



Quarterly Report

Period ended 30 September 2014

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

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
Hamersley 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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31 October 2014

The Company Announcements Office
ASX Limited

Via E Lodgement

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2014

Please find attached the Company's Quarterly Activities Report and Appendix 5B for the quarter ended 30 September 2014.

Yours faithfully
LEGACY IRON ORE LIMITED

Sharon Heng
Managing Director

HIGHLIGHTS

EXPLORATION AND DEVELOPMENT

Mt Bevan DSO (60%)

- Drilling of DSO hematite targets at Mezzo/Eastern BIF, and Mt Mason North completed. Significant intersections of high grade Fe mineralisation at Mt Mason North.

CORPORATE

- The Company closed its renounceable rights issue.
- As at 30 September 2014, the Group has cash and cash equivalents of \$8,844,934.
- CEO, Mr Julian Mizera, resigned.
- The Company suspended trading in its securities.

EXPLORATION

Legacy Iron is an active exploration company with a diverse portfolio of assets spanning iron ore, manganese, gold and base metals. 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 two major mineralised provinces within WA. In the Pilbara region, Legacy Iron is exploring for iron ore and manganese while in the Eastern Goldfields region, activities are focused on gold discoveries. 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.

IRON ORE

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 recent strategic review and forward growth strategy, Legacy Iron has confirmed its intention to progress the Project to the next phase as a priority 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.

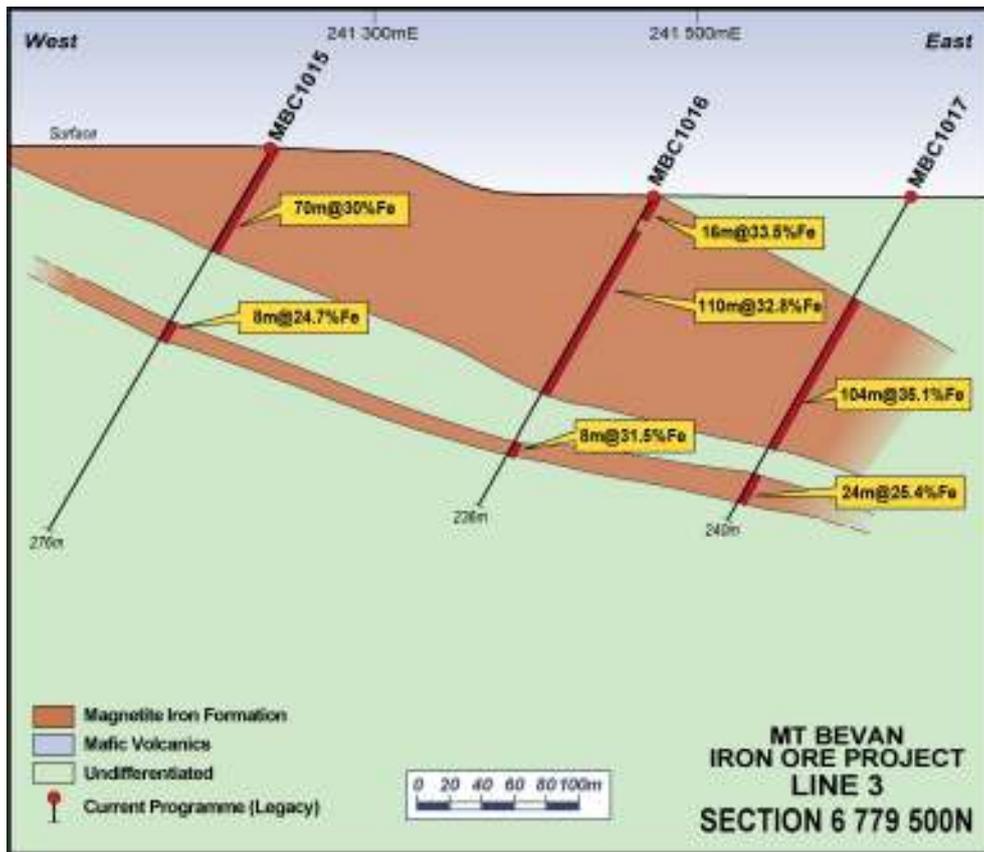


Figure 1: Drilling Cross Section - Lines 3

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).

