

About Legacy Iron Ore

Legacy Iron Ore Limited ("Legacy" or the "Company") is a Western Australian based Exploration Company, focused on iron ore and gold exploration and discovery.

Legacy'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 has had a number of iron ore, manganese and gold discoveries which are now undergoing drilling and resource definition.

Board and Management

Timothy Turner, Non-Executive Chairman
Sharon Heng, Executive Director & Chief Executive Officer

Tao Han, Non-Executive Director
Ivan Wu, Company Secretary & General Manager

Steve Shelton, Exploration Manager
Marina Watts, Senior Geologist

Key Projects

Mt Bevan Iron Ore Project
Hamersley Iron Ore Project
Robertson Range Iron Ore and Manganese Project
South Laverton Gold Project
East Kimberley Gold and Base Metals Project

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MT BEVAN IRON ORE PROJECT FINAL DRILLING RESULTS

- **Excellent drilling and assay results typically in 32.3% - 38.4% Fe range leading to maiden JORC compliant Inferred Resource**
- **Preliminary DTR Tests show excellent weight recoveries averaging 45.6%, and a concentrate grade of 71.4% Fe, with low silica and negligible phosphorus and sulphur**
- **Drilling completed on five 1km spaced lines has consistently intersected thick shallowly dipping magnetite bearing BIF unit**
- **Overall Exploration Target for magnetite of 1.5Bt grading 30%-40%***
- **Maiden JORC compliant Inferred Resource report expected in early June**
- **Next phase drilling planned for August to extend resource on north & south of area drilled and test area bordering Jupiter's Mt Mason for DSO hematite**

Legacy is pleased to provide an update on the first phase drilling program at its Mt Bevan Iron Ore Project ("Mt Bevan"), located approximately 100km West of Leonora in the central Yilgarn region.

The Mt Bevan Iron Ore Project is a joint venture between Legacy and Hawthorn Resources Limited ("Hawthorn") whereby Legacy will earn a 60% interest in the project by expending a minimum of \$3.5 million to develop the project to a pre-feasibility status.

Assay results for the 5,000m RC drilling program have now all been received, with highly encouraging results that will lead to maiden JORC compliant Inferred Resource. The most significant intersections are shown in *Table 1* below.

Drillhole MBC	To m	From m	Interval m	Fe %
1001	106	156	50	36.9
1002	64	138	74	37.4
1004	72	253 (EOH)	81(open)	38.4
1006	16	138	122	35.4
1007	76	212	136	32.3
1008	154	270	116	33.0
1009	120	250	130	35.9
1010	152	276 (EOH)	124	32.6 (open)
1011	42	150	108	32.3
1013	38	124	86	35.1
1016	42	152	110	32.8
1017	86	190	104	35.1
1018	156	276 (EOH)	120	35.6 (open)
1020	56	182	126	33.6

Table 1: Significant Intersections - RC Drilling

Note: (EOH) – End of Hole

Additional drilling data is shown in Attachment 1

The drilling program was conducted on five drill fences spaced approximately 1km along strike, making a total of 5km of effective strike length tested in this program.

All drill fences intersected a thick (circa 80m – 140m true thickness) magnetite bearing Banded Iron Formation (“BIF”) unit that dips shallowly to the east. *Figures 1 to 5* show the drilling fence cross sections from south to north. *Figure 6* shows the location of the drill holes. The cross sections illustrate the very strong continuity of the magnetite bearing units along strike and also down dip. The shallow dip and substantial thickness of the mineralisation will allow low waste ore stripping ratios, meaning that final open cut depths could potentially far exceed the approximately 250m vertical depth tested by drilling to date.

Modelling and calculation of a maiden JORC compliant Inferred Resource for the drilled area is in progress and will be reported on shortly.

Preliminary metallurgical test work is underway including grind curve analysis and DTR (Davis Tube Recovery) testing. This work will be reported on when results are available. Preliminary DTR tests have been conducted by Ammtec Limited on four RC samples taken from the main magnetite unit in drillhole MBC 1007. As shown in *Table 2*, these show excellent weight recoveries averaging 45.6%, and a concentrate grade of 71.4% Fe, with low silica and negligible phosphorus and sulphur. It is important to note that these samples are taken from a single drill hole and from RC sample material that has been ground to relatively fine fractions by the normal drilling process. Nevertheless, these preliminary tests are highly encouraging.

