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The Company Announcements Office
ASX Limited

Via E Lodgement

LEGACY IRON ORE TO COMMENCE DRILLING AT SOUTH LAVERTON GOLD EXPLORATION PROJECT

Legacy Iron Ore Limited (“Legacy” or the “Company”) (ASX: **LCY**, **LCYO**) will commence an initial drilling program on the first of several gold targets outlined at its newly acquired South Laverton Gold Project. The project encompasses a large highly prospective ground holding in an underexplored belt that already includes a gold resource base in excess of 2Moz gold.

A 2500m RAB/Aircore drilling program is planned for the Yerilla prospect, located 150km NE of Kalgoorlie (*Figure 1*). Drilling should commence within three weeks, contingent on program of work approval by the Department of Mines and Petroleum.

The Yerilla prospect lies over the margins of a small syenite stock enveloped by a shear system representing a splay from the major Keith Kilkenny Tectonic Zone (KKTZ). To the north, the KKTZ hosts the major Leonora gold mining camp. Numerous small gold workings are present in the area, with the most significant being the Bull Terrier deposit, which has an Inferred Resource of 527,000t at 1.92 g/t gold (1.0 g/t cut-off) for 32,000oz gold.

The proposed drilling will test the southern margins of the Bull Terrier deposit, and also an extensive area of gold in soils anomalism at the Dingo prospect, further to the south where gold has been worked from laterite overlying the south margin of the syenite stock (*Figure 2*)

