



Quarterly Report

Period ended 31 December 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

Devanathan Ramachandran, Non-Executive Director

Timothy Turner, 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

Enquiries

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28 January 2016

The Company Announcements Office
ASX Limited

Via E Lodgement

REPORT FOR THE QUARTER ENDED 31 DECEMBER 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. A substantial number of high grade (>55% Fe) samples were obtained from a hanging wall zone to the east of the main Western BIF extending intermittently over a 5km strike.

South Laverton Gold - Mt Celia Gold Project

- An RC drilling program was completed at the Margot Find gold-soil with two drill holes intersecting gold mineralisation with a best result of 4m @ 1.58 g/t gold.

Potential Acquisitions

- Legacy Iron 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 Company continued to evaluate opportunities in the gold and base metal sectors
- Focus remained on reducing costs in a challenging commodity environment

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.

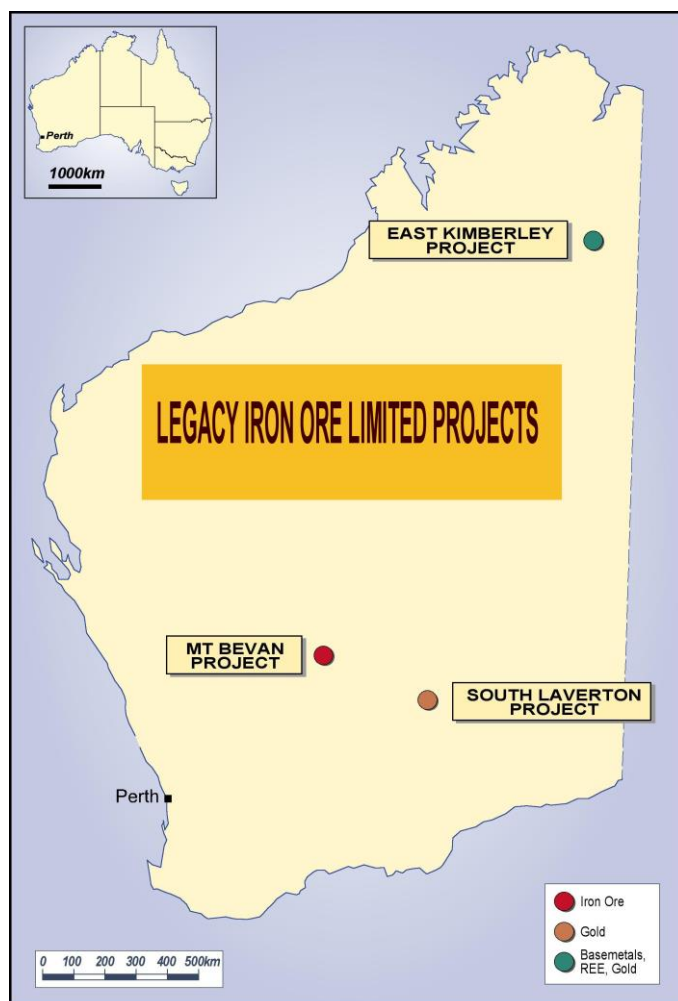


Figure 1: Legacy Iron – Project Locations

IRON ORE

Mt Bevan Magnetite Project

Mt Bevan Project is a joint venture between Legacy Iron and Hawthorn Resources Limited (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 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.

