IRON ORE LIMITED

Quarterly Report
Period ended 31st March 2016

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

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29 April 2016

The Company Announcements Office
ASX Limited

Via E Lodgement

REPORT FOR THE QUARTER ENDED 31 MARCH 2016

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 (Legacy Iron: 60% interest)

- Legacy Iron has confirmed its intention to progress the Project to the next development phase as a priority and is currently in discussions with its 40% JV partner at Mt Bevan, Hawthorn Resources Limited ("Hawthorn"), regarding the scope, timing and funding of further phases of the project.

- Recent nickel and copper assay and XRF results reported by St George Mining Limited (ASX: SGQ) at the Cathedral / Mount Alexander prospect which lies approximately 700 metres north of the Joint Venture tenements, provided Legacy Iron and Hawthorn with some encouragement to examine aeromagnetic data for the tenements.

- As a result, several potential targets has been being identified which will be discussed at an upcoming Joint Venture meeting.

South Laverton Gold – Sunrise Bore project

- The first phase auger soil geochemical sampling program at the Sunrise Bore exploration licence was undertaken over four priority targets which were identified on the basis of shear zones, magnetic anomalies, gold anomalies and other geological considerations. The received assay results are encouraging indicating anomalous locations coinciding interpreted favourable geological environments. The second phase soil sampling as infill sampling in between the anomalous results locations as well as for exploring one or two prominent targets is under planning.

Potential Acquisitions

- Legacy Iron is seeking opportunities for acquiring advanced exploration projects as well as short – medium scale operating mines.

CORPORATE

- 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.

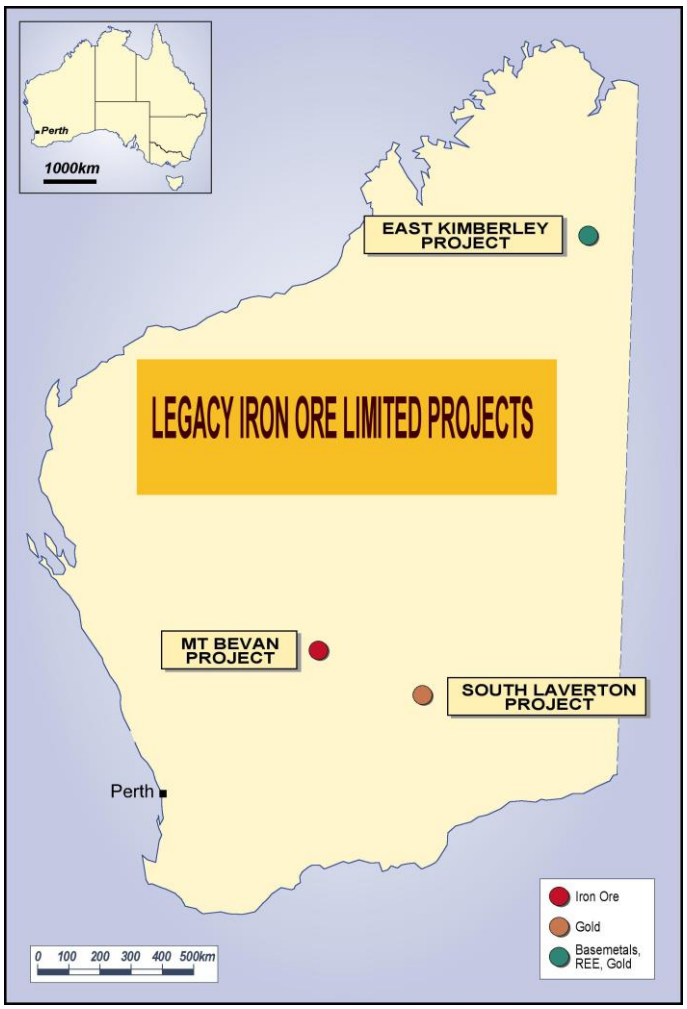

Figure 1: Legacy Iron – Project Locations

IRON ORE

Mt Bevan Magnetite Project

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

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). Legacy Iron has confirmed its intention to progress the Project and remains 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.

