

ASX Market Announcements
ASX Limited

About Legacy Iron Ore

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

Sharon Heng, Executive Director & Managing Director

Swaminathan Thiagarajan, Non-Executive Director

Subimal Bose, Non-Executive Director

Timothy Turner, Non-Executive Director

Ben Donovan, Company Secretary

Key Projects

Mt Bevan Iron Ore Project

Hammersley Iron Ore Project

Robertson Range Iron Ore and Manganese Project

South Laverton Gold Project

East Kimberley Gold, Base Metals and REE Project

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LEGACY IRON TO ACQUIRE HIGHLY PROSPECTIVE MANBARRUM ZINC-LEAD-SILVER PROJECT

Highlights

- **Agreement to provide Legacy Iron shareholders with access to short term production scenario**
- **Tenements also cover the highly prospective Legune haemitite prospect**
- **Assays from rock chip samples of up to >67% Fe.**
- **Located in highly prospective Bonaparte Basin.**

Legacy Iron Ore Ltd (**Legacy Iron** or the **Company**) is pleased to advise that it has signed a conditional binding Term Sheet with TNG Limited (ASX: TNG) to acquire TNG's 100%-owned Manbarrum Zinc-Lead-Silver Project (**Manbarrum**) in the Northern Territory.

The Manbarrum tenements consist of three Exploration Licences 24395, 25470 and 25646, and two Mineral Authorities 24518 and 26581 (the **Tenements**) which cover a combined area of approximately 407 square kilometres. All tenements are 100% owned by TNG's subsidiary Tennant Creek Gold (NT) Pty Ltd.

The Tenements are located in the highly prospective Bonaparte Basin area and include the Legune Prospect where TNG have reported high grade XRF assay results from rock samples grading up to 67.2% Fe with low levels of phosphorous, silica and alumina.

TNG have previously reported the following assay results from the Legune Prospect:

| Sample | North | East | Niton Fe | Fe % | SiO2 % | Al2O3 % | P % | LOI 1000 |
|----------|--------|--------|----------|------|--------|---------|------|----------|
| OCH 0005 | 10 100 | 10 250 | 5.6 | 67.2 | 2.3 | 0.7 | 0.01 | 0.6 |
| OCH 0017 | 9 940 | 10 200 | 62.1 | 66.2 | 3.1 | 0.9 | 0.01 | 0.9 |
| OCH 0160 | 9 940 | 9 600 | 33.9 | 63.4 | 5 | 2.1 | 0.01 | 1.6 |
| OCH 0140 | 9 980 | 9 700 | 32.7 | 62.6 | 6.5 | 0.9 | 0.04 | 1.6 |
| OCH 0007 | 10 060 | 10 250 | 63.5 | 62.5 | 2.3 | 0.3 | 0.01 | 7.8 |
| OCH 0008 | 10 040 | 10 250 | 61.8 | 62.4 | 3.2 | 0.9 | 0.02 | 6.2 |
| OCH 0144 | 10 020 | 9 650 | 26.1 | 62 | 5.6 | 2.3 | 0.05 | 2.5 |
| OCH 0156 | 9 860 | 9 600 | 24 | 62 | 4 | 1.7 | 0.13 | 4 |
| OCH 0009 | 10 020 | 10 250 | 60.1 | 61.6 | 4.1 | 0.5 | 0.01 | 7.1 |
| OCH 0022 | 10 040 | 10 200 | 49.7 | 59.4 | 8.7 | 0.5 | 0.01 | 5.6 |
| OCH 0015 | 9 900 | 10 200 | 43.1 | 59.2 | 8.4 | 0.6 | 0.05 | 5.8 |
| OCH 0061 | 10 060 | 10 050 | 25 | 58.7 | 6.1 | 1.7 | 0.02 | 2.3 |

(see TNG announcement dated 29 July 2008)

Under the terms of the sale, Legacy Iron or its nominee will make:

- An initial \$2 million cash payment to TNG on completion of the conditions precedent and due diligence carried out by Legacy Iron no later than 90 days from the signing of the term sheet (**Initial Consideration**); and
- A further \$3 million in cash or Legacy Iron shares at Legacy Iron's discretion to be paid on a deferred basis subject to the registration of the transfer of the Tenements (**Deferred Consideration**).

The due diligence of 60 days can be extended by Legacy Iron paying a nominal fee for a further 30 days. During the due diligence period, TNG has agreed to deal exclusively with Legacy Iron.

The transaction is subject to the following conditions precedent:

- a) Confirmation of the completion of Due Diligence within the Due Diligence Period by LCY;
- b) The ASX providing written confirmation, if required, that the Transaction is not inconsistent with the ASX Listing Rules, and will not trigger a re-compliance under ASX Listing Rule 11.1.3;
- c) Execution of a Sale & Purchase Agreement within 90 days of signing the Term Sheet;
- d) Receipt of any required tax advice by LCY; and
- e) The Parties obtaining all relevant Board, regulatory and Governmental approvals, including shareholder approval, Foreign Investment Review Board and any third party consents necessary to implement the Transaction.

