



ACN 125 010 353

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

**Extraordinary General Meeting to be held at the Exchange Conference Centre, Exchange Plaza
Level 8, 2 The Esplanade, Perth WA 6000**

on

24 January 2013 commencing at 11.00 am (WST)

This Notice of Extraordinary General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that the Extraordinary General Meeting of Shareholders of Legacy Iron Ore Limited will be held at the Exchange Conference Centre, Level 8 Exchange Plaza, 2 The Esplanade, Perth, WA 6000 on 24 January 2013 commencing at 11:00 am (WST).

SPECIAL BUSINESS

1. Approval for the Issue of New Listed Options

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

"For the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given to the issue of 13,955,047 New Listed Options exercisable at \$0.15 on or before 31 December 2014 for an issue price of \$0.001 per New Listed Option and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: For the purposes of ASX Listing Rule 7.3, the Company will disregard any votes cast on Resolution 1 by a person who may participate in the proposed issue and any person who may obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Approval for the Issue of New Listed Options to National Mineral Development Corporation Limited

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

"For the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval be and is hereby given to the issue to National Mineral Development Corporation Limited of 13,955,047 New Listed Options exercisable at \$0.15 on or before 31 December 2014 for an issue price of \$0.001 per New Listed Option and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: For the purposes of ASX Listing Rule 10.13.6 the Company will disregard any votes cast on Resolution 2 by a person who is to receive securities in relation to the Company, namely NMDC Ltd or any of its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

For the purpose of section 224 of the Corporations Act a vote on Resolution 2 must not be cast by or on behalf of *National Mineral Development Corporation Limited*, being the related party to whom the resolution would permit a financial benefit to be given, or its associates.

3. Approval for the Issue of New Category B Listed Options

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

"For the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given to the issue of 14,000,000 New Category B Listed Options exercisable at \$0.10 on or before 31 December 2014 for an issue price of \$0.001 per New Category B Listed Option and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: For the purposes of ASX Listing Rule 7.3, the Company will disregard any votes cast on Resolution 3 by a person who may participate in the proposed issue and any person who may obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. Approval for the Issue of New Category B Listed Options to National Mineral Development Corporation Limited

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

“For the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval be and is hereby given to the issue to National Mineral Development Corporation Limited of 14,000,000 New Category B Listed Options exercisable at \$0.10 on or before 31 December 2014 for an issue price of \$0.001 per New Category B Listed Option and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.13.6 the Company will disregard any votes cast on Resolution 4 by a person who is to receive securities in relation to the Company, namely NMDC Ltd or any of its associates.. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

For the purpose of section 224 of the Corporations Act a vote on Resolution 4 must not be cast by or on behalf of National Mineral Development Corporation Limited, being the related party to whom the resolution would permit a financial benefit to be given, or its associates.

5. Approval for the Issue of New PiggyBack Options

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

“For the purposes of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given to the issue of 16,900,000 New PiggyBack Options exercisable at \$0.2229 on or before 7 January 2015 for an issue price of \$0.001 per New PiggyBack Option and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 7.3, the Company will disregard any votes cast on Resolution 5 by a person who may participate in the proposed issue and any person who may obtain a benefit except a benefit solely in the capacity of a holder of ordinary securities and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Approval for the Issue of New PiggyBack Options to Sharon Heng

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

“For the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval be and is hereby given to the issue to Sharon Heng (or her nominee) of 11,000,000 New PiggyBack Options exercisable at \$0.2229 on or before 7 January 2015 for an issue price of \$0.001 per New PiggyBack Option and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.13.6 the Company will disregard any votes cast on Resolution 6 by Sharon Heng or any of her associates.

However, the Company must not disregard a vote if it is cast by a person (who is not a member of the Company's Key Management Personnel (“**KMP**”)) as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

For the purpose of section 224 of the Corporations Act a vote on Resolution 6 must not be cast by or on behalf of Sharon Heng, being the related party to whom the resolution would permit a financial benefit to be given, or her associates.

