



IRON ORE LIMITED

An NMDC Company

ASX Announcement
25 August 2016

About Legacy Iron Ore

Legacy Iron Ore Limited ("Legacy Iron" or the "Company") is a Western Australian based Company, focused on iron ore, base metals and gold 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, base metals 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

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ASX Market Announcements

ASX Limited

Via E Lodgement

MT BEVAN PROJECT –

NICKEL SULPHIDE TARGETS IDENTIFIED

Highlights

- **Potential for discovery of nickel sulphide mineralization in six target zones (including three high priority targets).**
- **Targets are associated with structural settings similar to the Cathedrals fault on the neighbouring St George Mining tenement.**
- **Further exploration planned for high priority targets including drill testing.**

Legacy Iron Ore Limited (**Legacy Iron** or the **Company**) as Joint Venture Manager of the Mt Bevan project, is pleased to advise that following interpretation of recently completed ground magnetics, there appears to be six zones identified as having significant potential for nickel sulphide mineralisation.

The Mt Bevan project (Legacy Iron 60%, and Hawthorn Resources Limited 40%) is located immediately south and adjacent of St George Mining Limited's (ASX: SGQ) Mt Alexander Project tenement. St George has recently had significant success identifying nickel-copper sulphide mineralisation at Cathedrals, Stricklands and Investigators along the Cathedrals Shear zone (Figure 1).

The six different target zones identified, which include three high priority targets, have significant potential to host nickel sulphide mineralization, based on their structural and geological setting and similarities to the adjoining Cathedrals fault. It is interpreted that this fault controls the mineralisation recently discovered by St George Mining Limited.

These targets have been discussed individually in table 1 below and areas of high priority targets for follow-up has been outlined in Figure2 below.

Specifically the target 1 area (MBT01) is centered around the most analogous fault to the Cathedrals fault, with a similar amount of demagnetization as well as the most similar length and direction. Targets MBT02 and MBT04 are also along the similar orientation to the Cathedrals fault and are more highly magnetic, which improves their prospectivity, as the nickel sulphide mineralisation can be magnetic.

Target MBT01 and MBT02 are located approximately 700m south of the recent discoveries made by St George Mining Limited.

