



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

30 October 2008

The Company Announcements Office
ASX Limited

Via E Lodgement

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2008

Please find attached the Company's Quarterly Report Highlights and Appendix 5B for the quarter ended 30 September 2008.

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

COMPANY HIGHLIGHTS

CORPORATE

On 8 July 2008, the Company made its debut on the Australian Securities Exchange, following an initial public offering (“IPO”) reaching a subscription of \$4.15 million. The Company issued and allotted 16.6 million shares at 25 cents per share. The market capitalisation on listing was \$21.6 million, with a total of 86.6 million shares on issue.

Further to the completion of the IPO, the Company signed a Memorandum of Understanding with Sydney-based Western Resources (Australia) Pty Ltd (“Western”) on 8 August 2008. The parties have agreed to work towards a formal agreement whereby the Company will issue Western 5.5 million securities in Legacy at 33 cents per share, subject to any necessary shareholder approval, for a AUD\$1.815 million investment and appoint Western Director, Mr Zhitai Wang to the Board of Legacy within four months of signing the MOU.

On 18 September 2008, the Company lodged a Short Form Prospectus with ASX Limited and the Australian Securities & Investments Commission. All shareholders listed on the Share Register of Legacy Iron Ore Ltd at the Record Date of 30 September are entitled to participate in this non-renounceable rights issue (“Rights Issue”) of Options on the basis of one Option for every two Shares held. The Options will be issued at one cent each with an exercise price of 25 cents and an expiry date of 7 January 2012.

The Company has incorporated a top up facility whereby eligible shareholders may apply for additional options in excess of their entitlement at the issue price. Additional options will only be available to the extent that other eligible shareholders do not take up their entitlements.

The net proceeds from the Rights Issue will be used as working capital to finance further exploration and development of projects in the Company’s existing portfolio as well as to look for new project opportunities.

The Company continues to evaluate investment opportunities in early definition of iron ore and gold assets in Australia.

EXPLORATION

Hamersley Iron Project

The geology encompasses jaspilites, cherts and volcanics and forms part of the Hamersley Iron Province. The project is located 50km west of the Tom Price iron deposits and is prospective for goethite-hematite channel iron deposits as the significant Beasley River channel iron deposits abuts the project area.

Exploration on the Hamersley Project during the quarter commenced with the acquisition of satellite imagery covering the entire project area of 45km². The satellite imagery is dated 2005.

Studies of the satellite imagery will assist in planning detailed mapping, rock chip sampling and drilling programs over the two mineral tenements.

Robertson Range Iron Project

Situated 20km north of FerrAus and Atlas Iron's mineral tenements where exploration to date has outlined an estimated 71Mt iron resource in reportedly Marra Mamba Iron Formation, the Robertson Range Project appears to consist of a large number of block faults that have potential iron mineralisation.

Exploration work over this vast project of 390km² east of Newman and covering a strike length of 30km of the north northeast striking Robertson Range has been initiated with the purchase of 2005 Landsat imagery. Interpretation of the imagery is continuing.

Kimberley Iron Project

The mineral tenements which incorporate the Kimberley Iron Project lie east and west of Halls Creek. Extensive bedded ferruginous sedimentary sequences occur in the area, notably at Hardman Range, and hence the tenements are prospective for channel iron deposits.

Exploration is planned to outline potential areas for goethite-hematite channel iron deposits.

Ruby Queen Project

This large tenement encompassing the Ruby Queen Project and covering 69km² is located 27km south southeast of Halls Creek. The project area is near to and along strike from the Ruby Queen and Palm Springs gold mines and contains multiple quartz vein systems.

The prospective Ruby Queen Shear Zone – which is associated with the host rocks of the gold deposits at the Ruby Queen mine – traverses the entire length of the Ruby Queen Project for 21km.

Exploration involving mapping and rock chip sampling is planned.

Pilbara Gold Project

Located 38km southeast of Whim Creek, the Pilbara Gold Project consists of two mineral tenements with the 120m high Quartz Hill at its centre. The area is part of the Pilbara Well greenstone belt which is very prospective for gold mineralisation. Exploration involving structural mapping for fault zones – Quartz Hill appears to lie on one major fault zone – is planned.

Marymia Gold Project

The Marymia Project is prospective for gold deposits as the tenement's area occurs along strike from the major Plutonic gold deposit which contains an estimated 2.93Mozs of gold. A regional wedge of Archaean mafic-ultramafic rocks forms part of the geology of the project area and these rocks have significant gold potential. Exploration, initially involving regional geochemical studies, is planned.

Mount Phillips Gold Project

The geology at the Mount Phillips Project comprises a prospective auriferous contact between the northern basic schists of the Bassit Belt and the southern granites of the Minnie Creek Batholith. Exploration to evaluate the gold potential along this contact zone is planned.

Other Exploration Activities

Site visits were completed on three projects in Tasmania during the quarter. Tasmania was targeted due to the distance from potential resource to port is minimal. Evaluation studies on these projects are continuing.

Yours faithfully
LEGACY IRON ORE LIMITED

Sharon Heng
Chief Executive

For more information, please contact:

Sharon Heng
Legacy Iron Ore Limited
T: 08 9421 2005
M: 0411 088 688
E: sharonheng@legacyiron.com.au

Website: www.legacyiron.com.au

Competent Persons Attributes:

The Exploration information in this report is based on information compiled by G Whitfield who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Whitfield 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. Whitfield consents to the inclusion in this report of the matters based on his information in the form and the context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

LEGACY IRON ORE LIMITED



ABN

31 125 010 353

Quarter ended ("current quarter")

30 September 2008

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date
	30 Sep 2008	(3months) 30 Sep 2008
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(179)	(179)
(b) development	-	-
(c) production	-	-
(d) administration	(552)	(552)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	21	21
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(713)	(713)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(180)	(180)
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(180)	(180)
1.13 Total operating and investing cash flows (carried forward)	(893)	(893)

	Current quarter \$A'000	Year to date \$A'000
1.13 Total operating and investing cash flows (brought forward)	(893)	(893)
Cash flows related to financing activities		
1.14 Proceeds from application for shares	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	(4)	(4)
1.18 Dividends paid	-	-
1.19 Payments for capital raising costs	(524)	(524)
Net financing cash flows	(528)	(528)
Net increase (decrease) in cash held	(1,421)	(1,421)
1.20 Cash at beginning of quarter/year to date	4,156	4,156
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	2,735	2,735

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	645,403
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	
<p>\$158,703 payment for executive and non-executive directors fees and salaries; \$486,700 payment for management fees to entity related to executive director.</p>	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- During the quarter the company leased two motor vehicles to the value of \$146,135.
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
-

Financing facilities available*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	154	154
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	207
4.2 Development	-
Total	207

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,735	4,156
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	2,735	4,156

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	86,620,001	18,090,001		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5 *Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7 Options <i>(description and conversion factor)</i>	28,000,000 28,000,000	-	<i>Exercise price</i> 25 cents 25 cents	<i>Expiry date</i> 7 January 2012 7 January 2013
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	-	-		
7.10 Expired during quarter	-	-		
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____
(Director/Company Secretary)

Date: 30 October 2008

Print name: **Ivan Wu**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==