7. Approval for the Issue of New PiggyBack Options to Tim Turner

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

“For the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval be and is hereby given to the issue to Tim Turner (or his nominee) of 100,000 New PiggyBack Options exercisable at \$0.2229 on or before 7 January 2015 for an issue price of \$0.001 per New PiggyBack Option and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.13.6 the Company will disregard any votes cast on Resolution 7 by Tim Turner or any of his associates. However, the Company must not disregard a vote if it is cast by a person (who is not a member of the Company's Key Management Personnel (“**KMP**”)) as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company need not disregard a vote if it is cast by a KMP or a closely related party of a KMP person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by a chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

For the purpose of section 224 of the Corporations Act a vote on Resolution 7 must not be cast by or on behalf of Tim Turner, being the related party to whom the resolution would permit a financial benefit to be given, or his associates.

8. Approval for the Issue of New PiggyBack Options to National Mineral Development Corporation Limited

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

“For the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval be and is hereby given to the issue to National Mineral Development Corporation Limited of 28,000,000 New PiggyBack Options exercisable at \$0.2229 on or before 7 January 2015 for an issue price of \$0.001 per New PiggyBack Option and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.13.6 the Company will disregard any votes cast on Resolution 8 by National Mineral Development Corporation Limited or its associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

For the purpose of section 224 of the Corporations Act a vote on Resolution 8 must not be cast by or on behalf of National Mineral Development Corporation Limited, being the related party to whom the resolution would permit a financial benefit to be given, or its associates.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Extraordinary General Meeting and should be read in conjunction with it.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in this Notice of Extraordinary General Meeting and the Explanatory Statement.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or an individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company or its share registry in advance of the Extraordinary General Meeting or handed in at the Extraordinary General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the Extraordinary General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5pm (WST) on 22 January 2013. Accordingly, transactions registered after that time will be disregarded in determining Shareholder's entitlement to attend and vote at the Extraordinary General Meeting.

Enquiries

Shareholders may contact the Company Secretary, Ben Donovan, on (+61 8) 9421 2005 if they have any queries in respect of the matters set out in these documents.

By Order of the Board of Directors



Ben Donovan
Company Secretary

Dated this 7th day of December 2012

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Extraordinary General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of Extraordinary General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Extraordinary General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

General Background to the Resolutions

At the date of this Notice of Meeting, the Company has 581,283,502 fully paid ordinary shares on issue and the following options on issue:

Options	Number on issue
Options exercisable at 15 cents expiring 31/12/2012 (ASX: LCYOA)	27,910,094
Options exercisable at 10 cents expiring 31/12/2012 (ASX: LCYOB)	28,000,000
PiggyBack options exercisable at 22.29 cents expiring 7/01/2013 (LCYAG)	56,000,000
Employee Options exercisable at 10 cents expiring 31/12/2012 (LCYAS)	1,000,000
Employee Options exercisable at 25 cents expiring 1/04/2015 (LCYAU)	11,660,000
Employee Options exercisable at 10 cents expiring 23/12/2015 (LCYAI)	12,430,000
Options exercisable at 11.73 cents expiring 14/02/2014 (LCYAK)	4,300,000
Employee Options exercisable at 18 cents expiring 24/05/2016 (LCYAO)	4,000,000
Employee Options exercisable at 30 cents expiring 31/12/2012	2,000,000
Employee Options exercisable at 25 cents expiring 31/12/2013	6,000,000
Employee Options exercisable at 25 cents expiring 31/12/2014	4,000,000
Employee Options exercisable at 30 cents expiring 31/12/2014	4,000,000
Employee Options exercisable at 35 cents expiring 31/12/2014	4,000,000
Employee Options exercisable at 40 cents expiring 31/12/2014	4,000,000
Employee Options exercisable at 45 cents expiring 31/12/2014	4,000,000
Employee Options exercisable at 25 cents expiring 31/12/2015	46,200,000
Total Options on issue	219,500,094

There are three classes of options on issue, highlighted in bold in the table above, two classes of which will expire on 31 December 2012 and one class will expire on 7 January 2013. They are unlikely to be exercised before they expire because the exercise price is higher than the current trading price of the Company's Shares. The Directors who do not hold any of these Options have resolved to issue fresh Options once these Options have expired, in order to provide current option holders with a method to

participate in the ongoing development of the Company's assets and to provide a source of capital in the future.

