



IRON ORE LIMITED

An NMDC Company

ASX Announcement
17 November 2017

About Legacy Iron Ore

Legacy Iron Ore Limited ("Legacy Iron" or the "Company") is a Western Australian based Company, focused on iron ore, base metals, tungsten/REE and gold development and mineral discovery.

Legacy Iron's mission is to increase shareholder wealth through capital growth, created via the discovery, development and operation of profitable mining assets.

The Company was listed on the Australian Securities Exchange on 8 July 2008. Since then, Legacy Iron has had a number of iron ore, manganese and gold discoveries which are now undergoing drilling and resource definition.

Board

Narendra Kumar Nanda, Non-Executive Chairman

Devinder Singh Ahluwalia, Non-Executive Director

Tangula Rama Kishan Rao, Non-Executive Director

Devanathan Ramachandran, Non-Executive Director

Rakesh Gupta, Executive Director

Ben Donovan, Company Secretary

Key Projects

Mt Bevan Iron Ore Project
South Laverton Gold Project
East Kimberley Gold, Base Metals, Tungsten and REE Project

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ASX Market Announcements

ASX Limited

Via E Lodgement

Substantial Gold Resource at Kangaroo Bore

Prospect of Mt Celia Project

Highlights include:

- TOTAL RESOURCE AT KANGAROO BORE DEPOSIT NOW STANDS AT 133,000 OZ (MT CELIA PROJECT)
- RESOURCE ESTIMATE FOR BLUE PETER PROSPECT IS CURRENTLY UNDERWAY WHICH WILL FURTHER INCREASE THE TOTAL KNOWN RESOURCE FOR THE MT CELIA PROJECT
- FURTHER RESORCE UPGRADE and SCOPING STUDY IS PLANNED TO INVESTIGATE THE MINING POTENTIAL AT MT CELIA

Legacy Iron Ore Limited (**Legacy Iron** or the **Company**) is pleased to advise that the recently completed resource estimates at the Kangaroo Bore prospect, to comply with the revised 2012 JORC reporting, has resulted in a 133,000 oz of inferred resource being defined.

Kangaroo Bore mineral resource estimate currently stands as below –

Classification	Tonnage (t)	Grade (g/t Au)	Metal (oz)	Cut-off grade (g/t)
Inferred	2,800,000	1.47	133,000	0.7

Table 1: Kangaroo Bore - Mineral Resource estimate as at November 2017

The Company believes the classification of the resource is likely to increase upon further exploration work in near future.

The Kangaroo Bore prospect/ore body is located within the Mt Celia Project.

Mt Celia Project -

The Mt Celia Project lies within the Laverton Tectonic Zone, some 40km south of the Sunrise Dam gold mine (approximately, 8Moz gold resource), as shown in Figure 1.

The Project currently contains several known gold occurrences including Kangaroo Bore and Blue Peter prospects (Figure 1 & 2).

