



ASX Announcement
7 July 2014

About Legacy Iron Ore

Legacy Iron Ore Limited ("Legacy Iron" or the "Company") is a Western Australian based 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

Julian Mizera, Chief Executive Officer

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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ASX Market Announcements

ASX Limited

Via E Lodgement

LEGACY IRON ANNOUNCES RENOUNCEABLE ENTITLEMENT OFFER TO FUND GROWTH

HIGHLIGHTS

- Legacy Iron announces a 3 for 1 renounceable Entitlement Offer of new Legacy Iron Ore ordinary shares ("New Shares") at an offer price of 1.4 cents per New Share.
- Total funds of approximately \$25 million before offer costs to be raised upon full subscription.
- Legacy Iron to pursue an exploration and development program across its broader asset portfolio including its key iron ore project, Mt Bevan, and repay the outstanding loan facility.
- Legacy Iron to advance discussions with joint venture partner Hawthorn Resources Ltd to focus on the strategy for the development of the Mt Bevan Project including pre-feasibility studies.
- Legacy Iron's major shareholder, National Mineral Development Corporation Ltd ("NMDC"), has confirmed its commitment to take up its full entitlement under the Entitlement Offer.
- BurnVoor Corporate Finance Limited appointed Lead Manager to the capital raising.

OVERVIEW

Following the successful conclusion of a recent strategic review and forward growth strategy, Australian iron ore, gold and base metals explorer Legacy Iron Ore Limited (ASX: LCY) ("Legacy Iron") is pleased to announce a 3 for 1 pro rata renounceable entitlement offer ("Entitlement Offer").

The entitlement offer will position Legacy Iron to execute the growth strategy recently approved by the Legacy Iron board, and follows the recent site visit by a delegation of senior NMDC board members, personnel and advisors.

Proceeds from the Entitlement Offer will be applied towards the ongoing development of the Mt Bevan iron ore project, repayment of the A\$3m Citibank

loan facility and further exploration and development work across Legacy Iron's iron ore and other assets.

In addition, Legacy Iron and its joint venture partner Hawthorn Resources Ltd are engaged in discussions regarding the development of the Mt Bevan Project. Funds from this raising will be applied towards Legacy Iron's share of any pre-feasibility study and test work.

Legacy Iron's major shareholder, NMDC (48.8%), **has confirmed its commitment to take up its full entitlement** under the Entitlement Offer, which will raise a minimum amount of approximately \$12.1 million. NMDC's participation under the Entitlement Offer is subject to approval from the Foreign Investment Review Board ("FIRB"). NMDC has lodged an application for approval with FIRB.

ENTITLEMENT OFFER

Legacy Iron will launch a 3 for 1 renounceable Entitlement Offer of New Shares at 1.4 cents per New Share, to raise up to approximately \$25 million before offer costs.

Eligible shareholders will be offered the opportunity to purchase 3 New Shares for every 1 existing Legacy Iron ordinary shares held by them on the Record Date of 22 July 2014¹.

The Offer Price is 1.4 cents per New Share. This represents a 23.9% discount to the average closing market price over the last 10 trading days on which Legacy Iron ordinary shares traded and an 18.8% discount to the average closing market price over the last 20 trading days on which Legacy Iron ordinary shares traded.

The Entitlement Offer will be made pursuant to a prospectus to be lodged with ASIC shortly (the "Entitlement Offer Prospectus").

The Entitlement Offer is renounceable. Eligible shareholders will be allotted an Entitlement which can be traded on ASX from 18 July 2014 to 5 August 2014². This means that eligible shareholders who do not wish to take up all or part of their Entitlement can seek to sell all or part of their Entitlement on ASX in order to realise value for that Entitlement.

If the Entitlement Offer is fully subscribed, the number of ordinary shares issued by Legacy Iron shall increase from approximately 590.6 million shares to 2,362.5 million shares.

TIMETABLE

The indicative timetable for the Entitlement Offer is set out below. The timetable will be confirmed upon lodgement of the Entitlement Offer Prospectus with ASIC and ASX.

¹ The date specified is indicative only. The timetable will be confirmed upon lodgement of the Entitlement Prospectus with ASIC and ASX.

² See note 1 above.

Indicative Timetable for Entitlement Offer:

Announce renounceable Entitlement Offer and Appendix 3B	7 July 2014
Lodgement of Entitlement Offer Prospectus with ASIC and ASX	15 July 2014
Notice of Entitlement Offer sent to Shareholders	17 July 2014
Ex Date for Entitlements Issue	18 July 2014
Entitlements Trading begins	18 July 2014
Record Date for determining Shareholder entitlements	22 July 2014
Entitlement Offer Prospectus despatched to Shareholders	25 July 2014
Entitlement Trading ends	5 August 2014
Shares quoted on a deferred settlement basis	6 August 2014
Last day to extend Entitlement Offer Closing Date	7 August 2014
Closing Date of Entitlement Offer	12 August 2014
Notify ASX of Shortfall	15 August 2014
Issue date. Deferred settlement trading ends	19 August 2014

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