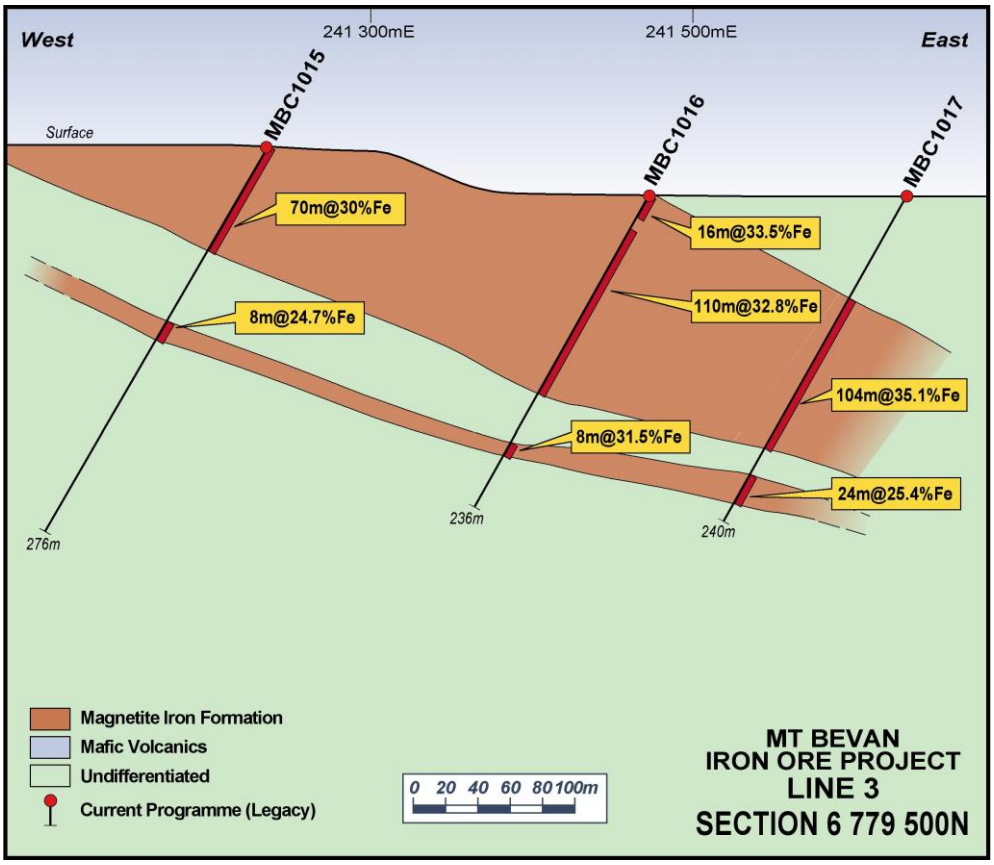

Figure 2: Drilling Cross Section - Lines 3

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).- See Announcements from 2014 and 2015

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

There are still 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.

During and subsequent to the end of the quarter, Legacy Iron has been encouraged by the strong nickel and copper assay and XRF results reported by St George Mining Limited (ASX: SGQ) at the Cathedral / Mount Alexander Prospect approximately 700 metres north of the joint venture tenement.

The proximity of the results to the Joint Venture tenements, has provided Legacy Iron and Hawthorn with confidence to undertake a re-assessment of potential repetitions of the interpreted host units in the aeromagnetic database of the Joint Venture tenements.

Several potential targets have now been identified that will be assessed by the joint venture partners as a priority in the upcoming quarter.