Drillhole Interval m	Head Grade Fe %	Weight Recovery %	Fe Concentrate %	SiO ₂ Concentrate %	Al ₂ O ₃ Concentrate %	P Concentrate %	S Concentrate %
80 - 82	37.8	47.2	71.3	1.3	< 0.1	< 0.001	0.002
116 - 118	40.7	45.9	71.6	0.9	< 0.1	< 0.001	< 0.001
124 - 126	36.4	46.0	71.4	1.3	< 0.1	< 0.001	< 0.001
134 - 136	37.7	43.1	71.2	1.3	< 0.1	0.002	< 0.001
AVERAGE	38.2	45.6	71.4	1.2	< 0.1	< 0.001	< 0.001

Table 2: Preliminary DTR Tests on RC Samples – Drillhole MBC 1007

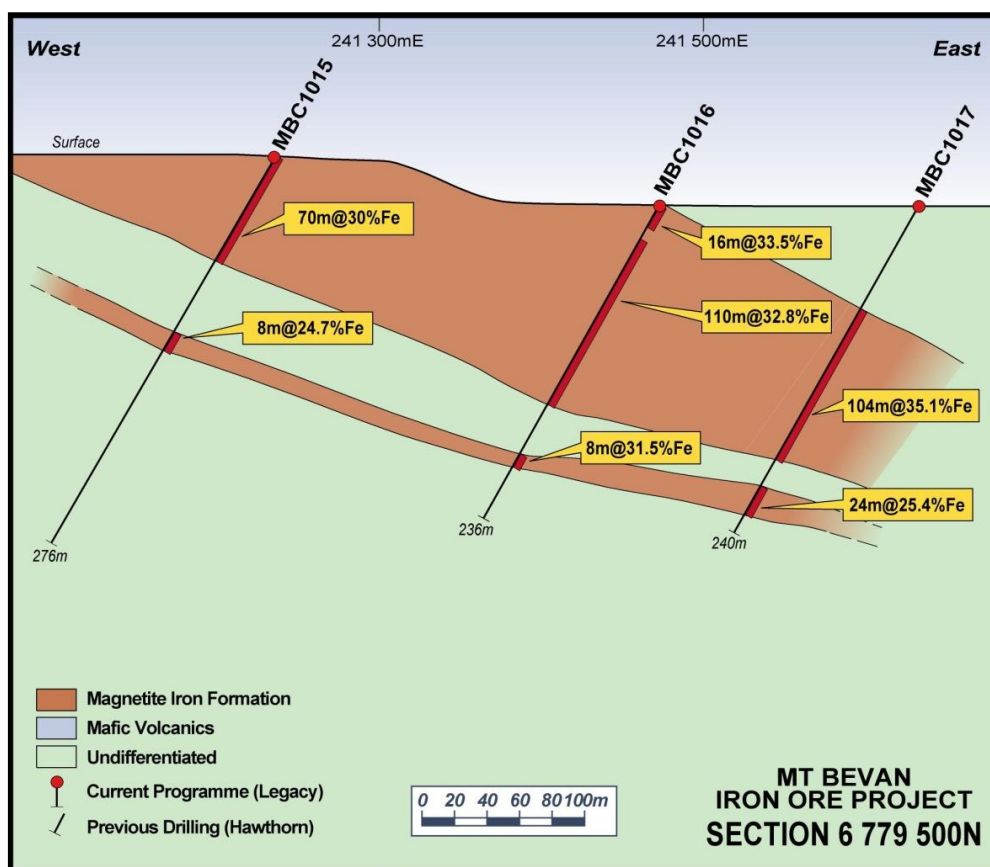


Figure 1: Drill Section Line 3 - 6 779 500N

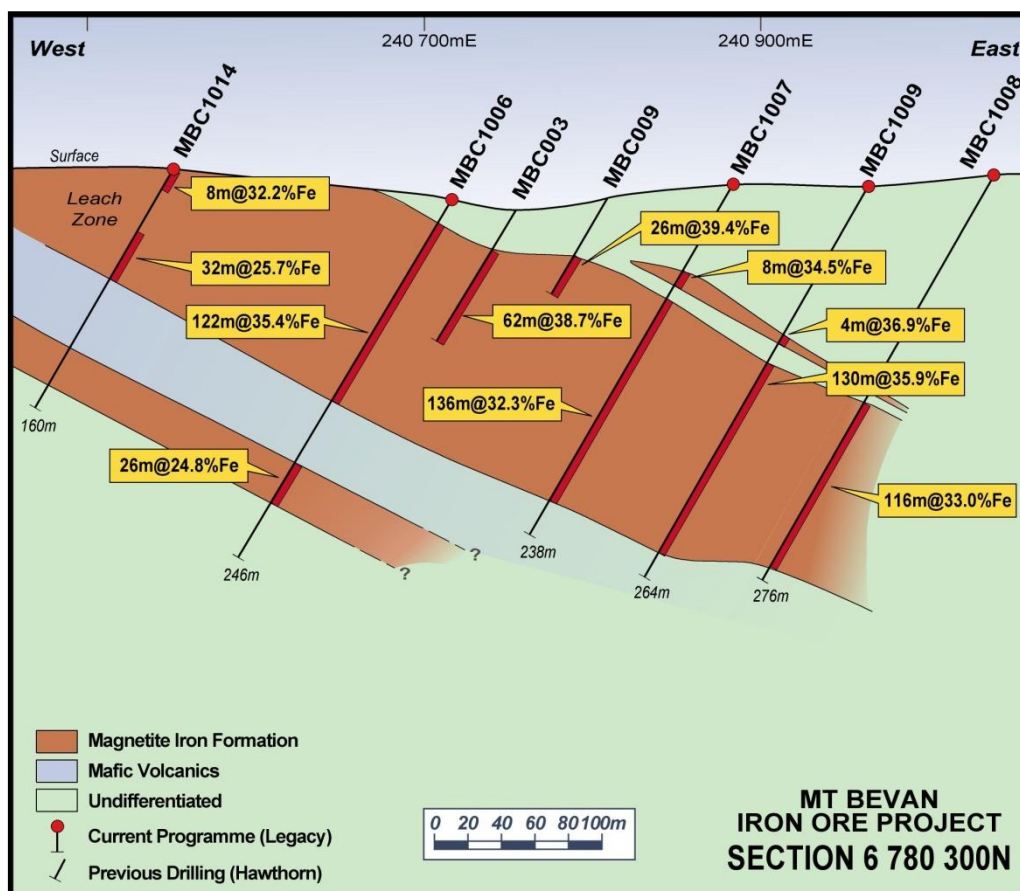


Figure 2: Drill Section Line 4 - 6 780 300N

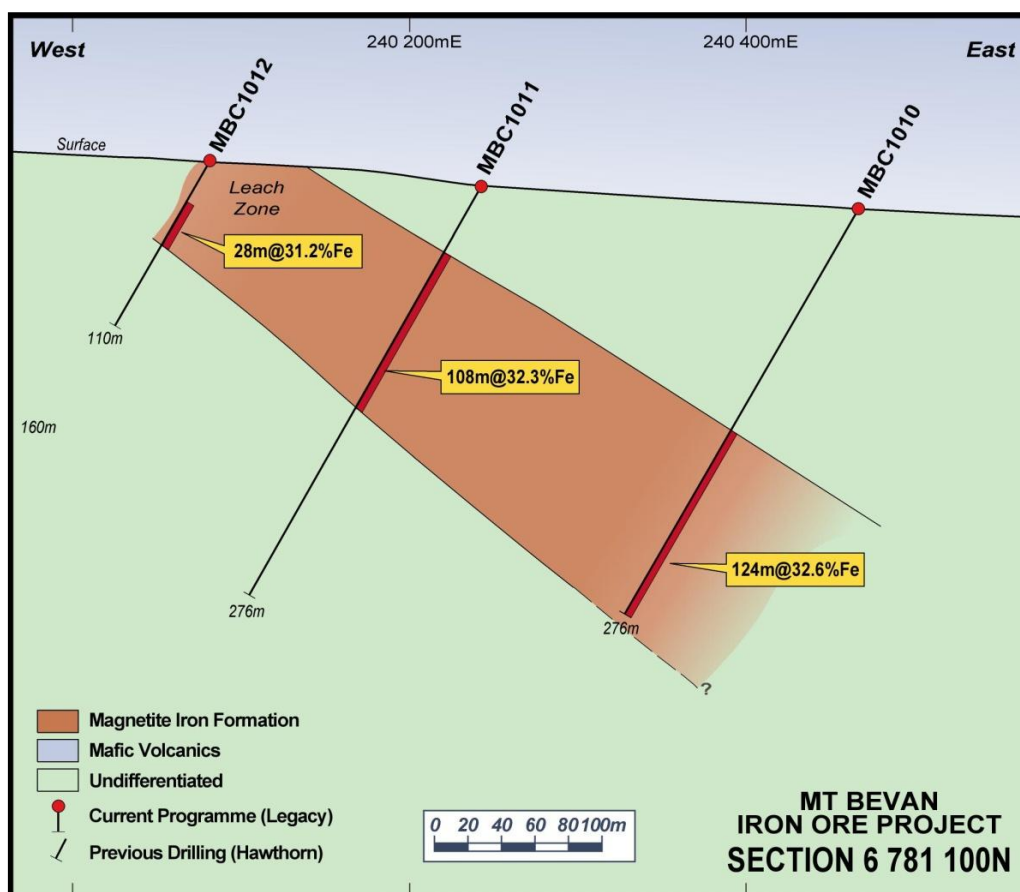


Figure 3: Drill Section Line 5 - 6 781 100N