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

Mt Bevan DSO Exploration

An RC drilling program comprising 18 holes for 1601m was completed. This program targeted:

1. Mt Mason North prospect where earlier RC drilling intersected thick intersections of DSO hematite, adjoining the Jupiter Mines Limited's Mt Mason resource (Measured and Indicated Resource – 9.4Mt @ 57.6% Fe).
2. DSO targets outlined by recent surface rock chip sampling at the Eastern and Mezzo BIFs, to the north of the Mt Mason North prospect

The general location of the drilling program is shown in Figure 1, and a more detailed location plan is shown in Figure 2 below.

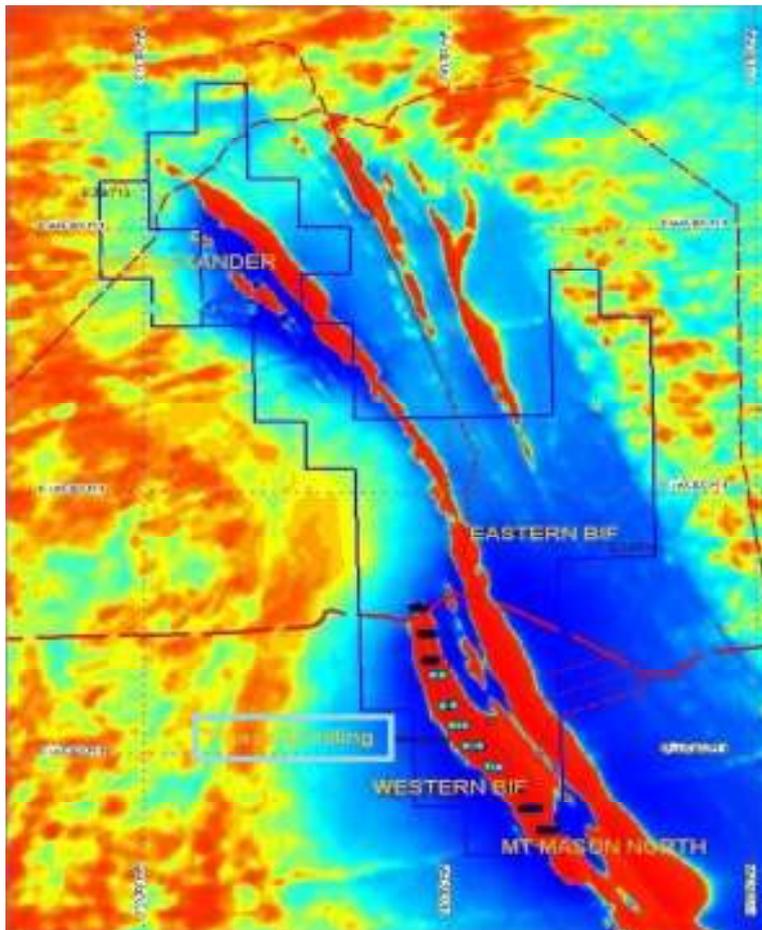


Figure 2: Aeromagnetic image showing Eastern and Western BIF targets

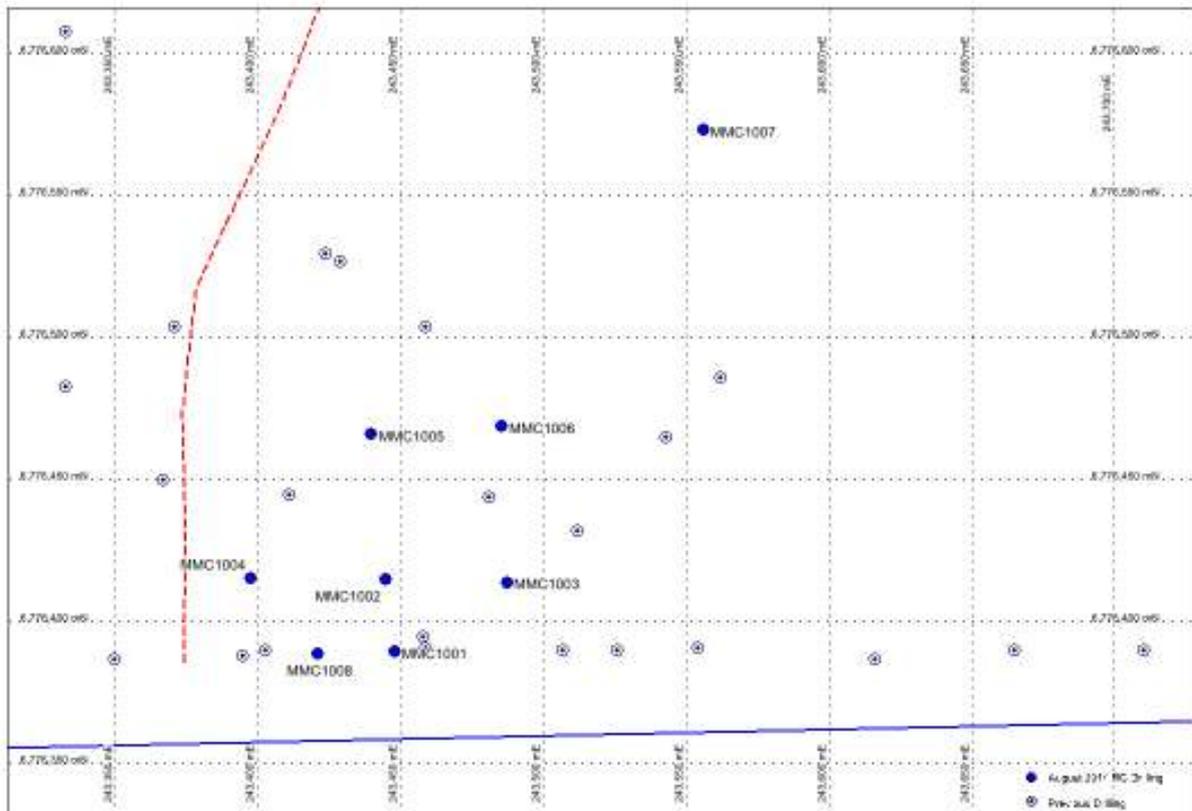


Figure 3: RC Drilling Program – Drill hole collar location plan

Drilling at the Mezzo BIF target intersected only narrow widths of hematitic mineralisation, and consequently drilling at the secondary Eastern BIF targets was not conducted. No significant (>50% Fe) intersections were obtained at the Mezzo BIF target.

Drilling at the Mt Mason North prospect produced a number of significant intersections largely confirming earlier scout drilling in this area. Table 1 below provides a summary of drill hole intersections greater than 50% Fe. These intersections include:

MMC1002: 70 – 104m, 34m @ 57.48% Fe, and

MMC1008: 100 – 118m, 18m @ 61.27% Fe.

Hole ID	Easting	Northing	Azimuth	Dip	RL	Depth	From M	To M	Interval M	Intersection Fe	Comments
