



IRON ORE LIMITED

ACN 125 010 353

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
EXPLANATORY STATEMENT**

**Annual General Meeting to be held at the Mosman Bay Room, Hyatt Regency,  
99 Adelaide Terrace, Perth WA 6000**

**on**

**30 November 2009 commencing at 11.00am (WST)**

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or  
other professional adviser without delay.

For personal use only

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2009 Annual General Meeting of Shareholders of Legacy Iron Ore Limited will be held at the Mosman Bay Room, Hyatt Regency, 99 Adelaide Terrace, Perth WA 6000 on 30 November 2009 commencing at 11am (WST).

### ORDINARY BUSINESS

**1. Financial Statements and Reports**

To receive and consider the annual financial report, together with the Directors' and auditor's reports for the financial year ending 30 June 2009.

**2. Re-election of Director (Resolution 1)**

To consider and, if thought fit, pass the following resolutions as **ordinary resolution**:

*"That, in accordance with the Company's Constitution and for all other purposes, Mr Hunt Han, who retires by rotation under section 11.13 of the Company's Constitution and, being eligible, offers himself for re-election, is eligible as a Director of the Company".*

**3. Approval of Remuneration Report (Resolution 2)**

To consider and, if thought fit, pass the following **advisory only resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, Shareholders approve the Remuneration Report for the financial year ending 30 June 2009."*

**4. Appointment of Auditor (Resolution 3)**

To consider and, if thought fit to pass, with or without amendment, the following as a **special resolution**:

*"That, for the purposes of section 327B of the Corporations Act and for all other purposes, Grant Thornton Audit Pty Ltd, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company with effect on and from the close of the Annual General Meeting."*

**5. Adoption of Employee Share Option Plan (Resolution 4)**

To consider and if thought fit to pass with or without amendment, the following as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Directors to adopt, and to issue, securities pursuant to the Company Employee Share Option Plan, a summary of which is set out in the Explanatory Statement"*

**Voting Exclusion:** For the purposes of ASX Listing Rule 7.2, the Company will disregard any votes cast on Resolution 4 by any director of the Company, any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of the security holder, if resolution 4 is passed and any person associated with those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**6. Ratification of Prior Issue - Issue of Fully Paid Ordinary Shares to Jackson Minerals Limited (Resolution 5)**

To consider and if thought fit to pass with or without amendment, the following as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 1,562,500 Shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** For the purposes of ASX Listing Rule 7.5, the Company will disregard any votes cast on the Resolution 5 by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**7. Ratification of Prior Issue - Issue of Fully Paid Ordinary Shares to George Juris Petersons (Resolution 6)**

To consider and if thought fit to pass with or without amendment, the following as an **ordinary resolution**:

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 1,425,000 Shares in the capital of the Company on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** For the purposes of ASX Listing Rule 7.5, the Company will disregard any votes cast on the Resolution 6 by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

---

**8. Approval for Future Placement of Shares (Resolution 7)**

To consider and if thought fit to pass with or without amendment, the following as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given to the issue of up to 20,000,000 Shares at an issue price of not less than 80% of the average market price for Shares over the last 5 days in which sales of Shares are recorded before the date of issue and otherwise on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** For the purposes of ASX Listing Rule 7.3, the Company will disregard any votes cast on Resolution 7 by a person who may participate in the proposal issue and any person who may obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Annual General Meeting and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice of Annual General Meeting and the Explanatory Statement.

### Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative.

### Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on 27 November 2009. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Annual General Meeting.

### Enquiries

Shareholders may contact the Company Secretary, Ivan Wu, on (+61 8) 9421 2005 if they have any queries in respect of the matters set out in these documents.

### By Order of the Board of Directors



-----  
**Ivan Wu**  
Company Secretary

Dated this 29th day of October 2009

For personal use only

## Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2009 Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolution in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

---

### Explanatory Notes on Ordinary Business

#### Item 1 - Annual Financial Report

The Corporations Act requires the reports of the Directors and of the Company's auditor and the annual financial report, including the financial statements, to be put before the Annual General Meeting and the Constitution provides for those reports and statements to be received and considered at the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the reports or statements. However, Shareholders will be given an opportunity to raise questions on the reports and statements at the Annual General Meeting.