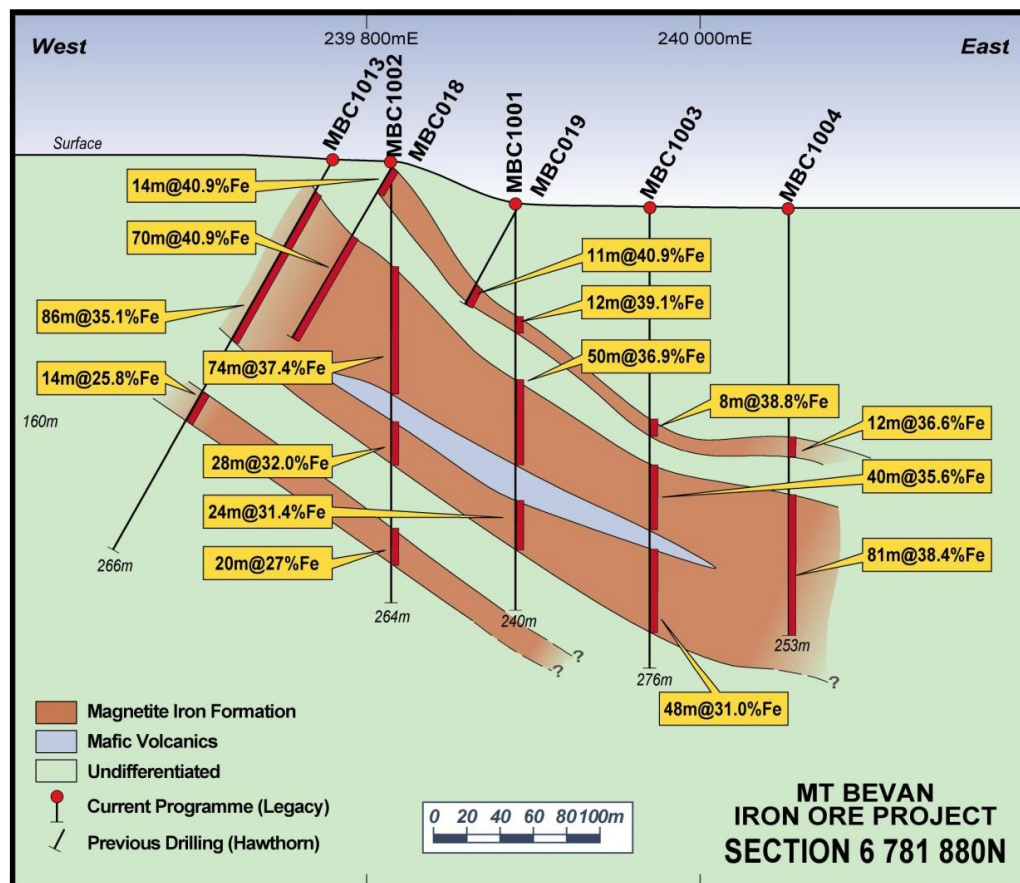


Figure 4: Drill Section Line 6 - 6 781 880N

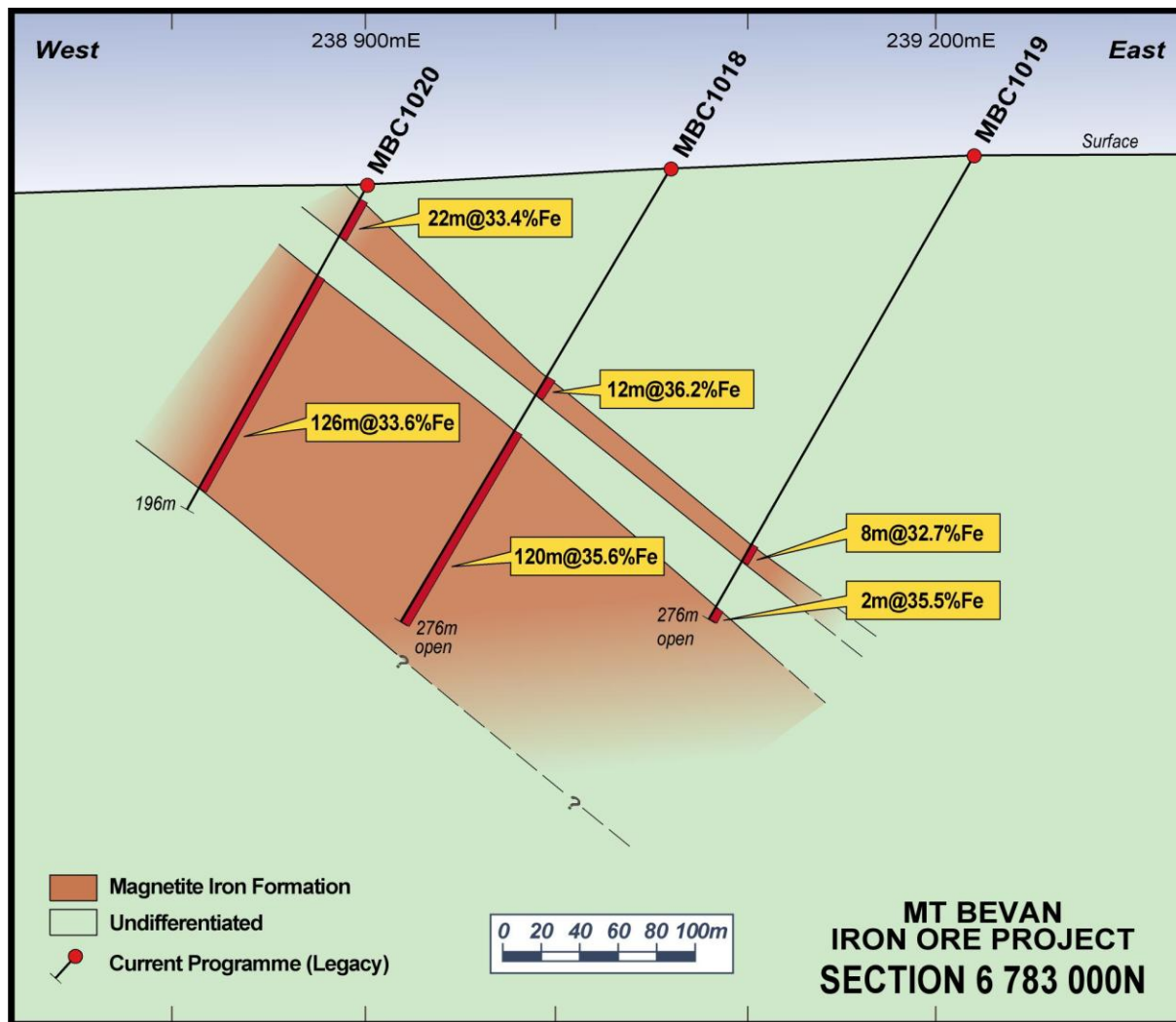


Figure 5: Drill Section Line 7 - 6 783 000N

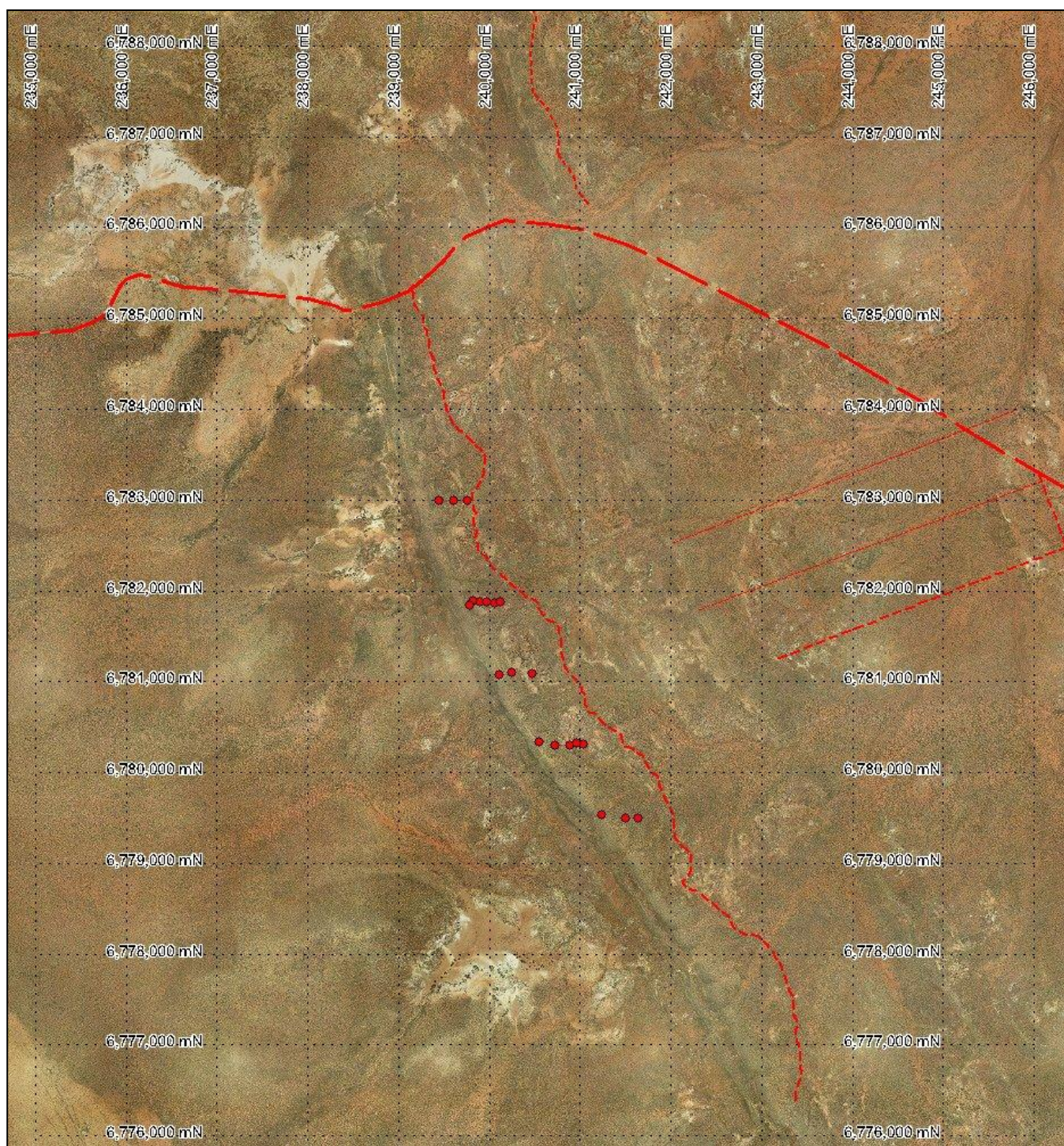


Figure 6: Phase 1 RC Drilling - Drill Hole Locations

Background

Mt Bevan is considered to hold excellent potential for the definition of substantial DSO hematite and magnetite iron resources that are located close to existing road, rail and port facilities.