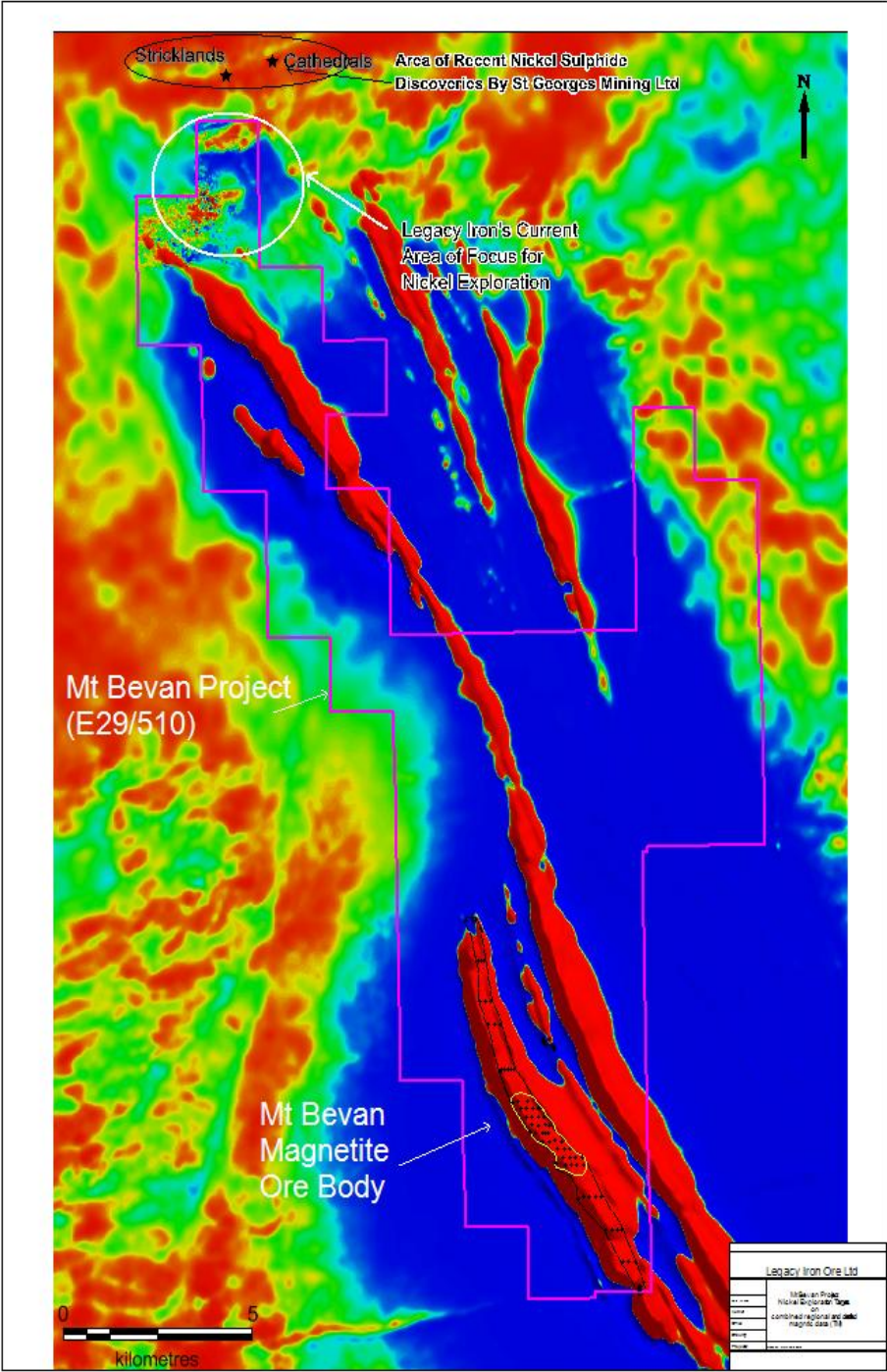


Figure 1: Mt Bevan Project – Airborne Magnetic data image (TMI) showing area of interest for the nickel sulphide exploration