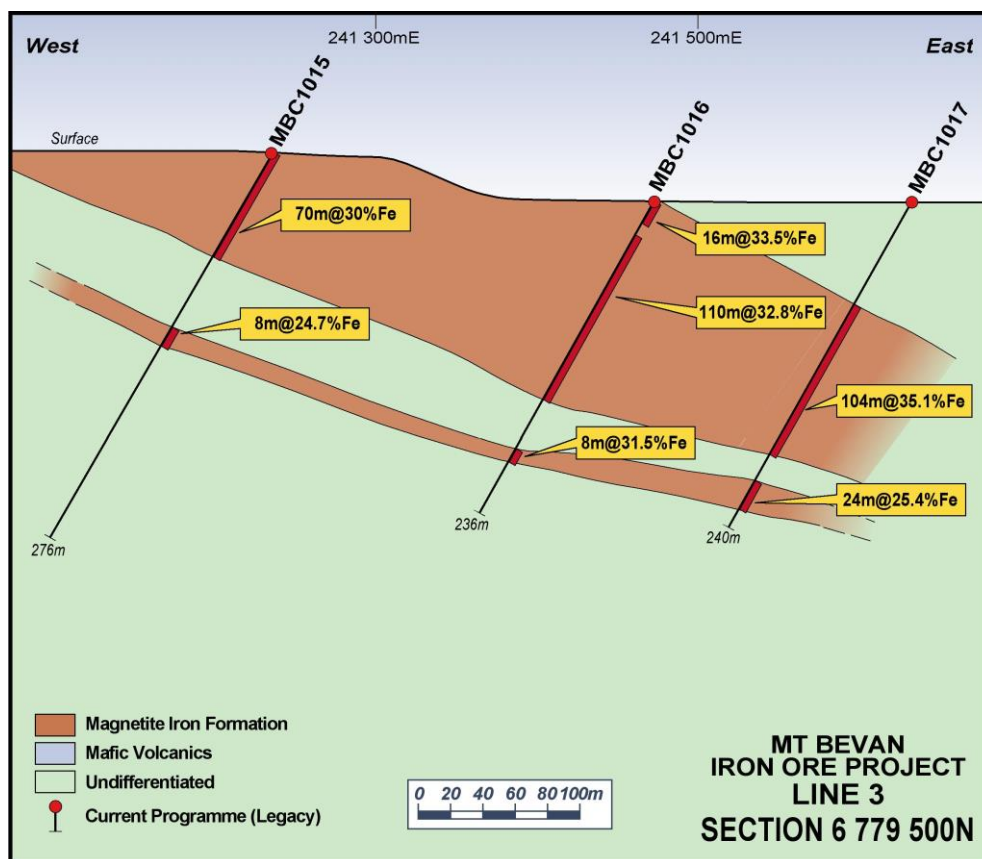


Figure 2: Drilling Cross Section - Lines 3

Mt Bevan Fresh BIF Resource											
Class	Material	Tonnes x 10 ⁶	Fe %	SiO ₂ %	Al 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)

During the quarter, assay results were received for a mapping and geochemical sampling program completed over the southern part of the Western, Mezzo and Eastern BIF (Figure 3).