MMC1001	243448	6776390	270	-75	516	120	18	22	4	52.1%	
MMC1001	243448	6776390	270	-75	516	120	78	84	6	59.88%	
MMC1001	243448	6776390	270	-75	516	120	98	120	22	56.76%	
MMC1002	243445	6776415	270	-70	514	138	70	88	18	62.10%	Or 70 – 104m: 34m @ 57.48%
MMC1002	243445	6776415	270	-70	514	138	92	104	12	60.25%	
MMC1003	243487	6776414	270	-70	513	150	18	20	2	51.32%	
MMC1003	243487	6776414	270	-70	513	150	24	28	4	55.51%	
MMC1003	243487	6776414	270	-70	513	150	68	78	10	58.68%	
MMC1003	243487	6776414	270	-70	513	150	82	96	14	56.10%	
MMC1003	243487	6776414	270	-70	513	150	112	122	10	60.55%	
MMC1004	243398	6776416	270	-70	516	114	16	26	10	53.15%	
MMC1004	243398	6776416	270	-70	516	114	56	58	2	51.89%	
MMC1004	243398	6776416	270	-70	516	114	76	78	2	52.01%	
MMC1004	243398	6776416	270	-70	516	114	86	96	10	55.43%	Or 86 – 106m: 20m @ 52.12%
MMC1004	243398	6776416	270	-70	516	114	98	102	4	57.43%	
MMC1004	243398	6776416	270	-70	516	114	104	106	2	58.86%	
MMC1005	243440	6776466	270	-70	512	150	20	28	8	52.43%	
MMC1005	243440	6776466	270	-70	512	150	84	90	6	53.70%	
MMC1005	243440	6776466	270	-70	512	150	120	124	4	54.02%	
MMC1006	243486	6776469	270	-70	511	150	22	26	4	50.91%	
MMC1006	243486	6776469	270	-70	511	150	148	150	2	50.12%	
MMC1008	243421	6776389	0	-90	516	180	14	20	6	52.98%	
MMC1008	243421	6776389	0	-90	516	180	34	38	4	51.89%	
MMC1008	243421	6776389	0	-90	516	180	78	82	4	63.34%	
MMC1008	243421	6776389	0	-90	516	180	88	94	6	53.88%	
MMC1008	243421	6776389	0	-90	516	180	100	118	18	61.27%	

