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Company Announcements Platform  
Australian Securities Exchange

## **LEGACY IRON ORE RENOUNCEABLE ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

We are writing to you in relation to your shareholding in Legacy Iron Ore Limited (ASX: LCY) ("Legacy Iron" or the "Company").

### **PRO RATA RENOUNCEABLE ENTITLEMENT OFFER**

On 7 July 2014, Legacy Iron announced a pro-rata 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 to raise up to approximately \$24.8 million (the "Entitlement Offer"). The Entitlement Offer will result in the issue of up to approximately 1,771,841,091 New Shares, assuming no existing options are exercised prior to 5.00pm WST on 22 July 2014 (the "Record Date"). The Entitlement Offer is not underwritten.

Legacy Iron's major shareholder, National Mineral Development Corporation Limited ("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 lodged an application for approval with FIRB on 1 July 2014.

Eligible Shareholders (as defined below), other than NMDC, may also apply for Additional New Shares (being New Shares in addition to an Eligible Shareholder's Entitlement).

Any New Shares not taken up by Eligible Shareholders will form the shortfall. Other investors identified by the Company can apply for shortfall shares by completing the shortfall Application Form attached to the Prospectus.

### **PROSPECTUS AND OFFER DETAILS**

On 15 July 2014, the Company lodged a prospectus which includes details of the Entitlement Offer with the Australian Securities and Investments Commission ("ASIC") and ASX ("Prospectus"). The Prospectus is also available at the Company's website [www.legacyiron.com.au](http://www.legacyiron.com.au).

The purpose of the Entitlement Offer is to repay the Company's existing \$3 million Citibank loan facility (resulting in the Company having no external debt) and to fund further exploration and development work across the Company's portfolio of iron ore and other assets.

Eligible Shareholders who are on the Company's Share register at the Record Date are eligible to participate in the Entitlement Offer. An Eligible Shareholder means a shareholder at the Record Date:

- whose registered address is situated in Australia, New Zealand or Singapore; or
- whose registered address is situated in India and who represents and warrants each of the following:
  - that the law of that shareholder's place of residence does not prohibit the shareholder from being given the Prospectus and the Entitlement and Acceptance Form;
  - that the law of the shareholder's place of residence does not prohibit the shareholder from making an application for New Shares; and
  - that the shareholder is eligible to subscribe for part or all of its entitlement to participate in the Entitlement Offer ("Entitlement").

The New Shares are fully paid ordinary shares and will rank equally with the Legacy Iron's existing ordinary shares.

BurnVair Corporate Finance Limited ("BurnVair") has been appointed as Lead Manager on the terms set out in the Prospectus.

#### **INELIGIBLE SHAREHOLDERS**

**According to our records you do not satisfy the eligibility criteria for an Eligible Shareholder stated above. You are not required to do anything in response to this letter.**

Ineligible Shareholders are not eligible to participate in the Entitlement Offer and will not be sent a copy of the Prospectus. The Company's decision as to eligibility has been made under Listing Rule 7.7.1 of the ASX Listing Rules, having regard to each of the following:

- the number of Shareholders registered outside of Australia, New Zealand, India and Singapore;
- the number and value of the New Shares which would be offered to them were they eligible to participate; and
- the cost of complying with the legal and regulatory requirements outside of Australia, New Zealand, India and Singapore.

The Company has appointed BurnVair to act as the Nominee in relation to the Entitlement Offer (subject to ASIC's approval, an application for which has been lodged with ASIC). Subject to that approval being obtained, the Nominee will arrange the sale of the Entitlements that would have been given to Ineligible Shareholders had they been eligible to participate in the Entitlement Offer, and if they are sold, for the net proceeds to be sent to those Ineligible Shareholders.



The Nominee (or an associate) will only sell those Entitlements if there is a viable market in those Entitlements and a premium over the expenses of sale can be obtained. Any such sale will be at a price and be conducted in a manner that the Nominee will determine in its absolute discretion.

Neither the Company nor the Nominee will be liable for any failure to sell the Entitlements or to sell the Entitlements at any particular price. If there is no viable market for the Entitlements, they will be allowed to lapse.

Ineligible Shareholders should note that the sale of any Entitlements may affect their Australian tax position. It is recommended that Ineligible Shareholders obtain independent tax advice if they are in doubt as to the tax treatment of any cash proceeds they may be entitled to receive.

For further information, please contact:

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