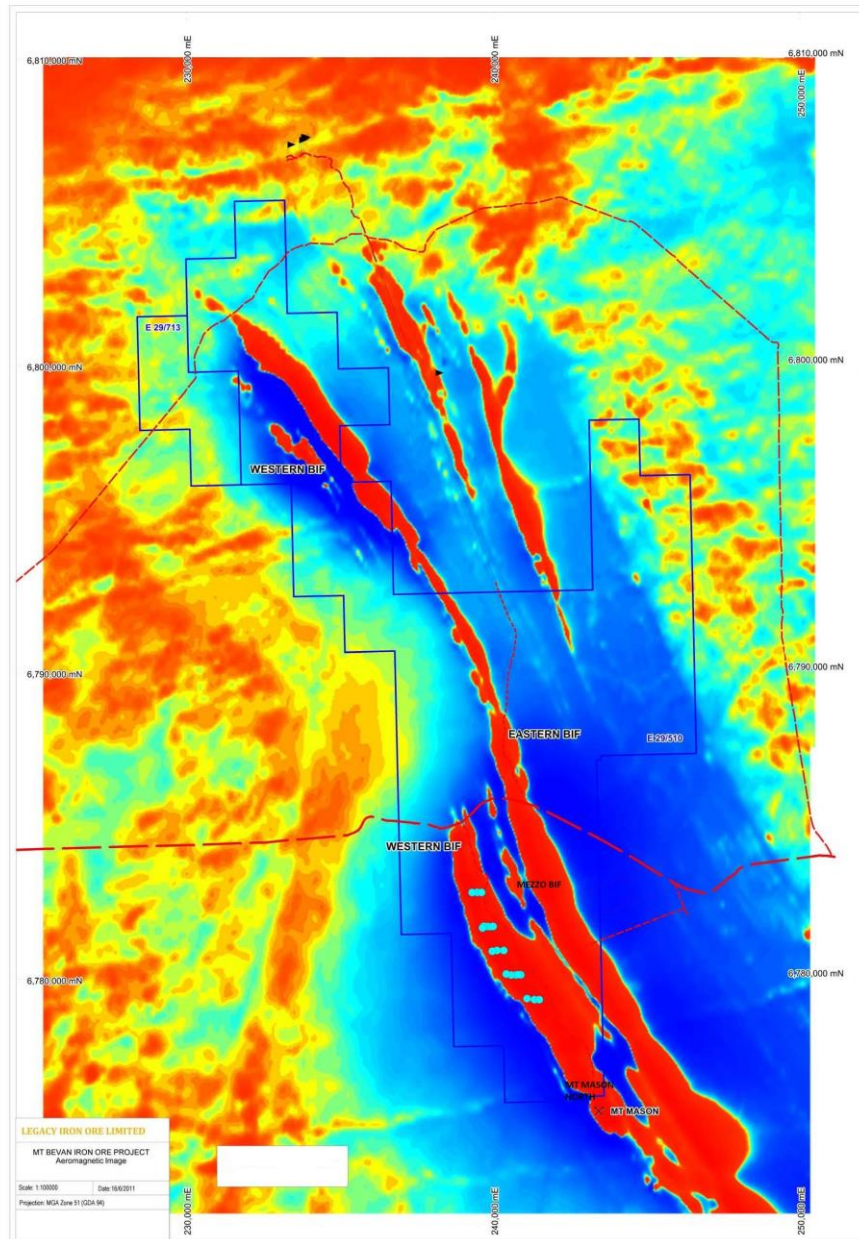


Figure 3: Location of field program

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 intermittently between resource drill lines 2 to 7, a strike of approximately 5 km. This zone is associated with a discontinuous BIF unit that lies on the hanging wall of the Western BIF (ie to the east).

A total of 108 rock chip samples were taken and assayed by ALS Perth for a standard Fe suite. The results are encouraging with a substantial number of rock chips assaying in the 50+% Fe range. Figure 4 shows the location of the samples with assays.