---

#### Item 2 – Re-election of Director (Resolution 1)

Clause 11.3 of the Constitution requires that at every Annual General Meeting, one third of the directors must retire, but are eligible for re-election at that Annual General Meeting.

Accordingly, Mr Hunt Han retires by rotation at the Annual General Meeting and, being eligible, he offers himself for re-election as a Director. A summary of Mr Hunt Han is contained in the 2009 Annual Report.

The Directors recommend that Shareholders vote in favour of Resolution 1 to reappoint Mr Han as a Director.

---

#### Item 3 - Approval of Remuneration Report (Resolution 2)

The Remuneration Report is set out in the Directors Report in the Company's Annual Report for the period ending 30 June 2009. This report sets out the Company's remuneration policy and reports on the remuneration arrangements in place for Directors and key executives of the Company.

Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report be adopted must be put to the vote. This resolution seeks this approval. However, in accordance with section 250R(3) of the Corporations Act, Shareholders should note that this resolution is an "advisory only" resolution which does not bind the Directors of the Company.

Following consideration of the Remuneration Report, the Chairman, in accordance with section 250SA of the Corporations Act, must give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

---

#### Item 4 - Appointment of a New Auditor (Resolution 3)

Section 327B(1)(b) of the Corporations Act states that a public company must appoint an auditor to fill any vacancy in the office of auditor at each subsequent AGM.

Having received a letter of resignation of Company auditor from KPMG pursuant to section 329(5) of the Corporations Act, in accordance with section 328B(i) of the Corporations Act, Sharon Heng, a Shareholder of the Company has nominated that Grant Thornton Audit be appointed auditors. A copy of that nomination is attached to this Explanatory Statement (Annexure A).

Pursuant to section 328B(3) of the Corporations Act, a copy of the nomination has also been sent out to KPMG and Grant Thornton Audit.

Grant Thornton Audit has consented in writing to act as the Company's Auditor.

Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 3.

---

## **Item 5 – Adoption of Employee Share Option Plan (Resolution 4)**

### **5.1 General Information Relevant to Resolution 4.**

The Board proposes to adopt an Employee Share Option Plan, which it believes will provide employees with the opportunity to participate in the success of the Company and an added incentive to ensure wealth is created in the Company for the benefit of all Shareholders.

The Board considers that, by establishing such a plan with exercise prices that relate to increases in the market price of the Company's Shares, the Company is able to provide a fair reward to employees if they are able to successfully improve the performance of the Company while also ensuring that the Shareholders benefit in the form of an increased market price of the Company's Shares on ASX.

#### **Structure**

The principal terms of the proposed Employee Share Option Plan are that the Board will issue Options at no cash consideration to purchase Shares in the Company on the basis of one Share per Option exercised at an exercise price to be determined by the Board at the time the Options are issued. Options will be exercisable from the time of issue and will lapse on the fifth anniversary of the date of grant if they have not been exercised before that time. Options will be issued up to a maximum of 5% of the issue Share capital of the Company.

#### **Allocation**

The Employee Share Option Plan will be administered by the Board. The Board may from time to time offer Options to eligible persons the opportunity to participate in the Employee Share Option Plan. The number of Options to be offered to a participant, the price (if any) payable for the Options, the exercisable conditions, the exercise price, the date the Options vest, the exercise period and any other conditions will be determined by the Board at its discretion, having regard to the participant's role in the Company.

#### **Eligibility**

Eligible persons under the Employee Share Option Plan are Directors, employees and contractors of the Company. If the directorship, employment or contract of the participant terminates the participant may, within 28 days after the date of termination, exercise all or part of those of the participant's Options which the participant is then entitled to exercise. Any Option not exercised within that 28-day period will lapse.