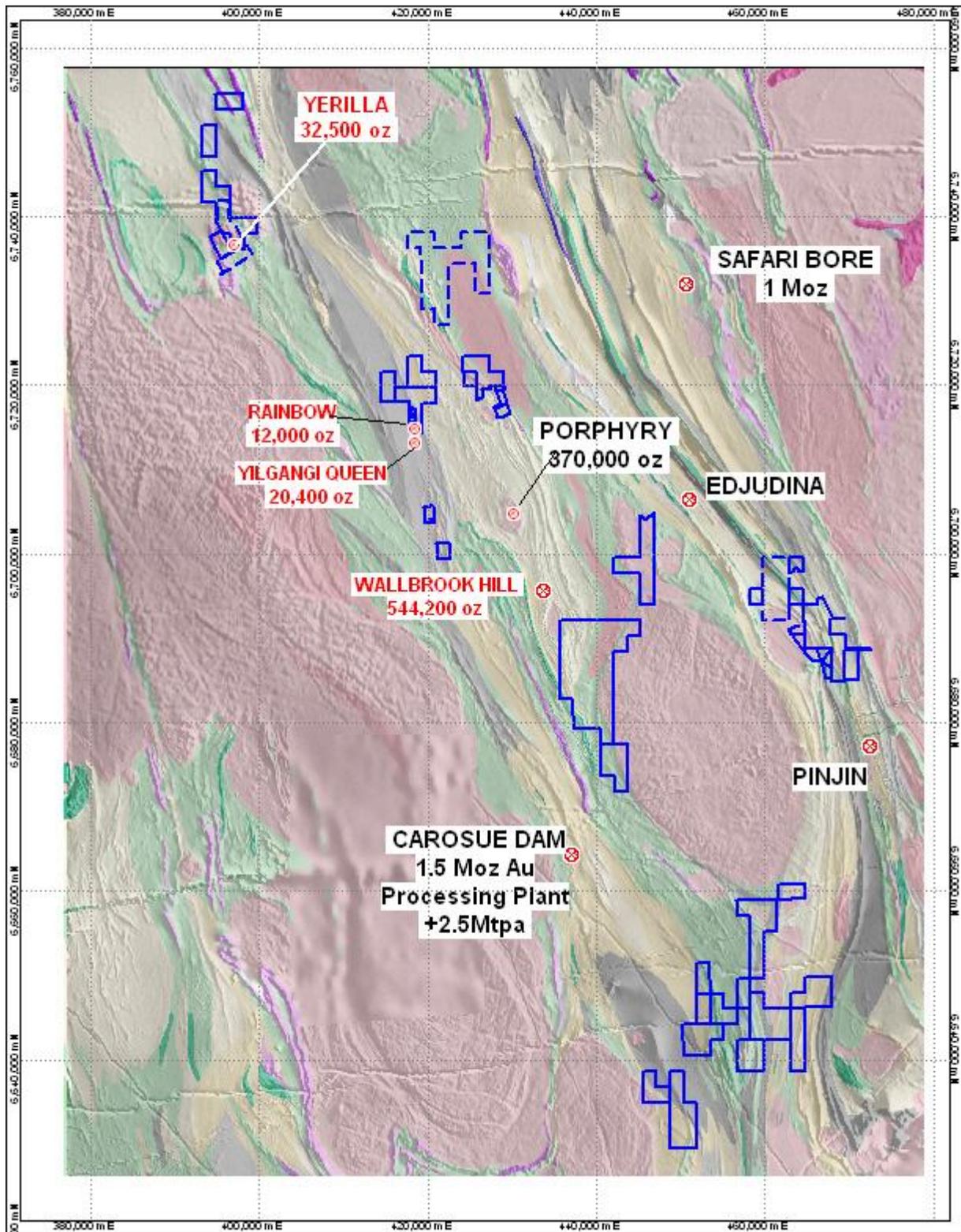


Figure 1: South Laverton Gold Project - showing Yerilla prospect to NW

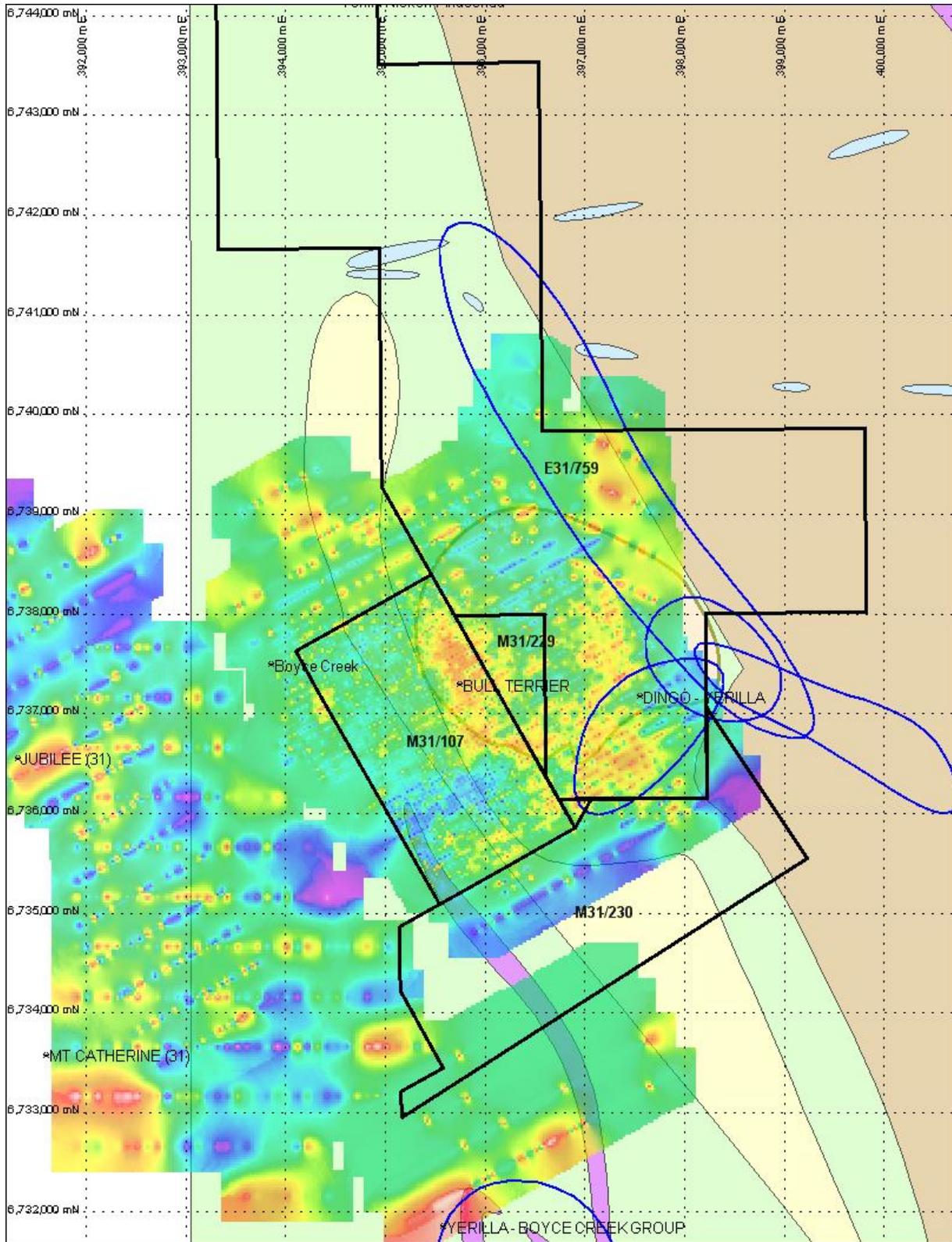


Figure 2: Gold in soil geochemistry (yellow-red highs) - with potential structural targets (blue)

Stophanis Well – Jungle Dam Project

The next drilling program at the Laverton South Gold Project is planned at the Stophanis Well – Jungle Dam tenements (*Figure 1*). The drilling is planned to investigate nine gold-in-soil anomalies (peaking at 300 ppb Au), which are coincident with major gold bearing shears and located along strike of the historic Patricia Gold Workings and the Edjudina Mining Centre (*Figure 4*). The project lies within close proximity to the active mining areas of Carosue Dam and Safari Bore. This drilling program is awaiting approval by the DMP.