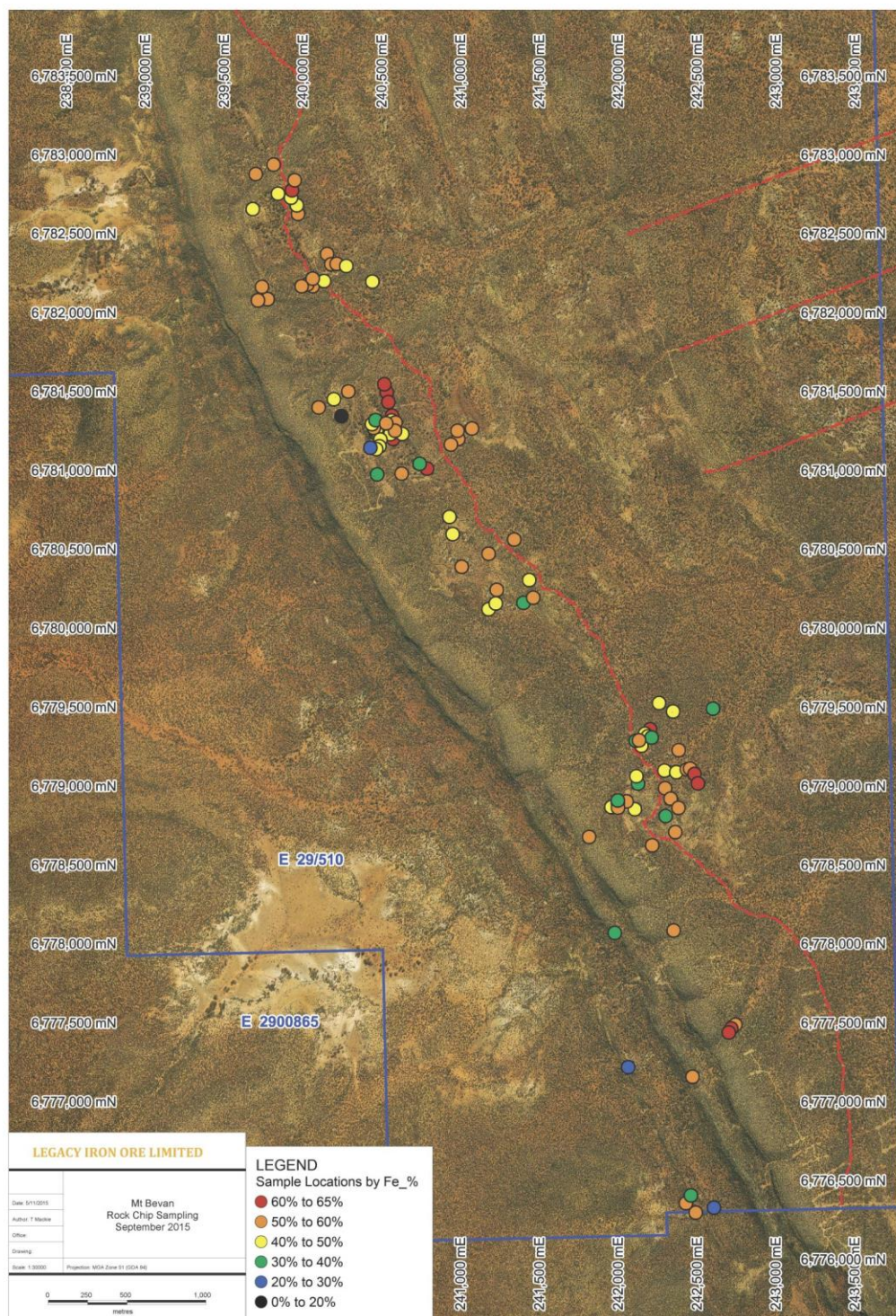


Figure 4: Sample locations – assays

The sampling in this area is of a reconnaissance/exploratory nature and requires additional and infill sampling to best define any drilling targets. The focus on this body of mineralisation has meant that there still remain substantial areas of the Mezzo/Eastern BIF to be mapped and sampled. It is planned to continue the mapping/sampling program over the Eastern/Mezzo BIF in early 2016.

Please see Appendix 1 for the respective JORC Table 1

GOLD**South Laverton Gold Project**

Figure 5 shows the location of current projects at South Laverton

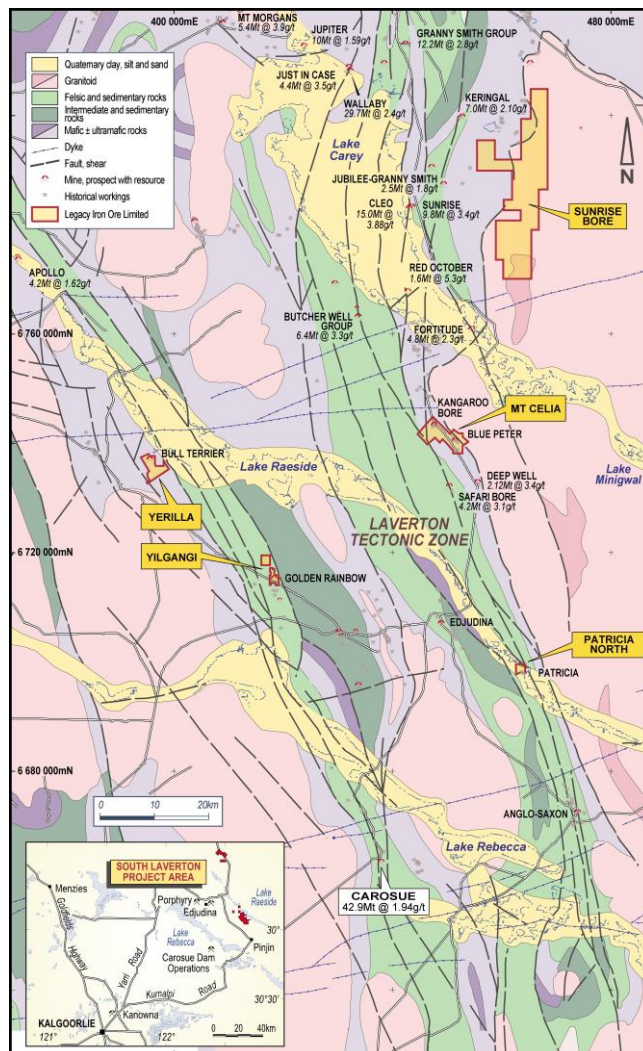


Figure 5: South Laverton Gold Project

During the quarter, an RC drilling program was conducted at the Mt Celia gold project, targeting a soil-gold anomalous zone – Margot Find - located to the south of the Kangaroo Bore gold resource (Figure 6).