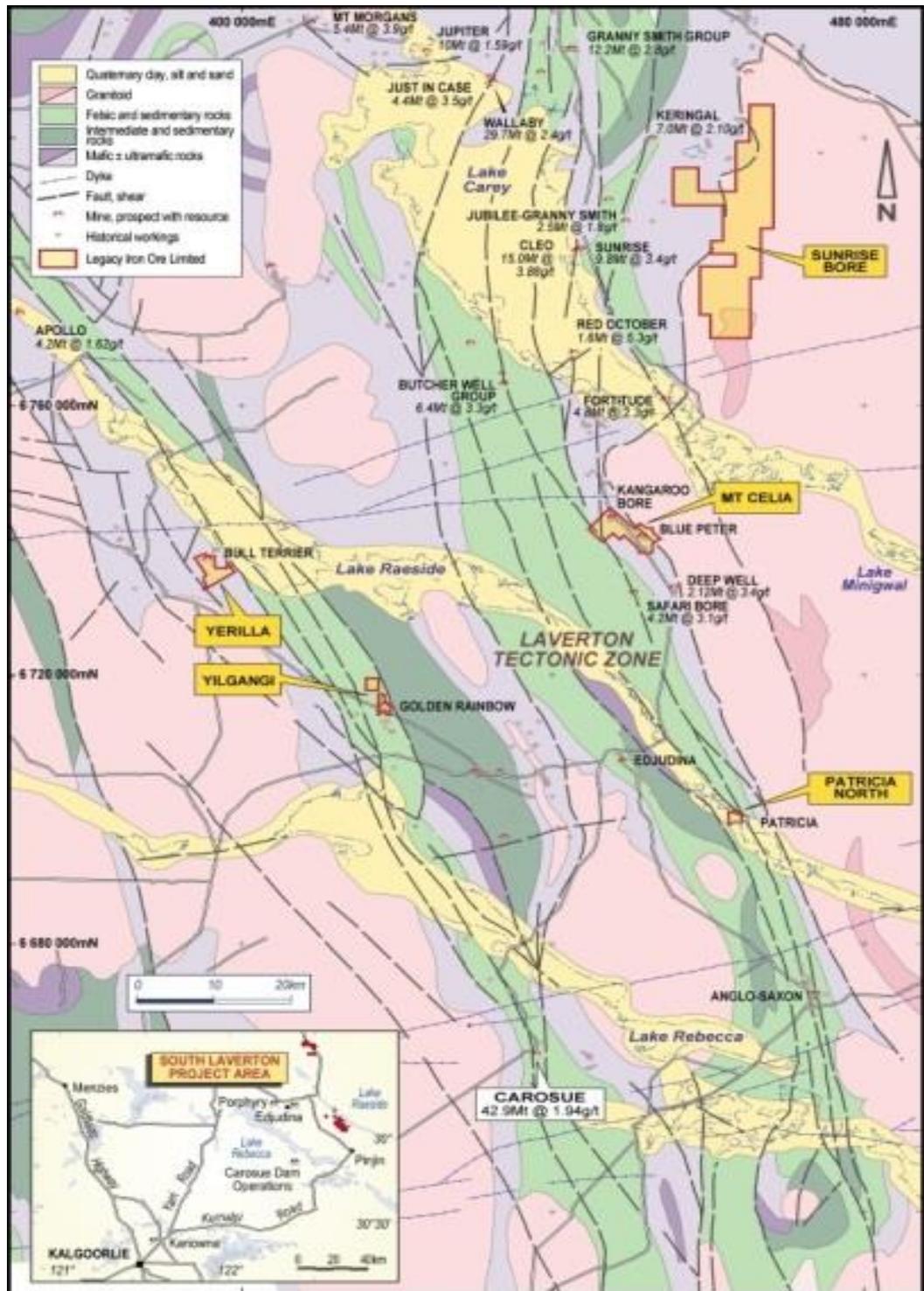


Figure 1: Legacy Iron's South Laverton Gold Projects including Mt Celia

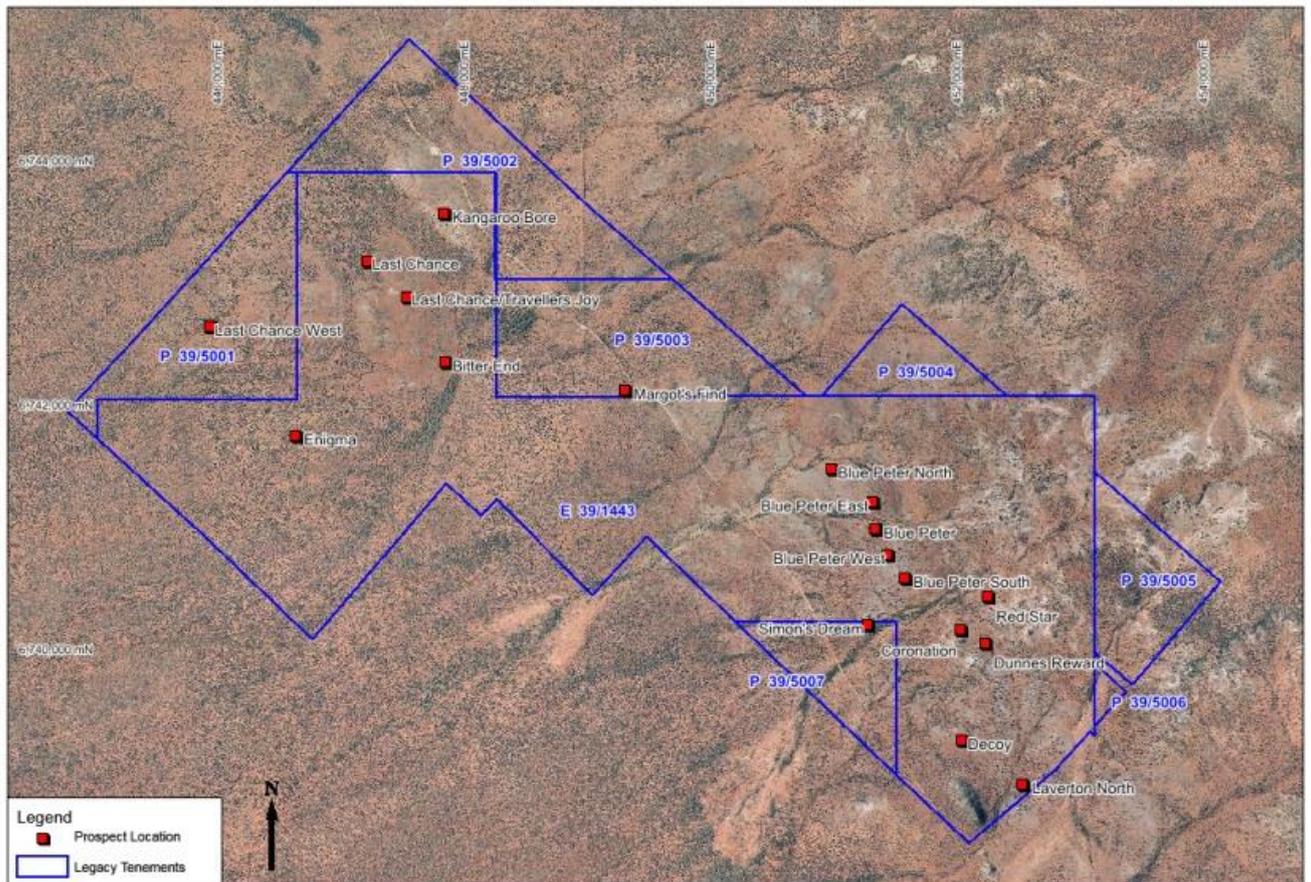


Figure 2: Mt Celia Project- Aerial image showing Kangaroo Bore, Blue Peter, Coronation and other prospects

SRK Consulting (Australasia) Pty Ltd (SRK) was engaged to prepare/update the Resource Model and Mineral Resource estimates for the Kangaroo Bore and Blue Peter gold deposits. As mentioned above both the prospects are part of Legacy's Mt Celia Project.

The Kangaroo Bore deposit is hosted by the Laverton Tectonic Complex, a strongly faulted and folded greenstone sequence that forms part of the larger Edjudina-Laverton greenstone belt. The mineralisation occurs within the Kangaroo Bore shear zone, which strikes to the northwest, and dips steeply to the northeast. The gold mineralisation occurs predominantly within micro-folded quartz-carbonate veins hosted within silicified quartz-pyrophyllite schists. A schematic representation of the regional geology is shown in Figure 3.

The Blue Peter prospect is located approximately 2-3km south of the Kangaroo Bore with in the Mt Celia Project. At Blue Peter, the shear system contains several small historic gold workings (Figures 2). The shear system extends over a distance of at least 2 kilometers, and consists of single, parallel or en echelon quartz filled shears within mafic and lesser ultramafic lithologies, that flank an eastern granitoid.