The holders of the Options include Sharon Heng, Managing Director; Tim Turner, non executive Director, and NMDC Ltd, a substantial shareholder of the Company holding approximately 49% of the Shares on issue.

If all the Resolutions are approved at the Meeting and assuming that no Options are exercised between the date of this Notice of Meeting and the date of the Meeting, the table above will change in one respect only, to provide for different expiry dates.

In all other respects the number of Options and the terms of the Options remain identical to the number of Options and the terms of the Options on issue at the date of this Notice of Meeting.

Sharon Heng and Tim Turner each have a material personal interest in relation to Resolutions 6 and 7 respectively. The remaining Directors, who do not have a material personal interest in relation to the decision to issue fresh Options once the current listed classes of Options expire, all recommend that Shareholders vote in favour of the Resolutions in order to provide an additional source of funds for the Company in the future.

The Options to be granted to NMDC Limited if Resolutions 2, 4 and 8 are approved, will be subject to a voluntary escrow agreement between the Company and NMDC regulating the transfer and exercise of these Options with the result that none of the Options can be exercised by NMDC until such time as the corresponding number of Options on issue and held by optionholders who are not associates of NMDC are exercised. The escrow period will remain in place until the expiry of the Option. This has the effect of preserving the existing Voting Power of NMDC in the Company and preventing dilution of NMDC's shareholding, consistent with the subscription terms entered into by the Company in 2011.

1. Approval for the Issue of New Listed Options (Resolution 1)

Background to Resolution 1

At the date of this Notice of Meeting, the Company has 27,910,094 options on issue (ASX code: LCYOA) which expire on 31 December 2012, exercisable at \$0.15 each, of which 13,955,047 are held by unrelated parties. The Directors who are not holders of LCYOA Options have resolved that subject to Shareholder approval, upon the expiry of the LCYOA Options, up to 27,910,094 New Listed Options should be granted to the optionholders who were registered as the holders of the LCYOA Options on the expiry date of 31 December 2012, on the terms detailed in Annexure A, for a subscription price of \$0.001, exercisable at \$0.15 each by 31 December 2014. Annexure A replicates the terms of the existing LCYOA Options on issue. The Company will issue a prospectus after the date of the Meeting and prior to the grant of the Options in order to comply with the disclosure requirements of the Corporations Act in relation to the issue of the New Listed Options.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Approval is being sought under ASX Listing Rule 7.1 for the issue of up to 13,955,047 New Listed Options to optionholders who were registered as the holders of the LCYOA Options on the expiry date of 31 December 2012. If Resolution 1 is passed, following the issue of the New Listed Options referred to above, the Company will still have the capacity to issue 15% of its equity securities over the next 12 months as those New Listed Options, once issued, will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the New Listed Options referred to above must occur no later than 3 months, or such later date as permitted by ASX, from the date of the General Meeting.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of New Listed Options:

- (a) the maximum number of New Listed Options to be issued is 13,955,047;
- (b) the New Listed Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for consideration of \$0.001 and have an exercise price of \$0.15 exercisable on or before 31 December 2014. The New Listed Options will otherwise be issued on the terms and conditions set out in Annexure A;
- (d) the New Listed Options are being issued to investors who are not Related Parties of the Company, who were all Optionholders of LCYOA Options on 31 December 2012;
- (e) If and when the New Listed Options are exercised, the allotted and issued Shares will rank equally in all respects with the existing class of quoted fully paid ordinary shares, the terms of which are in the public domain; and
- (f) Funds of up to \$2,093,257 may be raised upon any exercise of all of the New Listed Options which will be used to partially fund the exploration programmes in respect to the Mt Bevan Project and general working administration costs. However, there is no guarantee that the New Listed Options will be exercised at any time in the future.

The Chairman intends to vote all available proxies in favour of Resolution 1

2. Approval for the Issue of New Listed Options to NMDC Limited (Resolution 2)

Background to Resolution 2

At the date of this Notice of Meeting, the Company has 27,910,094 options on issue (ASX code: LCYOA) which expire on 31 December 2012, exercisable at \$0.15 each. The Directors who are not holders of LCYOA Options have resolved that subject to Shareholder approval, upon the expiry of the LCYOA Options, up to 27,910,094 New Listed Options should be granted to the optionholders who were registered as the holders of the LCYOA Options on the expiry date of 31 December 2012, on the terms detailed in Annexure A, for a subscription price of \$0.001, exercisable at \$0.15 each by 31 December 2014. Annexure A replicates the terms of the existing LCYOA Options on issue. The Company will issue a prospectus after the date of the Meeting and prior to the grant of the Options in order to comply with the disclosure requirements of the Corporations Act in relation to the issue of the New Listed Options.