Table 1 Significant Drilling Intersections

A representative drilling cross section is shown as Figure 3. The high grade hematite zones are associated with a substantial cross fault which lies close to the boundary between the joint venture project tenement and that of Jupiter Mines Limited to the south.

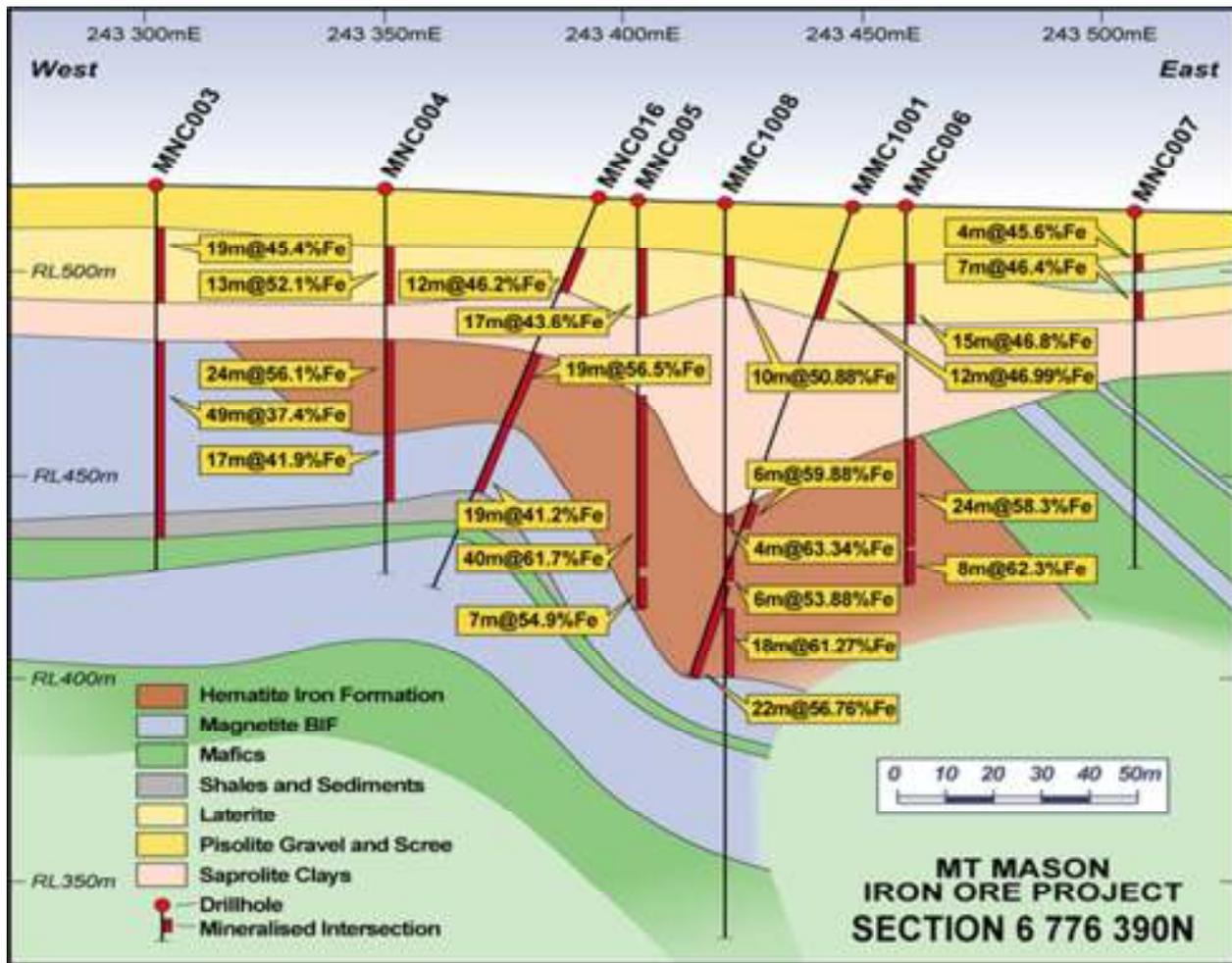


Figure 4: RC Drilling Program – Drilling Cross Section 6 776 390N.

Discussions are presently being held with joint venture partner Hawthorn Resources Limited regarding future exploration and drilling at Mt Mason North, and potential co-development of the Mt Mason North deposit with the adjoining Mt Mason project of Jupiter Mines Limited.

Legacy Iron holds a 60% share of the Mount Bevan Joint Venture with Hawthorn Resources Ltd holding the remaining 40%.

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

Pilbara Iron Ore and Manganese Projects

No exploration activities were conducted on the projects during the period saved for statutory reporting.

East Kimberley Project - Koongie Park

Drilling is planned for a number of significant targets identified through a previous HELITEM airborne EM survey. A native heritage clearance will be undertaken prior to drilling.

GOLD

Database compilation and statutory reporting was conducted during the period.

COAL

Reconnaissance shallow drilling undertaken last year on the tenements held by Legacy Iron intersected only thin, poor quality coal seams in a few holes. Based on these results, Legacy Iron considers that there is low potential for an economically viable resource to be identified on these coal tenements. As such, the Company is in the process of relinquishing its coal tenements including EPC2303, EPC2304 and EPC2580.