GOLD

South Laverton Gold Project

Sunrise Bore Project

The Sunrise Bore project lies some 12 km east of the world class Sunrise Dam gold mine operated by Anglogold Ashanti. During the quarter the first phase auger soil geochemical sampling program at the Sunrise Bore exploration licence was undertaken over four priority targets which were identified on the basis of shear zones, magnetic anomalies, gold anomalies etc. The received assay results are encouraging. The second phase soil sampling as infill sampling in between the anomalous results locations as well as for exploring one or two prominent targets is being planned.

A total of 496 samples were collected from four promising target (Figure 3). All samples were analysed for Au and As in SGS Lab, Perth The maximum received Au assay value was 25 ppb.

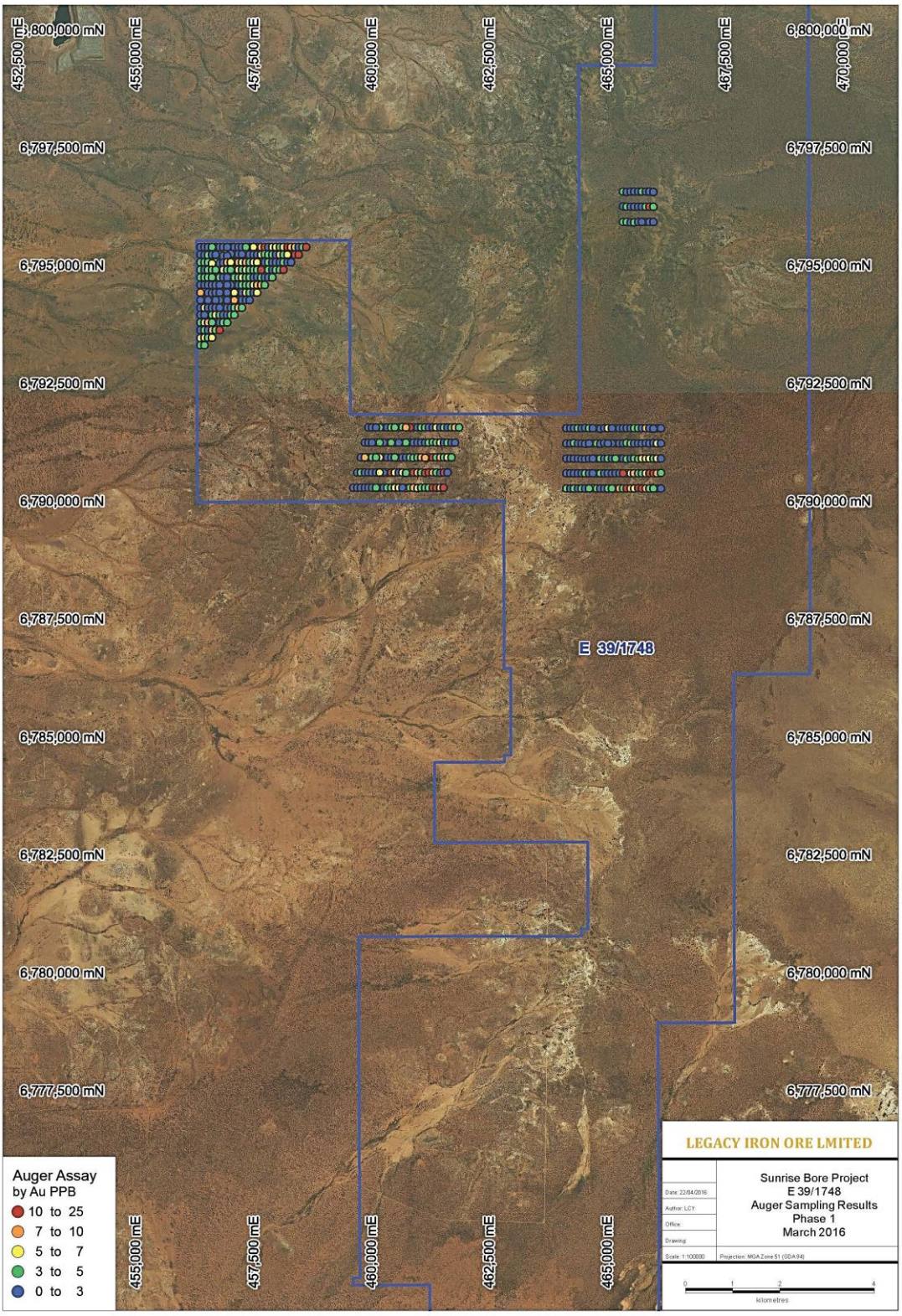

Figure 3: Sunrise Bore Project – Auger Sampling Results

Please see Appendix 1 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. The tenements currently comprise exploration licences at Koongie Park and Mt Bradley, *(Figure 4*).

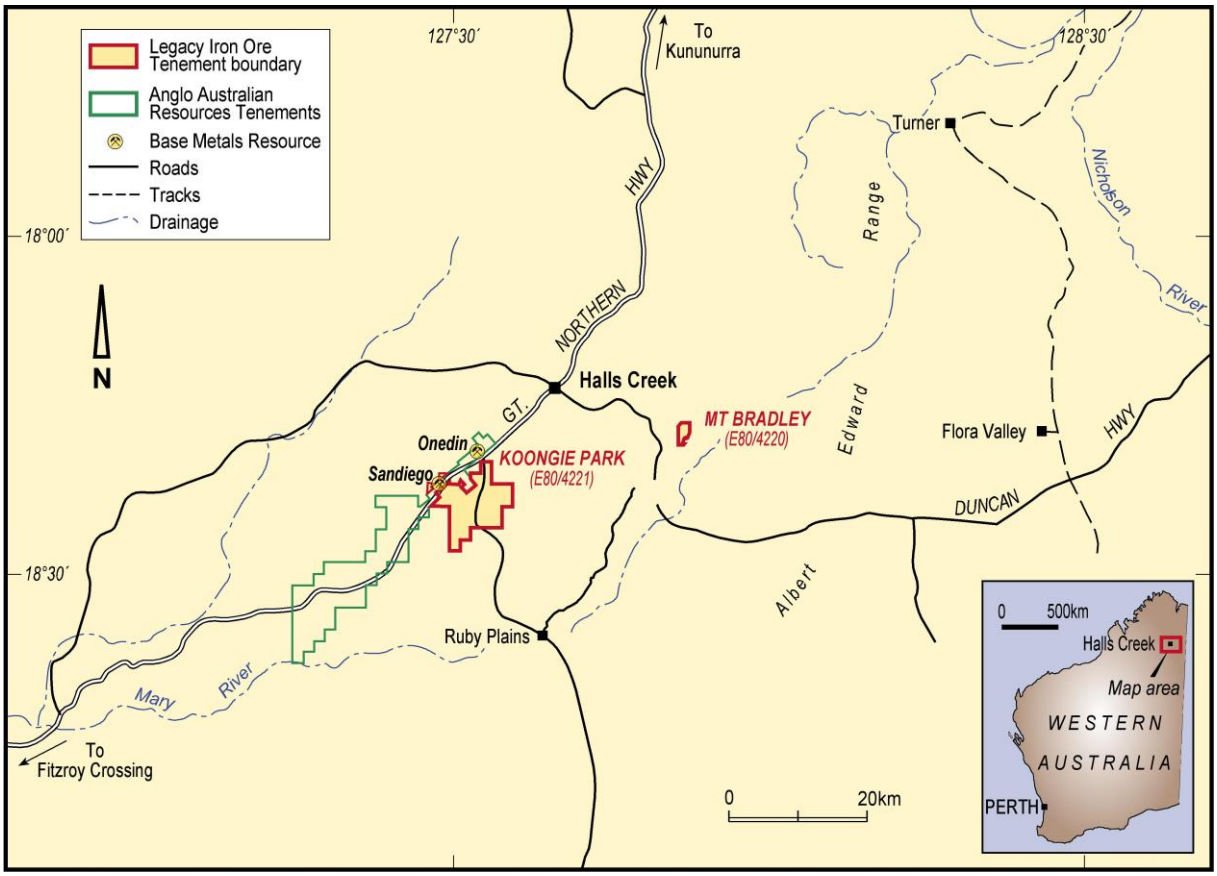

Figure 4: East Kimberley Projects

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.