Figure 6: Mt Celia Project – Margot Find drilling program

A total of 7 drill holes were collared for 607m (Figure 7). All drill holes were drilled at 60 degrees to the south-west. Two drill holes produced gold anomalous results with a best intersection of 4m @ 1.58g/t gold in drill hole MFC 1001. The drilling results are currently being compiled and assessed.

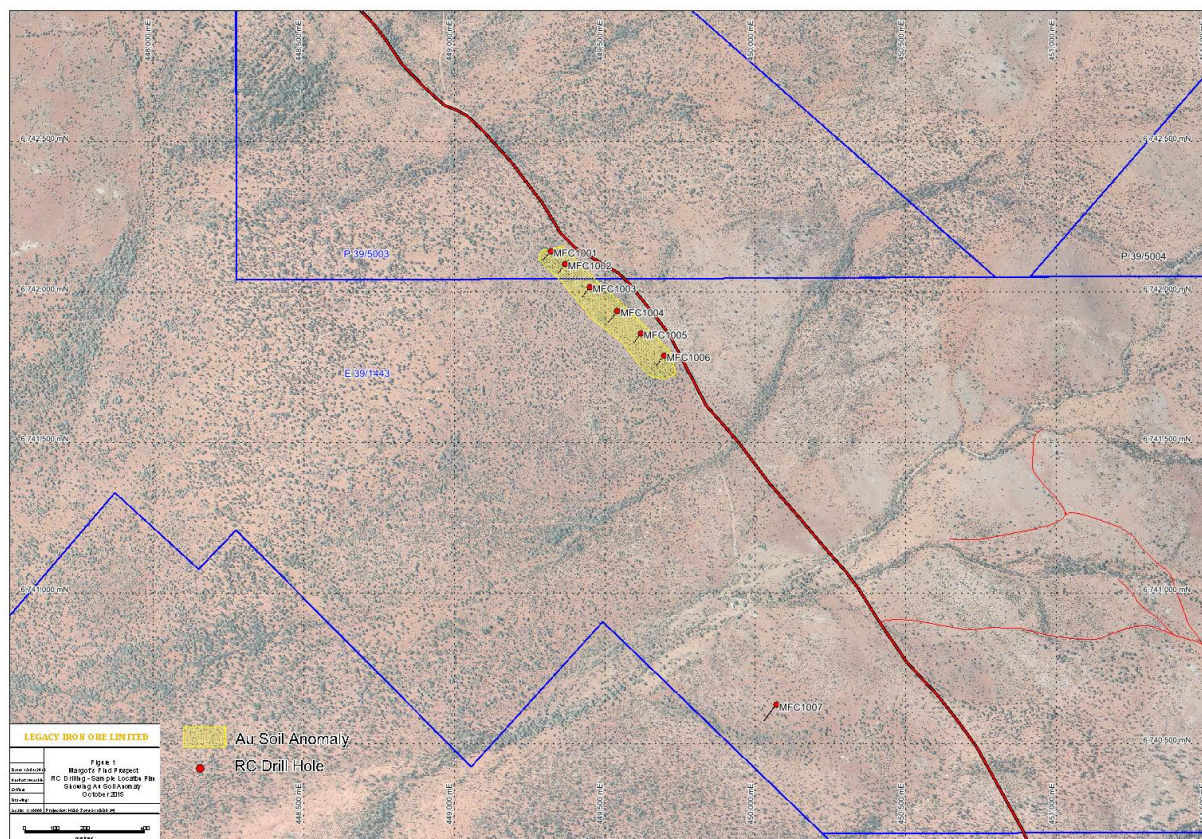


Figure 7: Drill hole location plan

Please see Appendix 2 for the respective JORC Table 1

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 8).