PLANNED ACTIVITIES – DECEMBER 2014 QUARTER

Principal activities planned for the December 2014 quarter will comprise:

Mt Bevan DSO: Evaluation of Mt Mason North DSO resource

Mt Bevan Magnetite: Study work and field program planning in relation to progressing the Mt Bevan Magnetite Project (pending JV approval to proceed)

South Laverton: Geochemical soil programs – initially at Mt Celia gold project

East Kimberley: Native heritage survey at Koongie Park project followed by RC drill testing of Helitem geophysical conductors.

(JORC 2012 TABLE 1 – SEE APPENDIX I)

CORPORATE

Entitlement Offer to Fund Growth

On 7 July 2014, Legacy Iron announced a 3 for 1 renounceable entitlement offer of new ordinary shares at an offer price of 1.4 cents.

The Company closed the offer and announced on 25 August 2014 that it had received total applications for 877,650,460 New Shares.

NMDC subscribed for approximately \$12.1 million, increasing their overall shareholding to 78.5%.

Resignation of CEO

On 25 August 2014, the Company announced the resignation of CEO, Mr Julian Mizera, following his decision to pursue other personal opportunities.

Suspension of Quotation

On 26 September 2014, the Company suspended trading in its securities pending finalisation of its annual accounts.

Cash Position

As at 30 September 2014, the Group has cash and cash equivalents of \$8,844,934. In addition, the Group holds security deposits of \$504,613.

Summary of mining tenement at the end of quarter (30 September 2014) and their location.