The current first phase drilling program is located in the southern part of the Mt Bevan project area, to the immediate north of the significant magnetite and hematite resources held by Jupiter Mines Limited ("Jupiter") (Figure 7). The Jupiter Mt Ida magnetite resource consists of an inferred mineral resource of 530Mt grading 31.9% Fe and the hematite resource consists of 5.75Mt @ 59.9% Fe (inferred) at Mt Mason close to the Mt Bevan southern boundary. This mineralisation is known to extend into the Legacy/Hawthorn joint venture ground at Mt Bevan. Jupiter has recently announced that scoping studies, carried out by Promet Engineering Pty Ltd, have been completed on both the Mt Ida magnetite resource and Mt Mason DSO haematite resource, delivering financially robust results in both cases. Jupiter commenced Feasibility Study RC drilling at Mt Mason during May 2011.

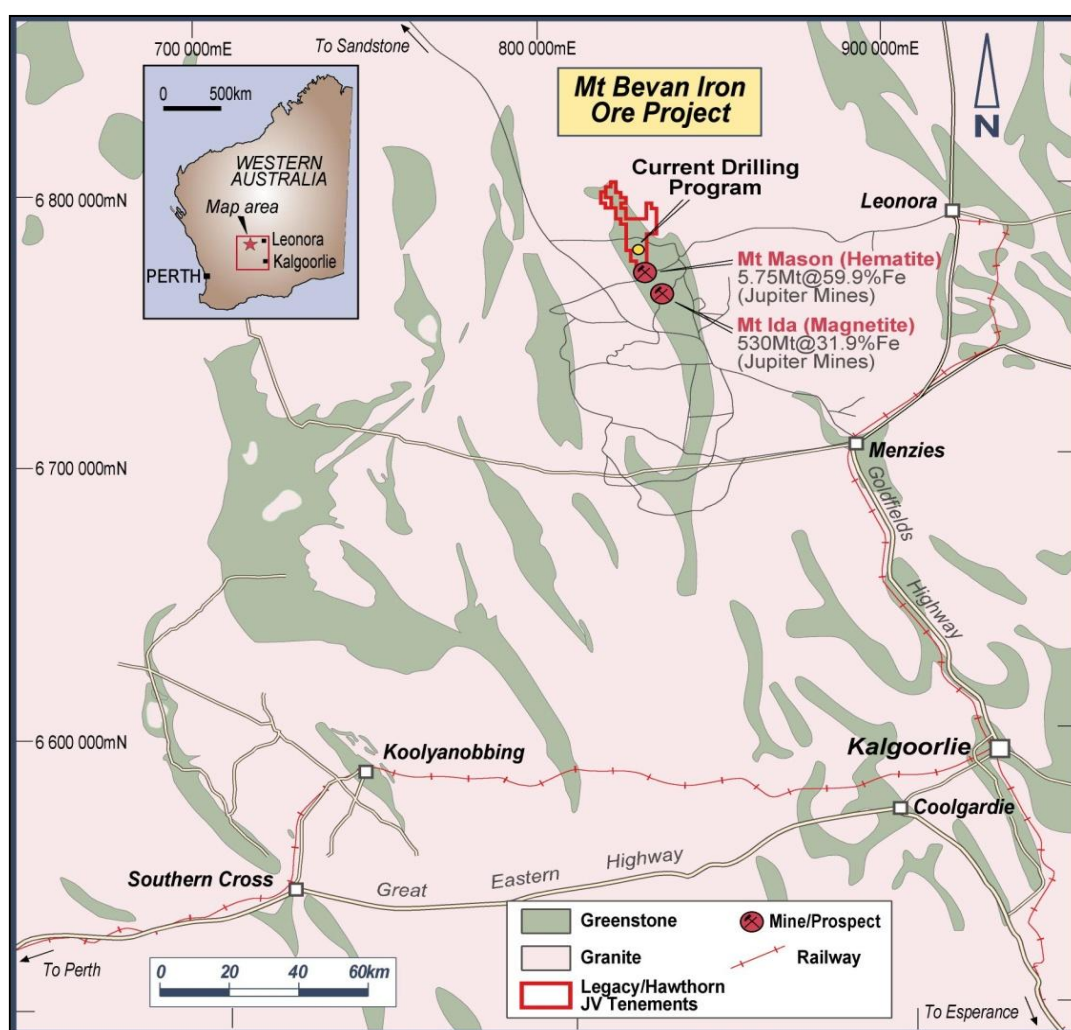


Figure 7: Mt Bevan Iron Ore Project

Legacy has previously announced an exploration target for magnetite mineralisation in the order of 1–1.5 billion tonnes grading between 30% and 40%* within the Mt Bevan project area (see *foot note on the Clause 18 inclusion*). There also exists significant potential for the definition of shallow DID and DSO hematite iron ore resources that could allow for early stage mining.

