



Hyatt Centre Suite 32, 23 Plain Street, East Perth, WA 6004
PO Box 6878, East Perth BC, East Perth, WA 6892
Tel: +61 8 9421 2005 Fax: +61 8 9421 2001
ACN 125 010 353

27 August 2009

The Company Announcements Office
ASX Limited

Via E Lodgement

NOTICE OF PRO-RATA NON RENOUNCEABLE RIGHTS ISSUE

Legacy Iron Ore Limited ("Legacy" or "the Company") is pleased to announce a non-renounceable rights issue to raise approximately \$1,995,356 before costs ("Rights Issue").

The Rights Issue offers, to eligible Australian and New Zealand shareholders only, one (1) new fully paid ordinary share in the Company for every two (2) shares held on the record date being 4 September 2009, at an issue price of 4.5 cents per share. The funds raised will be applied to support the continued exploration of the Company's iron ore tenements in the Hamersley and Robertson Range of Western Australia, fund the new drilling program of the gold project in South Laverton region, expenses of the offer, general working capital and to enable the Company to continue to fund the evaluation of new project opportunities.

The offer is fully underwritten by CPS Securities (ABN 73 088 055 636 and Holder of Australian Financial Services License No 294848), who will receive an underwriting fee of approximately \$110,000 (being approximately 5.5% of the underwritten amount), a \$33,000 management fee, and 10,000,000 options exercisable at \$0.10 on or before 31/12/2012.

No prospectus will be issued for the Rights Issue however an Offer Document will be dispatched to shareholders including an Entitlement and Acceptance Form which will entitle eligible shareholders to take up their respective entitlements, and to apply for any additional New Shares.

The Directors are of the view that a pro rata rights issue to all shareholders is the most responsible and fair means of raising capital in the current market.

Further information regarding the effect of the Rights Issue and a copy of the notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) will be mailed to Registered Shareholders together with the Entitlement and Acceptance Form on 9 September 2009.

For personal use only

The indicative timetable for the Rights Issue is as follows:

EVENT	DATE
Announcement Offer	27 August 2009
Lodgement of Offer Document & Section 708AA (2) (f) Notice and Appendix 3B	27 August 2009
Notice to Shareholders & Optionholders	28 August 2009
Ex Date	31 August 2009
Rights Issue Record Date	4 September 2009
Dispatch of Offer Document and Entitlement & Acceptance Forms	9 September 2009
Rights Issue Opens	9 September 2009
Closing Date for Acceptances	30 September 2009
Shares quoted on a deferred settlement basis	1 October 2009
Notification of under subscriptions	6 October 2009
Allotment of New Shares & dispatch of holding statements	9 October 2009

The Company reserves the right to amend this timetable including, subject to the Corporations Act 2001 and the ASX Listing Rules, to extend the closing date.

Yours faithfully,

LEGACY IRON ORE LIMITED

Ivan Wu

Company Secretary

For more information, please contact

Ivan Wu

Legacy Iron Ore Limited

T: 08 9421 2005

E: ivanwu@legacyiron.com.au

Website: www.legacyiron.com.au