-	-
Corporate charges	-	-	(748,533)	(748,533)
SEGMENT PROFIT/ (LOSS)	3,205	-	(635,830)	(632,625)
SEGMENT ASSETS	5,555,866	3,142,508	7,770,348	16,468,722
Segment asset increases/(decreases) for the half year	361,872	537,153	(1,306,362)	(407,337)
SEGMENT LIABILITIES	-	-	295,943	295,943
Six months ended 31 December 2014				
SEGMENT REVENUE	8,868	-	114,014	122,882
SEGMENT NET LOSS BEFORE TAX				
Exploration tenements written off	(1,773,172)	(101,948)	-	(1,875,120)
Depreciation	-	-	(13,018)	(13,018)
Corporate Charges	-	-	(945,039)	(945,039)
SEGMENT LOSS	(1,764,304)	(101,948)	(844,043)	(2,710,295)
SEGMENT ASSETS	5,207,078	2,509,347	9,510,142	17,226,567
Segment asset increases/(decreases) for the half year	(1,679,716)	117,197	7,441,524	5,879,005
SEGMENT LIABILITIES	-	-	309,120	309,120

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED
30 SEPTEMBER 2015**

11. CONTINGENT LIABILITIES

The Company has no contingent liabilities as at 30 September 2015.

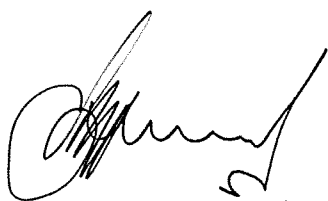
12. EVENTS SUBSEQUENT TO REPORTING DATE

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

DIRECTORS' DECLARATION

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

- (a) the Financial Statements and notes, as set out on the accompanying pages, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2015 and of its performance for the half year ended on that date.
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Mr Timothy Turner
Director
Perth
3 December 2015

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Legacy Iron Ore Limited, which comprises the statement of financial position as at 30 September 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity, statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 September 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Legacy Iron Ore Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

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

Independence

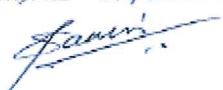
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Legacy Iron Ore Limited on 3 December 2015.

Conclusion

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

- (a) giving a true and fair view of the Company's financial position as at 30 September 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

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

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar
Director

West Perth, Western Australia
3 December 2015