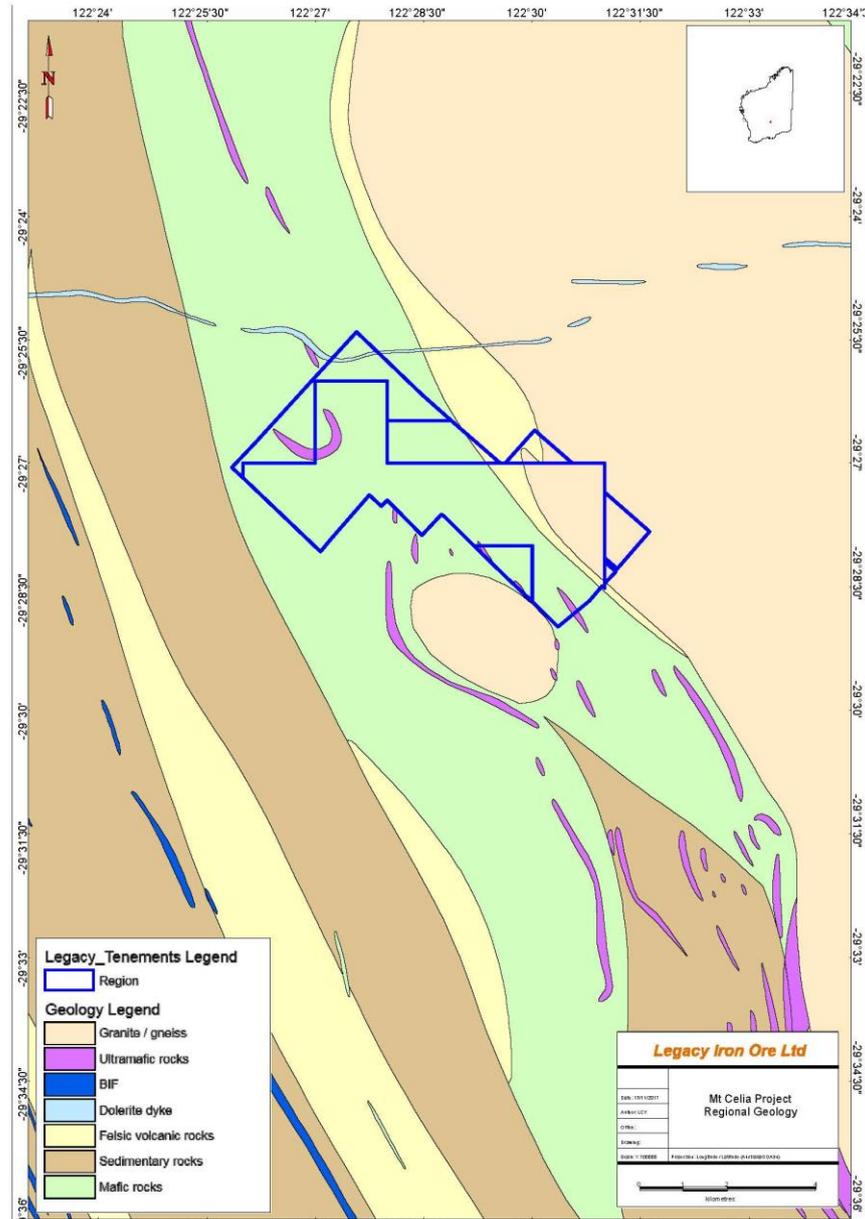


Figure 3: Regional Geology of the Mt Celia area

Kangaroo Bore Resource Statement

The Mineral Resource estimates were prepared using drill hole data provided by the Company. The resource estimates are classified in accordance with the 2012 edition of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

A Mineral Resource Statement for Kangaroo Bore is presented in Table 1. A grade-tonnage curve is presented in Figure 4. The estimates are based on a cut-off grade of 0.7 g/t Au applied

to individual parent cells. The estimates only include model cells within 150 m of the natural surface (>260 mRL).