Commenting on the transaction, Legacy Iron Managing Director Sharon Heng said that the potential acquisition of the Manbarrum project would compliment the Company's existing gold and base metal portfolio, and potentially allow Legacy Iron to look at a greater portfolio of assets to spin off in the future. Furthermore, the acquisition will position the Company with a dominant position in a major base-metal and ferrous area, and may also provide an interest in the Legune prospect and other base-metal deposits in the region. The Company will work with TNG to achieve this.

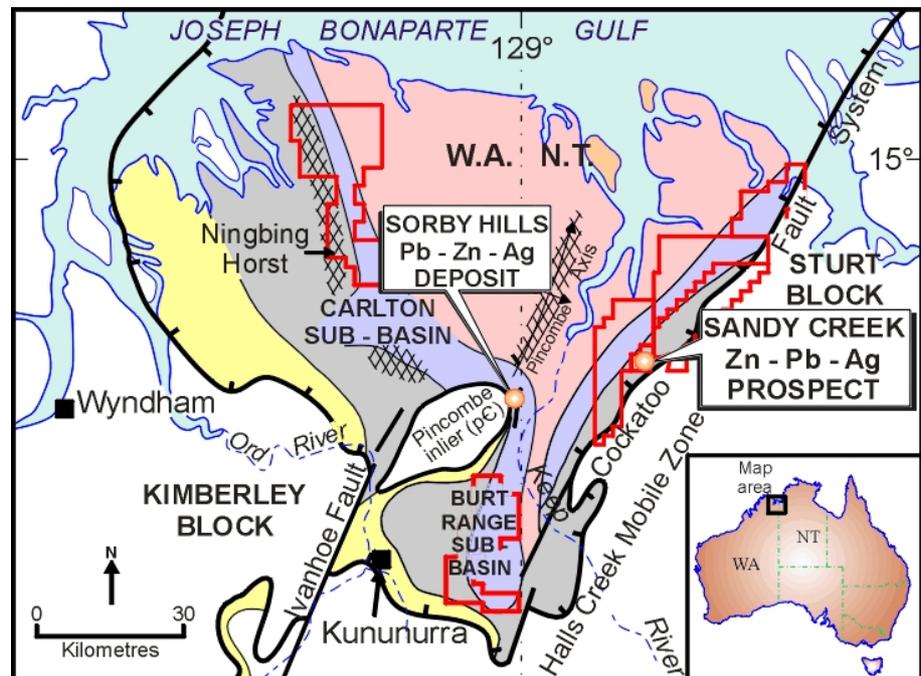
Yours Faithfully
Sharon Heng
Managing Director

About the Manbarrum Project (source: TNG website)

Manbarrum is located in the Northern Territory 82 kilometres north-east of the township of Kununurra. The current granted Manbarrum tenements comprise three Exploration Licences and two Authority to Prospect licences (under Section 178) covering a combined area of approximately 407 square kilometres. All tenements are 100% owned.

In February 2011 TNG signed a Joint Venture Agreement on the Manbarrum Project with the Sorby Hills Joint Venture (“SHJV”). The SHJV is a Joint Venture between ASX-listed Kimberley Metals Limited (now KBL) and Yuguang (Australia) Pty Ltd, a subsidiary of China’s largest lead producer, Hunan Yuguang Gold & Lead Co Ltd.

On 21 May 2013 KBL advised TNG that they were electing to cease the agreement and as of that date TNG were required to take on the operation of the licences.



Key access clearance was granted in 2006 from the Aboriginal Areas Protection Authority (AAPA) for the Manbarrum project and field exploration commenced.

TNG completed an intensive RC and Diamond drilling program resulting in the discovery of several deposits in the Manbarrum project area in 2007.

A total of 20,614 samples were collected for analysis consisting of 15,722 RC drill samples and 4,892 diamond drill samples from the Sandy Creek Resource, and Djibitgun prospects.

In March 2008 TNG unveiled a major increase in the JORC Mineral Resource inventory for the Manbarrum project to a combined polymetallic resource base of 35.9 million tonnes of lead, zinc and silver resources.

A total of 52 RC holes and 5 diamond drill holes were completed to undertake an initial evaluation of the Djibitgun area, with a maiden resource estimate of **19.9 million tonnes at 16.4/t Ag recorded for the Djibitgun deposit.**

A limited diamond drilling programme was also successfully completed at the Browns Prospects in July-August 2009, where additional Zn/Pb mineralisation was intersected.

The Browns Prospect is defined by a chargeability anomaly of similar (if not greater) amplitude to the chargeability anomaly associated with the Sandy Creek deposit.

The initial resource estimate on the Sandy Creek Deposit was carried out in April 2008 and was recorded as 15.97mt @ 2.3% Zn+Pb, 5.4g/t Ag (JORC Indicated/Inferred) reported at a cut-off grade of 1% zinc.

A new resource estimate was completed on the Sandy Creek deposit by Snowden Mining Industry Consultants in 2010 and integrates TNG's increased understanding of the Sandy Creek geology and controls on the mineralisation.

The **updated mineral resource estimate at Sandy Creek** has resulted in an increase of 54% to **24.4mt @ 2.26% Zn + Pb, at a cut-off grade of 1% zinc. At a 1.5 % Zn cut-off the resource stands at 12.6mt @ 2.96% Zn+Pb.**

The exploration has confirmed the project's status as a Mississippi Valley Type (MVT) district of excellent economic potential.