The mining tenements held at end of quarter and their location	Tenement	Location	State	% at beginning of quarter	% at end of quarter	Operator
	E80/4220	East Kimberley	WA	100	100	Legacy
	E80/4221	East Kimberley	WA	100	100	Legacy
	E47/1869	Pilbara	WA	100	100	Legacy
	E46/0818	Pilbara	WA	100	100	Legacy
	E31/1034	South Laverton	WA	100	100	Legacy
	E39/1443	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5001	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5002	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5003	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5004	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5005	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5006	South Laverton – Mt Celia	WA	100	100	Legacy
	P39/5007	South Laverton – Mt Celia	WA	100	100	Legacy
	E29/865	Yilgarn – Mt Bevan	WA	100	100	Legacy
	M31/426	South Laverton	WA	100	100	Legacy
	M31/427	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	P31/1746	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	E31/1019	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly

	E31/1020	South Laverton	WA	LCY 90 CZY 10	LCY 90 CZY 10	Legacy & Cazaly
	M31/107	South Laverton	WA	90% Precious Metals	90% Precious Metals	Murrin Murrin & Glenmurrin
	M31/229	South Laverton	WA	90% Precious Metals	90% Precious Metals	Murrin Murrin & Glenmurrin
	M31/230	South Laverton	WA	90% Precious Metals	90% Precious Metals	Murrin Murrin & Glenmurrin
Proposed for Surrender	E39/1748	Kalgoorlie	WA	-	100	Legacy
	E29/510	Yilgarn – Mt Bevan	WA	LCY 60 HAW 40	LCY 60 HAW 40	Legacy & Hawthorn
	E29/713	Yilgarn – Mt Bevan	WA	LCY 60 HAW 40	LCY 60 HAW 40	Legacy & Hawthorn
Proposed for Surrender	EPC2303	Mundubbera	QLD	100	100	Legacy
Proposed for Surrender	EPC2304	Eidsvold	QLD	100	100	Legacy
Proposed for Surrender	EPC2580	Chinchilla	QLD	100	100	Legacy

Yours faithfully
LEGACY IRON ORE LIMITED



Sharon Heng
Managing Director

Competent Person's Statement:

Mt Bevan Iron Ore

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.

APPENDIX I

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 Person consents to the inclusion of such information in this report in the form and context in which it appears.

JORC CODE, 2012 EDITION – TABLE 1 (COMPLIANCE TABLE)**SECTION 1 SAMPLING TECHNIQUES AND DATA**

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole 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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information. 	<p>Bulk RC samples were taken over 1m intervals, with the material collected from a rig-mounted riffle splitter. This splitter was used to prepare 2m composite samples for XRF analyses. An approximate 3kg sample was pulverised and split to produce an approximate 0.7g charge for XRF Fusion and 1.5g charge for Thermogravimetric (TGA - LOI) analysis.</p> <p>Quality of sampling continuously monitored in field by geologist during drilling.</p> <p>To monitor the representivity of the samples, field duplicates were taken every 25 samples, i.e. every 50 meters drilled.</p>
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.). 	<p>The RC samples were collected using a 5.625" face sampling hammer.</p>
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. 	<p>RC sample recovery is logged by the geologist.</p> <p>To ensure maximum sample recovery and representivity of the samples, the geologist is present during drilling, with any issue being immediately rectified.</p> <p>No significant sample recovery issues were encountered.</p>
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. 	<p>RC Drilling: Logging was conducted on all 1m samples after sieving and washing. Magnetic susceptibility readings were taken on 1m intervals using a KT-10 magnetic susceptibility meter. Representative samples were retained in chip trays.</p> <p>A portable Niton XL3t 950 GOLDD+ XRF Analyser was used to provide an initial estimate of Fe content.</p>