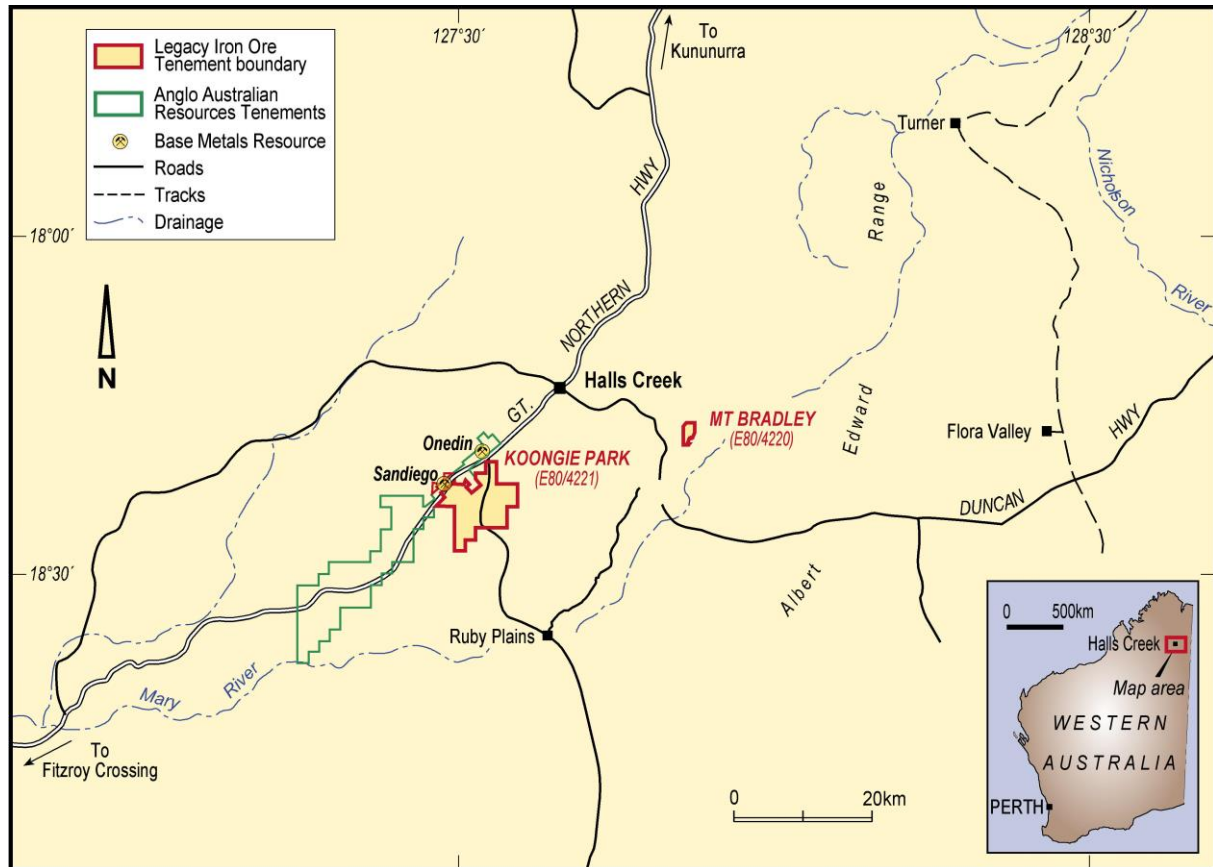


Figure 8: East Kimberley Projects

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.

A recent drilling program 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) copper resource is shown in Figure 9 below.