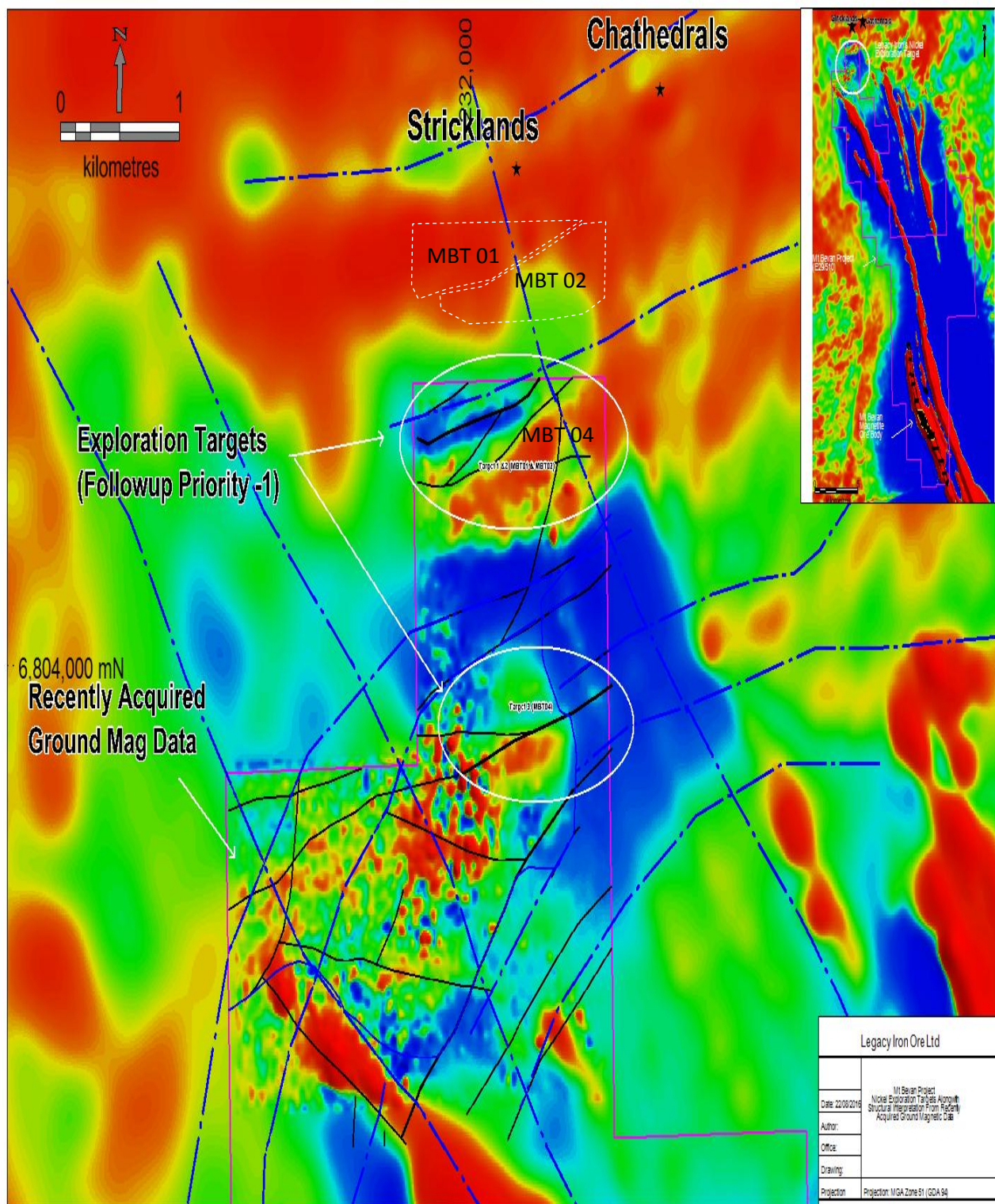


Figure 2: Detailed structural interpretation on recently acquired ground magnetic data image (TMI)

The details of the six targets zones have been described in table 1 below:

Target Name	Priority	East (m)	North (m)	Description
MBT-01	High	232442	6805212	Demagnetisation along fault structure, of similar length and direction to the Cathedrals Fault and only 1km south of mineralisation at the Stricklands discovery.
MBT-02	High	232617	6805106	Moderate to highly magnetic units positioned between two faults (analogous to the Cathedrals Fault). Eastern end of target is likely to be a mixed amphibolite/ granite zone.
MBT-03	Medium	232539	6804307	Weakly magnetic zone, with analogous fault directions as the Cathedrals Fault.
MBT-04	High	232480	6803605	The eastern end of this target area shows clearly defined, broad, moderately magnetic bodies with a likely demagnetised fault inbetween. The western end of the target area has high amplitude shallow magnetic responses that might constitute a target or that may be a magnetic target masked by significant shallow laterite responses.
MBT-05	Medium	231814	6802734	High amplitude shallow magnetic response northwest of a major fault. The shallow magnetic responses that may constitute a target or simply be laterite related, or the laterite might be masking a deeper response.
MBT-06	Low	232592	6802508	Weakly magnetic zone southeast of major fault. Possible mixed granite and mafic zone.

Table 1: Target Zone details

Follow up Program

It is envisaged that following the strong indications for nickel mineralization, the Joint Venture parties will undertake additional exploration work on the high priority targets to start, including ground based electromagnetic (EM) survey and drill testing.

ABOUT THE MT BEVAN PROJECT

The project area is a large active exploration tenement (E29/510) covering an area of 177 sq km. The project area is located approximately 130km south and south east of the well-known Agnew-Wiluna belt that hosts multiple large nickel deposits. The northern most part of the tenement is located immediately south of the Mt Alexander Project of St George Mining Ltd and 700m south of recently discovered Cathedrals, Stricklands and Investigator prospects (SGQ, ASX announcement on 17/08/2016).

Yours faithfully,

Rakesh Gupta

Chief Executive Officer

The information in this report that relates to Exploration Results is based on information compiled by Bhupendra Dashora who is a member of AusIMM and employee of Legacy Iron Ore Limited. Mr. Dashora 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. Dashora consents to the inclusion in this report of the matters based on his information in the form and the context in which it appears.