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<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, 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. 	<p>The RC samples were split using a rig-mounted riffle splitter. The riffle splitter was set up to produce one-meter bulk samples and two-meter composite samples for analysis.</p> <p>Quality Control Procedures:</p> <p>RC Drilling:</p> <p>Field duplicates: 1 every 25 samples.</p> <p>Blanks: 1 every 30 samples.</p> <p>Certified Reference Materials (CRMs): 1 every 25 samples. Three different CRMS used covering likely assay ranges.</p> <p>Lab duplicates and repeats undertaken by the laboratory.</p> <p>The sample sizes are considered to be appropriate to correctly represent the mineralisation based on the style of mineralisation (oxidised BIF), the thickness and consistency of intersections, the sampling methodology and the assay ranges for the elements assayed.</p>
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established. 	<p>All samples submitted to ALS Laboratory, Perth are assayed for the full iron ore suite of 24 elements by XRF Fusion, and a total LOI by the thermogravimetric method. The analytical suite included Fe, SiO₂, Al₂O₃, CaO, MgO, Mn, P, S, TiO₂, and LOI.</p> <p>Quality control procedures included CRMs, blanks, field duplicates, and pulp repeats. An assessment of the QA data indicated an acceptable level of precision, and did not indicate significant bias issues. The submission frequencies equalled those commonly used in the industry.</p>
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. 	<p>Primary data was manually entered from field data sheets into Excel spreadsheets then transferred to an Access database and results plotted in plan and cross section. Data was entered manually with both manual and computer cross verifications.</p> <p>All data securely held in company head office with back-ups off site.</p> <p>No assay data required adjustment.</p>

Criteria	JORC Code explanation	Commentary
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. 	<p>The drillhole collar locations and reduced levels were surveyed by a professional contractor using differential GPS, with a nominal accuracy 0.05m. All holes were surveyed downhole during drilling using a Cameq Proshot Camera probe (CTPS200), with readings taken approximately every 25m for the majority of the holes. The camera is placed downhole within the drill stem so only the dip component of the drill hole can be established by this method.</p>
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. 	<p>The drill spacing is variable along strike and section. The Mezzo BIF scout drilling tested high Fe rock chip locations. At the Mt Mason North area, the nominal drill spacing is 25 x 25m.</p> <p>Samples for analysis were collected over 2m intervals.</p> <p>No resource calculation has been made based on this drilling to date.</p>
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 mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>The orientation of the mineralised zone is generally consistent over the extent of the deposit and the drillholes have generally been angled to intersect the zones at right angles. In places, the drill section lines are slightly offset to the dip direction.</p> <p>At the chosen sampling interval, the controls on mineralisation are generally parallel to the lode geometry, and the likelihood of biases due to incompatible lode to sample orientation is low.</p>
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<p>RC drilling samples are packed into sealed heavy duty plastic bags and hand delivered, under direct supervision of the geologist to ALS Laboratory in Kalgoorlie for internal dispatch to their Perth laboratory. The laboratory receipts received samples against the sample dispatch documents and issues a reconciliation report for each sample batch.</p>
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<p>In 2012, SRK conducted a review of Legacy's sampling techniques and did not identify any significant issues. The sample sampling techniques were applied to this drilling program.</p>

Section 2 Reporting of Exploration Results

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. 	<p>Exploration prospects are located wholly within the Mt Bevan Joint Venture Exploration Leases. Mt Bevan is a 60:40 joint venture between Legacy Iron and Hawthorn Resources Limited, and Legacy Iron is the project operator.</p> <p>There are currently no registered native title interests in the area of drilling.</p> <p>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.</p>
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<p>Initial exploration for iron ore mineralisation in the tenements was undertaken by joint venture partner Hawthorn Resources Ltd. This consisted principally of several phases of shallow RC drilling targeting hematitic iron ore, and a ground gravimetric survey.</p>
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation. 	<p>The Mt Bevan magnetite mineralisation is a stratiform, syngenetic deposit hosted within BIF units of the northern part of the Archaean Mt Ida greenstone belt.</p>
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 drillholes: <ul style="list-style-type: none"> - easting and northing of the drillhole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drillhole collar - dip and azimuth of the hole - downhole 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. 	<p>Exploration results are attached.</p>
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. 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 	<p>Significant drill hole intersections greater than 50% Fe have been reported.</p>

Criteria	JORC Code explanation	Commentary
	equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. • If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	<p>The tabulated data refers to down hole widths and not true widths.</p> <p>Most drill holes were drilled at a 60 degree angle so as to provide an intersection width as close as practicable to a true thickness on section. Some drilling fences were slightly oblique to the strike of the mineralisation.</p>
Diagrams	<ul style="list-style-type: none"> • 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 drillhole collar locations and appropriate sectional views. 	Exploration results are attached.
Balanced reporting	<ul style="list-style-type: none"> • 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 greater than 50% Fe have been reported.
Other substantive exploration data	<ul style="list-style-type: none"> • 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. 	Surface sampling has been completed by company geologists.
Further work	<ul style="list-style-type: none"> • The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	Exploration for complimentary DSO hematite mineralisation. Mapping and sampling of other BIF targets.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