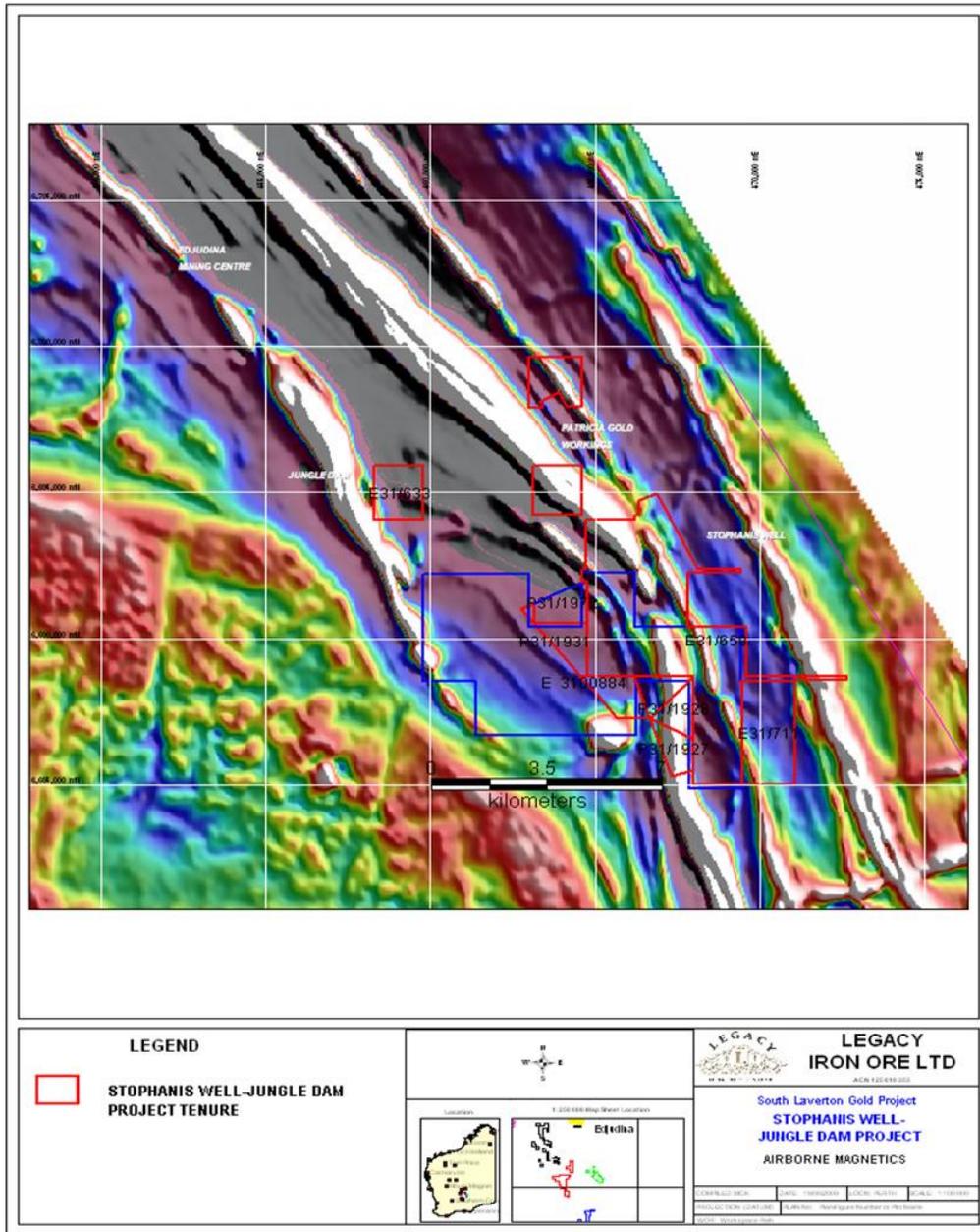


Figure 4: Stophanis Well – Jungle Dam Prospect: Aeromagnetic image overlay showing location on major shears associated with historic gold workings

About Legacy:

Legacy Iron Ore is a progressive West Australian explorer with a broad spread of interests in gold and iron. The Company has a multi-pronged exploration strategy centred on a growing portfolio of quality tenements in the Kimberley, Pilbara, and Yilgarn regions of WA. The company has recently intensified its gold program to fast-track potentially viable mining operations and capitalise on buoyant commodity prices.

Legacy Iron Ore Limited officially listed on the Australian Securities Exchange on 8 July 2008. For more information on the Company, visit the website at www.legacyiron.com.au.

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Competent Person Attributes:

The Exploration information in this report is based on information compiled by Stephen Shelton who is a member of The Australasian Institute of Geoscientists and a full time employee of Legacy Iron Ore Ltd.. 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 2004 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.