Kangaroo Bore - Mineral Resource estimate as at November 2017

Classification	Tonnage (t)	Grade (g/t Au)	Metal (oz)	Cut-off grade (g/t)
Inferred	2,800,000	1.47	133,000	0.7

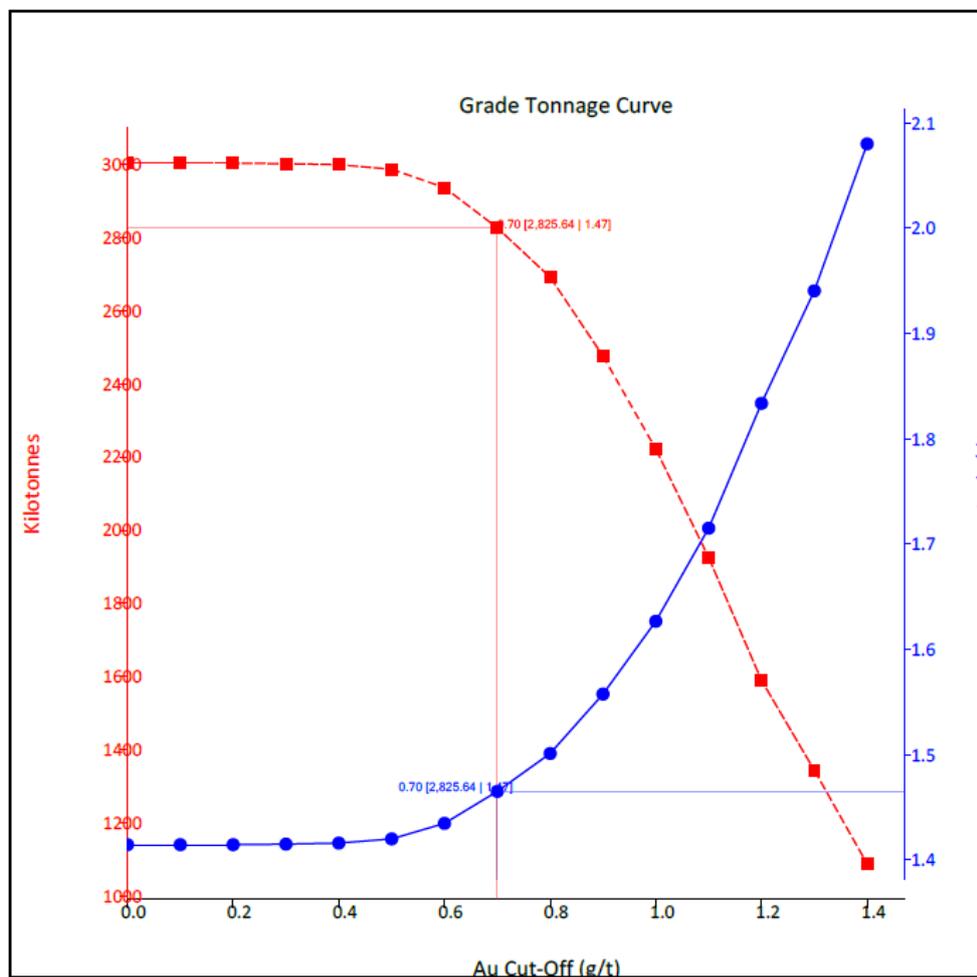


Figure 4: Kangaroo Bore resource grade-tonnage curve

A summary of the resource estimation activities is presented below. The JORC Code 2012 Edition – Table 1 is included in Appendix A to this memorandum. Descriptions of the data acquisition programs are included in Table 1.

Resource Estimation Overview

The database that Legacy has compiled for the Mt Celia Project area contains over 360 reverse circulation (RC) and diamond core holes (DDH). Of these drill holes, 207 including 24 diamond holes (totaling 15,099 m of drilling) were considered for use in the Kangaroo Bore estimates, with the remainder located beyond the limits of the interpreted mineralisation. The majority of the data used for resource estimation was derived from historical drilling.

The mineralisation is hosted within a set of narrow, sub-parallel lodes that strike to the northwest and dip steeply to the northeast. A strike extent of approximately 1,500 m has been defined for Kangaroo Bore. The drilling has been performed on section lines oriented orthogonal to the general strike of the lodes. The nominal drill hole spacing is 25 m between sections, and 10 - 20 m along sections, with most of the holes dipping at 60° to the southwest (221°).

A schematic representation showing the general geometry and drill intercepts for three of the larger lodes is displayed in Figure 5.