LEGACY IRON ORE LIMITED



ABN

31 125 010 353

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

	Current quarter 30 Sept 2014 \$A'000	Year to date (3 months) 30 Sept 2014 \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(240) - - (588)	(240) - - (588)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	7
1.5 Interest and other costs of finance paid	(33)	(33)
1.6 Income taxes paid	-	-
1.7 Other – Receipt by joint venture participant	-	-
Net Operating Cash Flows	(854)	(854)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) financial assets (c) other fixed assets	- - -	- - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) financial assets	- - 199	- - 199
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	199	199
1.13 Total operating and investing cash flows (carried forward)	(655)	(655)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(655)	(655)
Cash flows related to financing activities			
1.14	Proceeds from issue of shares, options	12,287	12,287
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(3,100)	(3,100)
1.18	Dividends paid	-	-
1.19	Other	(25)	(25)
Net financing cash flows		9,162	9,162
Net increase (decrease) in cash held		8,507	8,507
1.20	Cash at beginning of quarter/year to date	338	338
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,845	8,845

*\$730,974 previously reported as cash has been reclassified to held-to-maturity financial assets.

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	127
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
\$115,288 payment for Directors and their associates fees and salaries; and \$ 11,400 payment for accounting fees to entity related to Non-Executive Director.		

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	505
4.2 Development	-
4.3 Production	-
4.4 Administration	648
Total	1,153

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	8,845	338
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (commercial bills)	-	-
Total: cash at end of quarter (item 1.22)	8,845	338

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	P31/1972	Surrendered	100%	-
	P31/1927	Surrendered	100%	-
	P31/1928	Surrendered	100%	-
	P31/1929	Surrendered	100%	-
	EPC2303	Surrendered	100%	-
	EPC2304	Surrendered	100%	-
	EPC2580	Surrendered	100%	-
	E31/0928	Surrendered	100%	-
	E29/0713	Surrendered	100%	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2 Interests in mining tenements acquired or increased	-	-	-	-
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	1,468,264,157	1,468,264,157	-	-
7.4 Changes during quarter				
(a) Increases through issues	877,650,460	877,650,460	\$0.014	-
(b) Decreases through returns of capital, buy-backs	-	-	-	-

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.5	Convertible debt securities <i>Does not bear interest and is unsecured. The convertible securities shall convert into new ordinary shares of the company determined by dividing the amount by the conversion price. Conversion price is 90% of the average of 3 consecutive daily VWAPs per as selected by the investor in its sole discretion during the 20 consecutive trading days immediately prior to the relevant conversion notice date. Shares issued upon conversion will rank pari passu with existing ordinary shares. The convertible securities do not carry any voting rights. Term is 24 months.</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issue (b) Decreases through repayment (c) Decrease through conversion	-	-	-	-
7.7	Options <i>(description and conversion factor)</i>			Exercise Price	Expiry Date
	11,354,383	11,354,383	10 cents	31 December 2014	
	8,304,525	8,304,525	15 cents	31 December 2014	
	11,660,000	-	25 cents	1 April 2015	
	12,430,000	-	10 cents	23 December 2015	
	4,000,000	-	18 cents	24 May 2016	
	46,200,000	-	25 cents	31 December 2015	
	4,000,000	-	25 cents	31 December 2014	
	4,000,000	-	30 cents	31 December 2014	
	4,000,000	-	35 cents	31 December 2014	
	4,000,000	-	40 cents	31 December 2014	
	4,000,000	-	45 cents	31 December 2014	
	21,430,000	-	22.29 cents	7 January 2015	
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-		

+ See chapter 19 for defined terms.

7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~not~~ give a true and fair view of the matters disclosed.



Sign here:

(Director/~~Company secretary~~)

Date: **31 October 2014**

Print name: **Sharon Heng**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.