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The Company Announcements Office
ASX Limited

Via E Lodgement

HAMERSLEY IRON ORE PROJECT DISCOVERY OF HIGH GRADE CHANNEL IRON DEPOSIT MINERALISATION

HIGHLIGHTS

• First helicopter assisted reconnaissance program discovers Channel Iron Deposit (“CID”) mineralisation immediately east of Hamersley Iron Pty Ltd Beasley River CID deposit.
• Surface sampling over 300m strike length at the Beasley River East Prospect returns high grade iron assays with low contaminants with CaFe averaging 61.1%.
• Potential for extensions to east along drainage system, and in northern sectors of tenements.
• RC drilling to test depth and strike extent planned following heritage and statutory approvals.

Introduction

Legacy Iron Ore Limited (the “Company” or “Legacy”) is pleased to announce that the helicopter assisted field evaluation and sampling program of the Hamersley Iron Project tenements has recently been completed. This program was the first field program conducted by Legacy on the two tenements comprising the project.

The Hamersley tenements lie astride the major 400Mt Beasley River CID deposit held by Hamersley Iron Pty Ltd, and cover tributaries of the Beasley River drainage system, and potentially buried drainage systems originating from the Hamersley Ranges directly to the north which host the Brockman iron ore mines.

Background

The Company has two key iron ore projects in the Pilbara region of Western Australia, which cover an area of 851 km$^2$ (Figure 1). Both projects are proximal to existing iron ore mines and developed infrastructure.
The Hamersley Project lies 60 km due west of Tom Price in the West Pilbara of Western Australia. The project comprises two Exploration Licences - E47/1868 and E47/1869 covering an area of some 48 km².

The tenements flank the Beasley River CID iron ore resource, with the eastern tenement E47/1869 immediately abutting the Hamersley Iron leases (Figure 2). The Beasley River deposit contains a resource of some 400Mt of iron ore that takes the form of a series of elongate mesas and ridges occupying an ancient drainage line. This drainage line extends from the Hamersley Iron BIDs (bedded iron deposits) in the north including the Brockman ore bodies, to the far south within the Rocklea Dome. The southern extensions within the Rocklea Dome are largely under cover and have been subject to recent drilling by adjoining holders Murchison Metals Ltd (“Murchison”) and AusQuest Ltd (“AusQuest”). Murchison have recently released a scoping study showing a resource of 89Mt of ore grading 59.9% CaFe (53.2% Fe) using a 50% Fe lower cut off. The resource has low phosphorus, and moderate silica-alumina that can be reduced by simple scrubbing/jigging. AusQuest have announced a resource of 63.1Mt at 60.37% CaFe (53.38% Fe) using a 50% Fe lower cut off.
Results of Field Program

A prime focus of the field program was the investigation and sampling of a prominent hill lying within E47/1869 immediately east of the tenement boundary with Hamersley Iron very close to part of the Beasley River CID deposit. Figure 3 provides an aerial view of this feature, now named the Beasley River East Prospect. The hill lies at the western end of a substantial tributary system into the Beasley River, contained within E47/1869. The hill may represent an outcropping portion of a more extensive CID system extending to the east and north-east.
The hill is visually very similar to the nearby hills and ridges comprising the Beasley River CID. These seem to consist of a thick upper layer of reddish brown ironstone forming a mesa like capping over a less indurated zone of lighter brown ironstone. This is taken to represent a more leached hematite rich layer above a more goethitic layer. The hill in Legacy’s ground appears to consist predominantly of the ‘upper’ hematite rich ironstone. Figures 4 to 7 show representative views of the outcropping mineralisation.
Figure 4: Beasley River East Prospect (view to east)

Figure 5: Outcropping hematite-goethite mineralisation
Figure 6: Outcropping mineralisation at top of hill

Figure 7: Eastern part of prospect – exposed iron mineralisation
A total of 15 rock chip samples were taken over a strike length of approximately 300m and despatched to SGS Perth for iron ore analysis. The assay results are shown in Table 1 below.

### Table 1: Assays results for surface samples at the Beasley River East Prospect

<table>
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<tr>
<th>Sample No.</th>
<th>Fe %</th>
<th>CaFe %</th>
<th>Si %</th>
<th>Al %</th>
<th>P %</th>
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<td><strong>5.91</strong></td>
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The assays show:

- High iron contents averaging 54.7% Fe, or as better expressed as a calcined product CaFe – 61.1%.
- Low silica and alumina, at the low end of typical CID values.
- Very low phosphorus, typical of CIDs.

The samples were taken from the slopes and top of the hill, extending over the whole extent of the hill. The resulting assays are notably consistent, particularly in iron and phosphorus contents.

The depth or thickness of the outcropping mineralisation is presently unknown. The width of the hill is some 150m, and the height of the hill above the surrounding creeks is some 25m on average. It is probable that the CID deposit extends below the valley floor as an incised channel, but this would need to be confirmed with proposed drilling.

These results are highly encouraging both for the potential for economic mineralisation at the Beasley River East prospect and for potential extensions to the east and north-east along the tributary drainage system.

Further investigation remains to target potential CID deposits in the northern sectors of both Hamersley tenements. These targets represent potentially buried drainage systems originating from the Hamersley Ranges directly to the north which host the Brockman iron ore mines.
Planned Exploration

A 3000m RC drilling program is planned to investigate the Beasley River East prospect along strike and at depth. To facilitate the drilling, heritage surveys and statutory approvals are being sought.

In addition, planning of a reconnaissance RAB drilling program has commenced targeting the northern sectors of the project area to investigate the potential for buried channel iron deposits under shallow cover.

Yours faithfully

LEGACY IRON ORE LIMITED

Sharon Heng
Chief Executive

About Legacy:

Legacy Iron Ore Limited 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 around a growing portfolio of quality tenements in the Kimberley, Pilbara and Yilgarn regions of Western Australia. The Company has recently intensified its gold program to fast-track potentially viable mining operations and capitalise on buoyant commodity prices.


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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.