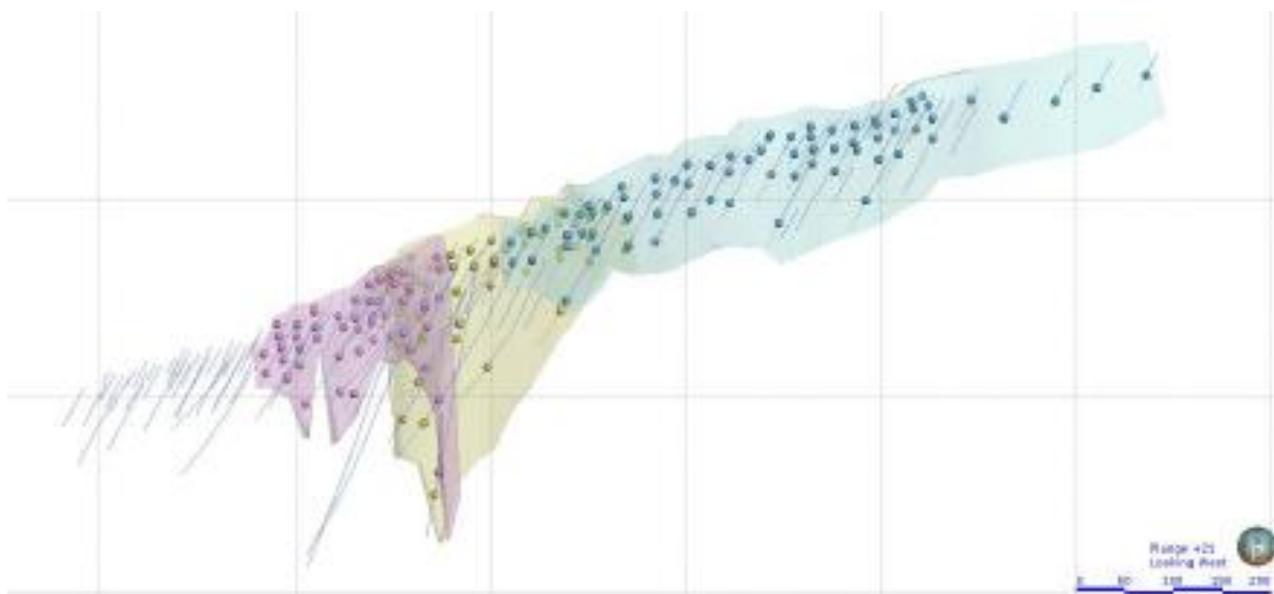


Figure 5: Schematic representation of larger lodes

SRK prepared the geological interpretation, with lode interpretation primarily based on geochemical data. The mineralised lodes were primarily defined using a nominal 0.5 g/t Au grade threshold and, in most locations, the contacts were clearly defined. The lode boundaries were interpreted as cross section strings, which were subsequently linked to wireframe solids.

A total of 44 separate lodes were interpreted, and these were grouped into the following categories that broadly reflected the confidence in the interpretation:

- Category 1: This included the major lodes that displayed good down-dip continuity, and could be interpreted over several sections.
- Category 2: This included smaller lodes that were peripheral to the main lodes, and displayed some inter- and intra-sectional continuity.
- Category 3: This included small lodes, often interpreted around a single drill intercept. These lodes were included in the geology model, but they have not been included in the Mineral Resource estimates.

A summary of the lode characteristics, grouped according to the above characteristics, is presented in Table 3-2. An example drill hole section showing the lode interpretation is presented in Figure 3-2.

	Parameter	Category 1	Category 2	Category 3
Lodes	Number	13	11	20
Holes	Minimum	2	2	1
	Maximum	72	3	2
	Average	27	2	1
Composites	Minimum	6	2	1
	Maximum	506	11	15
	Average	172	7	4
Volume (m ³)	Minimum	3,797	418	339
	Maximum	379,437	24,757	3,995
	Average	101,617	5,896	1,538