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 5 below.

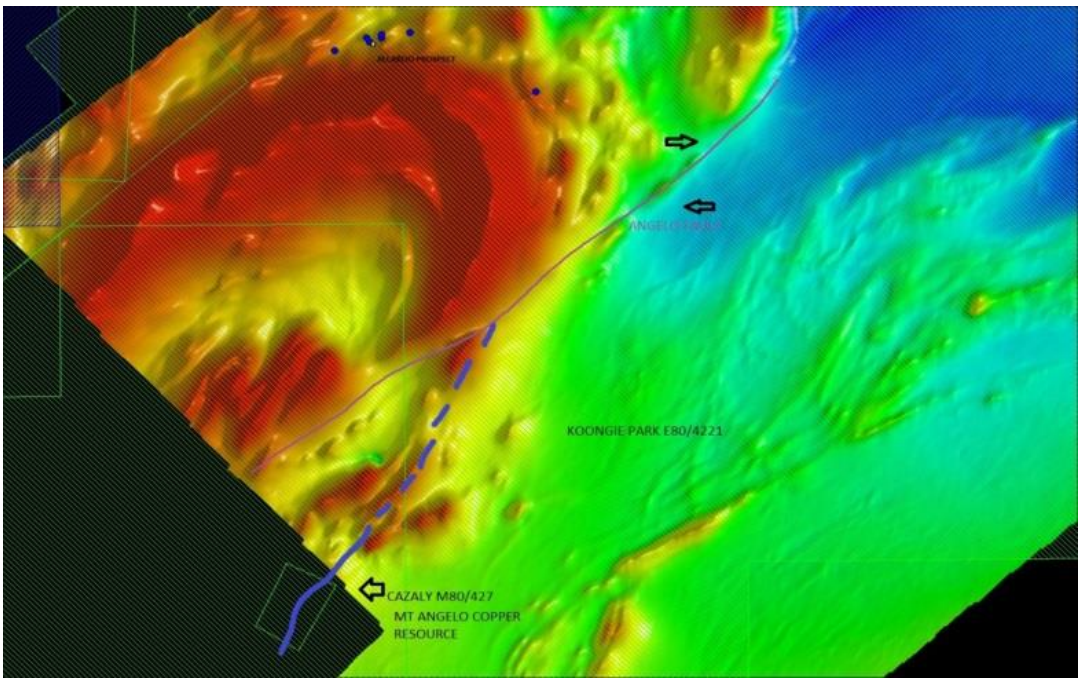

Figure 5: Jillaroo Arc showing drilling and MAN basemetal deposit.

It is planned to conduct a soil geochemical program targeting the Jillaroo Arc in the coming July-august months.

PLANNED ACTIVITIES – JUNE 2016 QUARTER

Principal activities planned for the June 2016 quarter will comprise:

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

South Laverton: Resource drilling at Blue Peter and Kangaroo Bore prospect of Mt. Celia gold exploration project.
Second phase auger geochemical soil sampling/mapping at Sunrise Bore gold exploration project.

Competent Person's Statement:

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 a consultant to 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.