A total of 20 vertical and angle RC drill holes have been completed in this phase of drilling. Drilling on the five drill fences covers an approximately 5km strike of the western BIF horizon (*Figure 6*). This BIF horizon extends for at least 11km within the project area, and is the northern, more extensive part of the same horizon that hosts the Mt Ida magnetite resource of Jupiter (currently an inferred mineral resource of 530Mt grading 31.9% Fe).

The recently completed first phase drilling program aimed to test to depths of approximately 200m - 250m over a 5km strike length, and should provide an initial JORC compliant Inferred Resource for the zone with an exploration target for magnetite mineralisation of 500Mt* grading between 30% and 40%. This zone represents only some 30% of the prospective BIF stratigraphy at Mt Bevan as identified to date.

This program is the first of several programs designed to systematically explore the extensive BIF units that outcrop over some 20km of strike. Statutory approvals are being sought to conduct a second phase drilling program comprising some 5000m – 6000m of RC drilling. This drilling is designed to test the western BIF unit over the remaining 6km strike length, to the north and south of the first phase drilling. This will include drill testing the area adjacent to the southern boundary with Jupiter, where previous drilling on the project ground intersected thick widths of DSO hematite mineralisation adjacent to the Jupiter's Mt Mason DSO hematite resource. It is anticipated that this second phase drilling program will commence in August this year.

Yours faithfully,
LEGACY IRON ORE LIMITED

Sharon Heng
Chief Executive Officer

END

Competent Person's Statement:

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Steve Shelton who is a member of The Australasian Institute of Geoscientists and a full time employee of Legacy Iron Ore Limited. 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.

* The exploration target for the Mt Bevan project of between 1–1.5Bt grading 30%–40% Fe should be considered in line with clause 18 of the JORC code. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

ATTACHMENT 1**Drillhole Survey Data**

Line	Hole ID	E	N	Depth	R.L.	Dip	Azimuth
6	MBC1001	239890	6781880	240	500	-90	0
6	MBC1002	239812	6781889	264	527	-90	0
6	MBC1003	239970	6781880	276	430	-90	0
6	MBC1004	240055	6781873	255	500	-90	0
6	MBC1005	240124	6781883	48	500	-90	0
4	MBC1006	240715	6780300	246	507	-60	270
4	MBC1007	240883	6780306	238	514	-60	270
4	MBC1008	241040	6780310	276	522	-60	270
4	MBC1009	240963	6780320	150	515	-60	270
5	MBC1010	240470	6781090	276	516	-60	270
5	MBC1011	240245	6781100	276	531	-60	270
5	MBC1012	240100	6781075	110	545	-60	270
6	MBC1013	239777	6781838	260	529	-60	270
4	MBC1014	240550	6780340	160	524	-60	270
3	MBC1015	241240	6779533	276	524	-60	270
3	MBC1016	241495	6779500	270	507	-60	270
3	MBC1017	241640	6779500	240	504	-60	270
7	MBC1018	239600	6783000	276	513	-60	270
7	MBC1019	239750	6783002	276	522	-60	270
7	MBC1020	239441	6783000	196	503	-60	270

- Survey data is preliminary field based. Gyroscopic down hole and differential GPS surveys for all drill holes are in progress. There is expected to be only minor changes to field measurements.
- All drill hole samples were collected at 1m intervals, and composited to 2m assay samples.
- Standard QAQC procedures, monitored by SRK Consulting, were utilised including incorporation of standards, duplicates and blanks.
- Sample analysis by XRF at SGS Laboratory, Perth.
- Intersections for angle drill holes represent nearly true thicknesses on section. Intersections for vertical holes are approximately 10% less than apparent thickness stated.