Table 2: Lode summary by category

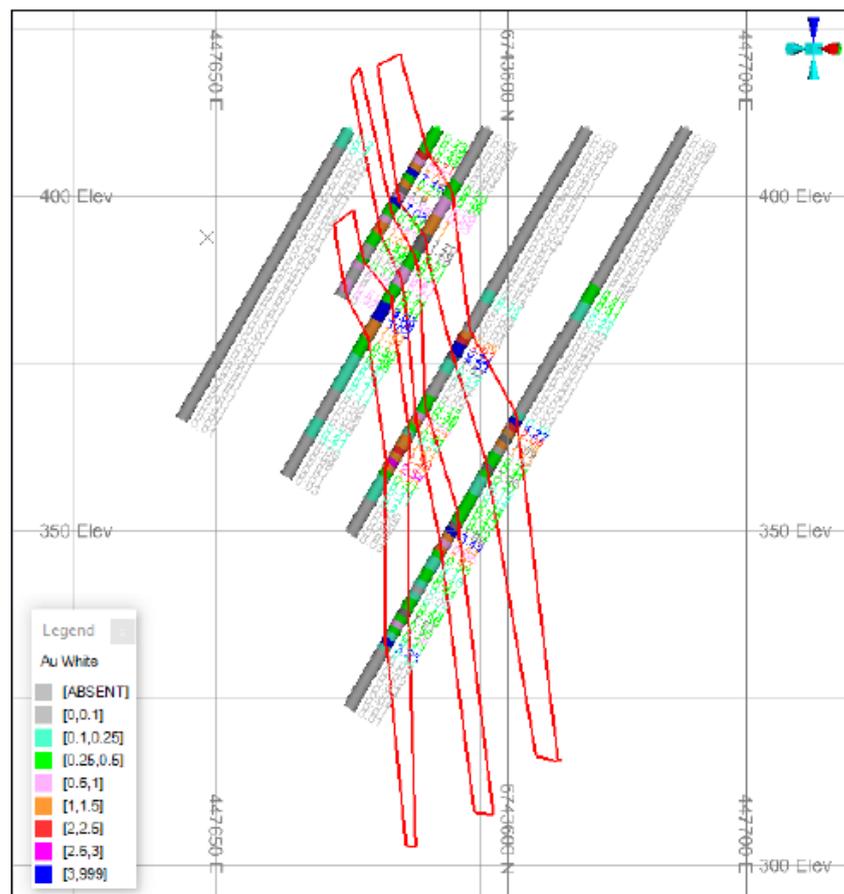


Figure 6: Example of drill section showing lode interpretation (oblique section looking northeast)

The individual lode wireframes were used as estimation domains. The wireframes were used to assign domain codes to the drill hole samples. Approximately 90% of the lode samples had been acquired from 1 m intervals, with the remainder collected over 2 m, 3 m, or 4 m intervals. The samples within each domain were composited to 1 m downhole intervals. This entailed

some minor interval splitting.

Statistical analyses were performed on the composite grades within individual and combined domains. The combined domain grades displayed a relatively well-defined log normal distribution. Probability plots and distribution disintegration plots were used to identify outlier values, and a top-cut of 17 g/t Au was applied to the composites in all domains. Cuts were applied to eight composite grades, representing approximately 0.3% of the dataset, and reducing the average composite grade by 4%.

A variographic study was conducted to quantify grade continuity, and to assist with the selection of estimation parameters. Because there were minimal data for some domains, the study was conducted on the combined dataset for the Category 1 domain composites. The experimental variograms were quite well defined in the major and semi-major directions, which corresponded to the general strike and dip of the lodes. The variograms indicated a nugget value of approximately 0.35 and a total range of approximately 150 m, although 90% of the sill was reached at approximately 60 m.

Resource modelling was conducted using Vulcan® and Datamine® software, with the resource estimates prepared using conventional block modelling techniques. A single 3D model framework was created to cover the entire Kangaroo Bore deposit. Drill spacing and kriging neighbourhood analysis (KNA) were used to assist with the selection of a parent cell size of 5 x 12.5 x 5 m, and a subcell size of 1 x 2.5 x 1 m (XYZ). The model cells were flagged using the domain wireframes. A digital elevation model (DEM) prepared from the topography data was used to remove cells located above the current surface.