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JORC CODE 2012 TABLE 1 APPENDIX 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	• JORC Code explanation	• Commentary
Sampling techniques	• *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.*	• Four different targets were sampled by auger sampling using a power auger at variable grid spacing to a minimum grid spacing of 80mX320m. A total of 496 auger holes were completed to a maximum depth of 1.8 m each. Where present, pedogenic carbonate was preferentially sampled. If there was no pedogenic carbonate within the hole, a sample was taken at 1.8 m depth. • Approximately 200- 300gm of sample was collected in pre numbered packets and then further baggage into polyweave bags to minimize outside contamination.
Drilling techniques	• *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).*	• Auger soil sampling was completed using a Land cruiser mounted power auger operated by a kalgoorlie based field exploration support company.
Drill sample recovery	• *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.*	• No recording of recoveries was undertaken. • Standard auger drill bits were utilized for the programme. • No relationship has been identified to date
Logging	• *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.*	• The use of auger drilling is as a surface exploration tool and not for any resource estimation purposes. • The holes were logged for drilled depth, soil/ regolith types, intensity of carbonates. The logging is qualitative in nature.
Sub-sampling techniques and sample	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled,*	• No core. • A dry bulk sample was collected from each auger

Criteria	JORC Code explanation	Commentary
preparation	*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.*	drill hole • The sample preparation of the auger samples follows industry best industry practice in sample preparation involving oven drying, crushing and pulverizing of the total samples so that a minimum of 90% of pulverized material is less than 75 μm grind size. • duplicate sampling was not employed
Quality of assay data and laboratory tests	• *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.*	• Assaying by SGS Laboratory, Perth for a using a 25 gm unfiltered acqua regia digest with an advanced Inductively Coupled Plasma mass sprectometry determination for Gold which has 1ppb detection limit. • Given the relatively early stage of exploration, only internal laboratory quality control procedures have been adopted.
Verification of sampling and assaying	• *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.*	• None undertaken • None undertaken • All sampling, geological logging and assay data has been captured digitally and stored • There have been no adjustment or averaging applied to the raw data.
Location of data points	• *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.*	• Sample positions located by hand held Garmin GPS – accuracy to nominal =/- 5m. • Grid system – GDA1994, MGA Zone 51 • No topographic control was required.
Data spacing and distribution	• *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.*	• Variable data spacing were utilized. Data spacing varied from 80mX160m to 80mX320m. • The data spacing is appropriate for this stage of exploration and cannot be untied in estimation and classification.

Criteria	• JORC Code explanation	• Commentary
	• *Whether sample compositing has been applied.*	• No composite sampling has been completed.
Orientation of data in relation to geological structure	• *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 mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Auger drilling is used to produce a near, subsurface surface only. • No orientation based sampling bias in sampling.
Sample security	• *The measures taken to ensure sample security.*	• All samples were collected by the auger drilling contractor and stored in a secure location until programme completion when all samples were submitted to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sampling and assay techniques used are considered to be mineral exploration industry standard and audit and reviews are not considered necessarily at this stage of exploration.

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	• *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.*	• Sampling was conducted within Exploration Licence E39/1748 which is currently owned 100% by Legacy. At the time of reporting, there are no known impediments to the tenement and it is in good standing.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration within the area of sampling comprise limited surface geochemistry and drilling
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Project area is located in the southern part of the Merolia Greenstone Belt in the North Eastern Goldfields region of Western Australia.
Drill hole Information	• *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*	• The location of auger soil sampling is shown in the included figure within the body of text. • All auger holes were completed to a depth between 0.2m to 1.8m

Criteria	JORC Code explanation	Commentary
	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.*	• No information has been excluded.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable for the sampling method used. • Not applicable for the sampling method used. • No metal equivalent reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• Not applicable for the sampling method used. • Not applicable for the sampling method used. • Not applicable for the sampling method used.
Diagrams	• *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.*	• Refer to Figure included in the text
Balanced reporting	• *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.*	• All results are reported
Other substantive exploration data	• *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.*	• No other substantive data is currently considered necessary given the stage of exploration and the results received
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Infill sampling and targeting adjacent areas.

Criteria	• JORC Code explanation	• Commentary
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work is under planning.