#### **Transfer and assignment**

Options may not be assigned or transferred.

### Exercise of options

Options may be exercised at any time prior to the date occurring five years after the date upon which they are issued.

### Takeovers

If prior to the exercise of an Option an offer or invitation is made by any person or company to all holders of Shares, the Company must use its best endeavours to procure that there is made to each Option holder an offer or invitation on terms which correspond with those of the offer or invitation the holder would have received had the holder been, at the time for determining entitlement to that offer or invitation, the holder of the number of Shares to which the holder would have been entitled if immediately prior to that time the Options held by the holder were exercised.

Notwithstanding any condition of an offer of Options, all Options may be exercised immediately if a person or company makes a public announcement of a takeover bid and as a consequence of that bid the offer or obtains control of the Company.

### Ranking of Shares

Shares allotted on the exercise of Options will be credited as fully paid and rank equally in all respects with all existing fully paid Shares from the exercise date of the Options and will be entitled to those dividends which have a record date for determining entitlements on or after the exercise date.

### New issues and reconstructions

If between the date of issue and the date of exercise of an Option the Company makes one or more bonus issues to the holders of Shares then upon the exercise of the Option the participant is entitled to have allotted and issued to the participant:

- (a) the number of Shares to which the participant is entitled upon such exercise disregarding such bonus issue or issues; and
- (b) the number of Shares which would have been issued to the participant as bonus Shares if the participant had been registered as the holder of the number of Shares referred to in paragraph (a) on the record date for the bonus issue.

The bonus shares so issued to the participant shall be paid up by the Company in the same manner as was applied in relation to each such bonus issue. Any entitlement to a fraction of a Share remaining following exercise of an Option will be disregarded.

In the event of a reconstruction of the issued capital of the Company, the Options shall be reorganised in a manner considered appropriate in the circumstances by the Board, provided that it complies with ASX Listing Rules.

### Rights issues

A participant may not participate in a rights issue without exercising the participant's Options. The participant may participate in a rights issue in respect of an Option if the participant exercises the Option before the record date of the rights issue.

### Regulatory Requirements

Under Listing Rule 7.1, the prior approval of shareholders is required to either an issue of Shares or the grant of Options or both, if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

Listing Rule 7.2, Exception 9, states that Listing Rule 7.1 will not apply to an issue of securities by a company where, in the three years before the date of issue of the securities, the members of that

company have approved the issue of the securities under an employee incentive scheme as an exception to the general rule. Shareholders are asked to approve the grant of Options under the Employee Share Option Plan in accordance with Listing Rule 7.2, Exception 9.

Listing Rule 10.14 requires that no securities be issued to a director of a listed company under an employee incentive scheme without the approval of members by ordinary resolution. The Company will seek the approval of Shareholders prior to the issue of Options to Directors or other Related Parties.

---

## **Item 6 – Ratification of Prior Issue – Jackson Minerals Shares (Resolution 5)**

### **6.1 Background to Resolution 5**

As announced on 12 March 2009, the Company entered into an agreement with Jackson Minerals Limited to acquire a group of tenements and mining information in the South Laverton area. This involved the Company issuing 1,562,500 Shares to the unrelated vendor, Jackson Minerals Limited.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares to Jackson Minerals Limited.

### **6.2 ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

### **6.3 ASX Listing Rule 7.4**

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue to Jackson Minerals Limited, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 1,562,500 shares were allotted;
- (b) the Shares were issued for nil cash consideration as they were issued as part consideration for the acquisition of tenements in the South Laverton region;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to Jackson Minerals Limited; and
- (e) no funds were raised from this issue as the Shares were issued in part consideration.

## Item 7 – Ratification of Prior Issue – George Juris Petersons Shares (Resolution 6)

### 7.1 Background to Resolution 6

As announced on 18 May 2009, the Company entered into an agreement with George Juris Petersons to acquire a group of tenements in the Mt Celia area. This involved the Company issuing 1,425,000 Shares to the unrelated vendor, George Juris Petersons.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares to George Juris Petersons.