Local estimates were prepared for gold only. Ordinary kriging was used for grade interpolation and all domain contacts were treated as hard boundary constraints. Estimates were made into the discretised parent cells. A three-pass search strategy was implemented using discoid-shaped search ellipsoids, with orientations and dimensions chosen from the variography.

Successive estimation passes used larger search distances and/ or less restrictive sample selection criteria. The estimation parameters are presented in Table 3-3.

Pass	Orientation			Distance (m)			Sample Count			Discretisation
	Major	Semi-major	Minor	Major	Semi-major	Minor	Min.	Max.	Max. per Hole	
Pass 1	5/123	-75/51	25/215	50	50	10	8	20	6	5*5*5
Pass 2	5/123	-75/51	25/215	100	100	50	7	20	6	5*5*6
Pass 3	5/123	-75/51	25/215	100	100	50	1	20	6	5*5*7

Table 3: Estimation parameters

A dry in situ bulk density of 2.7 t/m³ has been used for tonnage estimation. This is based on the value used by Mackay & Schnellman (MSC, 2006), who report that the density estimates are based on tests performed on 12 historical diamond core samples. SRK does not have access to detailed reports describing this test program and this uncertainty is reflected in the resource classifications.

SRK inspected the Kangaroo Bore site in September 2017, and some historical workings in the area were observed. These included a shaft, a small surface excavation, and some trenching – none of which appeared to be extensive. No depletions or adjustments have been applied to the Mineral Resource model to account for any previous mining activities.

Model validation included visual comparisons of the sample and model cell grades, local and global statistical comparisons of the sample and model cell grades, and an assessment of the estimation performance data. No significant issues were identified, with the model cell estimates appearing to be consistent with the input data.

The company has recently completed a 22-hole infill drilling program at Kangaroo Bore. These holes have been spaced along the strike length of the defined mineralisation. The final datasets from this program were not available in time for inclusion in this Mineral Resource estimate. However, a comparison of the interim datasets with the historical drilling data indicates similar intercept widths at a similar grade tenor. However, there is evidence of a survey difference between the two datasets, with an apparent constant offset of approximately 15 m between the historical and recent holes. Legacy has managed to locate and resurvey some of the historical holes collar and observes a similar offset distance.

Spatial adjustments have not applied to the historical hole collars for this study. Legacy plans to further investigate and resolve the survey uncertainties once the current program has been completed, and the reason for the difference has been established. A uniform survey adjustment applied to all holes is expected to have minimal impact on the estimated resource quantities.

The resource classifications have been applied based on a consideration of the confidence in the geological interpretation, the quality and quantity of the input data, the confidence in the estimation technique, and the likely economic viability of the material. The drilling data indicates that the lode geometry is relatively predictable and that lithological and grade continuity can be demonstrated at the current drill spacing. The grade and tonnage estimates have been prepared using widely applied techniques, and the validation results indicate good correlation between the input data and estimated model grades.

Lode interpretation was based on a 0.5 g/t Au grade threshold, which appears to enable accurate discrimination of the lode material from the host material. This threshold is also consistent with the Mineral Resource reporting cut-off of 0.7 g/t Au, and is also similar to that used in many gold operations in the Goldfields region.

Preliminary metallurgical testwork performed by AMMTC in 1987 - 1988 did not indicate the likelihood of any significant processing difficulties with Kangaroo Bore material and the data does not indicate presence any minerals that may cause significant processing difficulties.

Blue Peter Resource Estimation -

At Blue Peter and coronation prospects, a total of 115 holes have been drilled to date and like Kangaroo Bore the resource estimate using all of the above holes is under way currently and likely to be completed by early 2018.

The resource at Blue Peter will further increase the overall resource for the Mt Celia Project.

Further Work –

Legacy Iron plans to further upgrade the resource classification for the ore bodies and complete a scoping study to investigate the penitential mining at Mt Celia Project.

Yours faithfully,
Rakesh Gupta
Chief Executive Officer

Competent Person's Statement

The information in this statement that relates to the Mineral Resource estimates is based on work managed by Rodney Brown of SRK Consulting (Australasia) Pty Ltd. Rodney Brown is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 edition). Mr Brown consents to the inclusion in this report of the matters based on his information in the form and the context in which it appears.