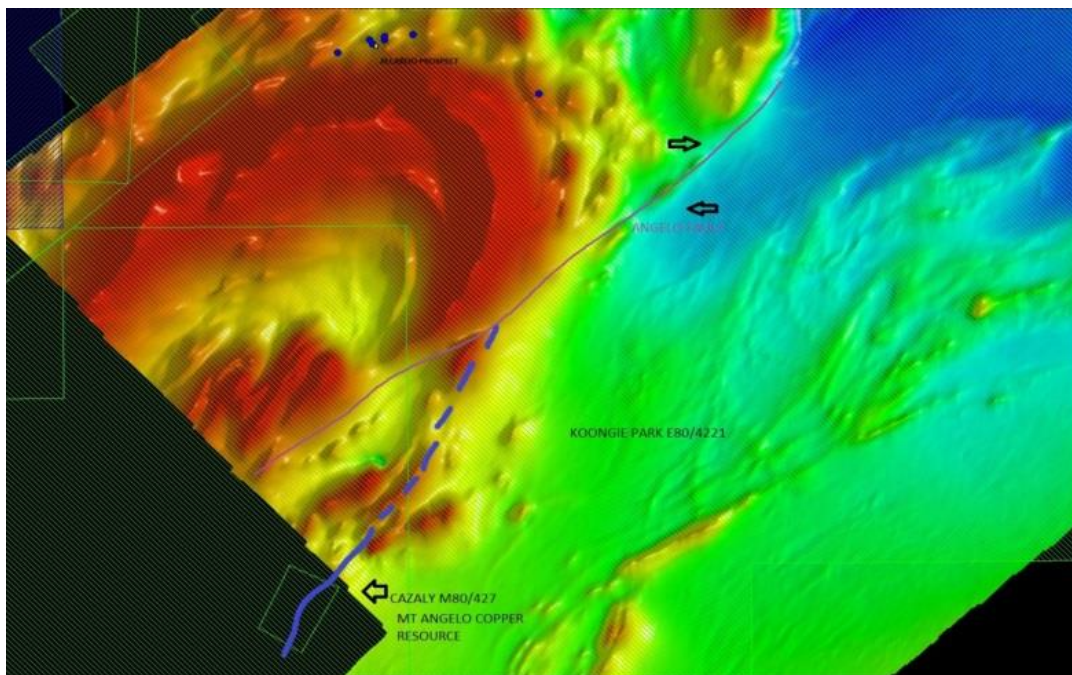


Figure 9: Jillaroo Arc showing drilling and MAN basemetal deposit.

It is planned to conduct a soil geochemical program targeting the Jillaroo Arc in the next field season, to be followed up with ground EM and drilling.

PLANNED ACTIVITIES – MARCH 2016 QUARTER

Principal activities planned for the March 2016 quarter will comprise:

Mt Bevan Project: Mapping/surface sampling over Eastern and Mezzo BIF targeting DSO hematite mineralisation

South Laverton: 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.

JORC CODE 2012 TABLE 1

APPENDIX 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Surface sampling - rock chip sampling over outcrop and sub-crop. Sampling conducted on irregular outcrops and on approximately east west traverses, on approximately 200 – 400m x 25 m grid.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Not applicable
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Not applicable
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Logging of rock chip samples conducted in the field by geologist
Sub-sampling techniques and sample	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, 	<ul style="list-style-type: none"> Sample weights of 2-3 kilograms taken and submitted for assay.

Criteria	JORC Code explanation	Commentary
preparation	<ul style="list-style-type: none"> rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Assaying by ALS Laboratory, Perth for a standard multi-element Fe suite using Fused Disk XRF. Entire sample crushed and pulverized, with split for analysis.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Sample and logging data manually compiled and entered into exploration database.
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Sample positions located by hand held Garmin GPS – accuracy to nominal \pm 5m. Grid system – WGS 84 Zone 51J
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key 	<ul style="list-style-type: none"> Samples at surface taken where possible at 90 degrees to strike ie along dip direction

Criteria	JORC Code explanation	Commentary
	<i>mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples held in field camp, with field personnel delivering to laboratory
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none">

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Exploration prospects are located wholly within the Mt Bevan JV project in exploration licence E29/510 located 100km west of Leonora in Western Australia. The Mt Bevan Project is a joint venture between Legacy Iron Ore Limited (60%) and Hawthorn Resources Limited (40%). At the time of reporting, there are no known impediments to obtaining a licence to operate in the area, and the tenement is in good standing.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The only exploration for iron ore has been conducted by the joint venture parties
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Archean greenstone hosted BIF units that have been subjected to amphibolite facies metamorphism and Tertiary-Quaternary weathering
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Not applicable
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or 	<ul style="list-style-type: none">

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none">
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Refer to Figure included in the text
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none">
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none">
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none">