### 7.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

### 7.3 ASX Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue to George Juris Petersons, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 1,425,000 Shares were allotted;
- (b) the Shares were issued for nil cash consideration as they were issued as part consideration for the acquisition of tenements in the Mt Celia region;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were allotted and issued to George Juris Petersons; and
- (e) no funds were raised from this issue as the Shares were issued in part consideration.

---

## Item 8 – Approval for Future Placement of Shares (Resolution 7)

### 8.1 Background to Resolution 7

Resolution 7 seeks Shareholder approval under ASX Listing Rule 7.1 for the allotment and issue of up to 20,000,000 Shares.

The Shares will be issued within 3 months of the Meeting at an issue price of not less than 80% of the average market price for Shares over the last 5 days in which sales of Shares are recorded before the date of issue. Funds raised will be used for exploration of the Company's existing projects in Australia and for general working capital purposes.

Resolution 7 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 20,000,000 Shares under the placement.

## 8.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Approval is being sought under ASX Listing Rule 7.1 for the issue of up to 20,000,000 Shares. The determination of the allottees is at the discretion of the Company and none of the allottees will be related parties of the Company. The allottees will be investors exempt from disclosure under the requirements of the Corporations Act.

If Resolution 7 is passed, following the issue of 20,000,000 Shares referred to above, the Company will still have the capacity to issue 15% of its expanded Share capital over the next 12 months as those Shares once issued will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the Shares referred to above must occur no later than 3 months, or such later date as permitted by ASX, from the date of the Annual General Meeting.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed future Share placement:

- (a) the maximum number of Shares to be issued is 20,000,000;
  - (b) the Shares will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
  - (c) the Shares will be issued at a minimum issue price of not less than 80% of the average market price for Shares over the last 5 days in which sales of Shares are recorded before the date of issue;
  - (d) the Shares will be issued to investors exempt from disclosure under the Corporations Act identified by the Directors. None of the allottees will be related parties of the Company;
  - (e) the Shares issued will be fully paid ordinary shares in the capital of the Company which will rank equally in all respects with Company's existing Shares; and
  - (f) the Company intends to use the funds raised under the Share placement to carry out the planned exploration programmes in respect of the Company's Australian projects and for general working capital requirements.
-

## Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>Annexure</b>	Annexure to this Explanatory Statement.
<b>ASX</b>	Australian Stock Exchange Limited.
<b>WST</b>	Western Standard Time.
<b>Board</b>	Board of Directors.
<b>Chairman</b>	Timothy Turner
<b>Constitution</b>	Constitution of the Company.
<b>Company</b>	Legacy Iron Ore Limited (ACN 125 010 353)
<b>Corporations Act</b>	Corporations Act 2001 (Cth).
<b>Director</b>	Director of the Company.
<b>Explanatory Statement</b>	the Explanatory Statement accompanying the Notice of Annual General Meeting.
<b>Meeting</b>	means this Annual General Meeting.
<b>Notice of Annual General Meeting</b>	the Notice of Annual General Meeting accompanying the Explanatory Statement.
<b>Remuneration Report</b>	the section of the Directors' report entitled "Remuneration Report".
<b>Scheme</b>	Employee Share Option Plan.
<b>Share/s</b>	ordinary fully paid shares in the capital of the Company.
<b>Shareholder</b>	Shareholder of the Company.

## Annexure A

### Auditor Nomination

29 October 2009

The Directors  
Legacy Iron Ore Limited  
Hyatt Centre Suite 32  
23 Plain Street  
EAST PERTH WA 6004

### NOMINATION OF AUDITOR

Dear Sirs/ Madam,

In accordance with the provisions of section 328B of the Corporations Act, subject to ASIC consent, I Sharon Heng being a member of Legacy Iron Ore Limited, hereby nominates Grant Thornton Audit Pty Ltd for appointment as auditor of that company.

Yours faithfully



-----  
Sharon Heng

For personal use only