LEGACY
IRON ORE LIMITED

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ACN 125 010 353

19 January 2010

Mr Wade Baggott
Adviser (Issuers)
Australian Securities Exchange
Level 8,
2 The Esplanade
PERTH WA 6000

By Facsimile: 9221 2020

Dear Wade

RESPONSE TO PRICE AND VOLUME QUERY

Legacy Iron Ore Limited (the "Company" or "Legacy") responds to the letter received from the Australian Securities Exchange today in regards to a price and volume query. In reference to the questions listed in the ASX letter:

1. The Company is not aware of any information that has not been announced which, if known, could be an explanation for the recent trading in the securities.

2. Not applicable, as the answer to question 1 is no.

3. The Company notes in recent months that there has been a general improvement in global equity markets and more specifically a significant improvement in commodity prices on the back of increased buying from China. The improvement in commodity prices has been a catalyst for investors to increase their exposure to resource-based companies, specifically in commodities such as iron ore and gold.

   An explanation for the change in the Company's share price may be due to the announcement released on 21 December 2009, where the Company announced the commencement of drilling at the Stophanis Well Project and anticipated receiving a drilling update within 3 weeks.

   In the same announcement, the Company stated that it would commence a 2,500m RAB/aircore drilling program at it's Yerilia prospect in late January/early February 2010.

   The Company confirms that it is awaiting final drilling results from the Stophanis Well Project, and believe that investors may be buying ahead of the announced drilling program and the Company receiving the drilling results.

The Company will release the Stophanis Well Project drilling results to the market as soon as they are available.

4. The Company is in compliance with the ASX Listing Rules and in particular, Listing Rule 3.1.

Yours faithfully,
LEGACY IRON ORE LIMITED

Ivan Wu
Company Secretary

ASX
AUSTRALIAN SECURITIES EXCHANGE

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19 January 2010

Ivan Wu
Legacy Iron Ore Limited
Hyatt Centre, Suite 32
23 Plain Street
EAST PERTH WA 6004

By facsimile: 08 9421 2001

Dear Ivan

Legacy Iron Ore Limited (the "Company")
RE: PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from $0.17 on Monday 18 January 2010 to an intra day high of $0.215 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company ?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

   Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by facsimile on facsimile number 08 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **5:00pm (WST) today, 19 January 2010.**

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the 's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please contact me on 08 9224 0023.

Yours sincerely,

W Baggott

Wade Baggott

Adviser, Issuers (Perth)