One of the optionholders who will be registered as the holders of the LCYOA Options on the expiry date of 31 December 2012, NMDC Limited, is a Related Party of the Company as at the date of this Notice of Meeting, holding 13,955,047 LCYOA Options and as such Shareholder approval is necessary under ASX Listing Rule 10.11 and in accordance with Chapter 2E of the Corporations Act, prior to the issue of any New Listed Options to NMDC Limited.

ASX Listing Rules 10.11 and 7.1

Listing Rule 10.11 provides a general restriction, subject to specified exceptions, against issuing securities to a related party without shareholder approval. A "related party" is widely defined under the Corporations Act, and includes a Director of the Company, and a party which controls the Company. Shareholder approval is required under Resolution 2 in order to comply with Listing Rule 10.11 because NMDC Ltd is a related party of the Company by virtue of the fact that it controls the Company. The control is demonstrated by the fact that NMDC Ltd has three nominee Directors out of a total number of five Directors on the Board, and holds approximately 50% of the Shares on issue.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options under Resolutions 2 as approval is being obtained under ASX Listing Rule 10.11.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Approval is being sought under ASX Listing Rule 10.11 for the issue of up to 13,955,047 New Listed Options to a Related Party of the Company, namely NMDC Ltd, a substantial shareholder of the Company.

If Resolution 2 is passed, then following the issue of the New Listed Options referred to above, the Company will still have the capacity to issue 15% of its equity securities over the next 12 months as those New Listed Options, once issued, will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the New Listed Options referred to above must occur no later than 1 month, or such later date as permitted by ASX, from the date of the General Meeting.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) the maximum number of securities to be issued by the Company to NMDC Ltd is 13,955,047 New Listed Options at a subscription price of \$0.001 each.
- (b) the New Listed Options will be issued no later than one month after the date of the General Meeting and it is intended that allotment will occur on the same date;
- (c) the New Listed Options are exercisable at an exercise price of \$0.15 on or before 31 December 2014. The New Listed Options will otherwise be issued on the terms and conditions set out in Annexure B; and
- (d) Funds of up to \$2,093,257 may be raised upon exercise of the Options which will be used to partially fund the exploration programmes in respect to the Mt Bevan Project and general working administration costs. However, there is no guarantee that the New Listed Options the subject of Resolutions 2 will be exercised at any time in the future.

Section 208 Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The proposed grant of New Listed Options under Resolution 2 each constitutes the provision of a financial benefit to a related party. Section 229 of the Corporations Act includes as an example of a “financial benefit”, the issuing of securities or the granting of an option to a related party.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- the giving of the financial benefit falls within an exception to the provision; or
- prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after shareholder approval is obtained.

Information Requirements

The following information is provided in accordance with Section 219 of the Corporations Act.

The Related Parties to Whom the Proposed Resolutions Would Permit the Benefit to be Given

NMDC Ltd.

(“Related Party”)

The Nature of the Financial Benefit

The issue of Options at a subscription price of \$0.001 each, enabling the holder to subscribe for Shares in the capital of the Company, credited as fully paid, exercisable at an exercise price of \$0.15 per Option on or before an expiry date of 31 December 2014 and otherwise on the terms of Annexure A.

If the Options to be issued under Resolution 2 are exercised (but assuming that no more Shares or Options are issued or exercised by the Company), the Company’s issued share capital will increase by 13,955,047 Shares representing 2.34% of the issued share capital of the Company, diluting the shareholders by a corresponding amount.

Other Information that is Reasonably Required by Members to Make a Decision and that is known to the Company or any of its Directors

The Options have been valued using both the Black-Scholes pricing model and based on the following assumptions:

- a) the Options are to be exercisable at 15 cents each;

- b) the Options are to be exercised within 2 years from the date of issue;
- c) price volatility of the Shares is approximately 90%;
- d) no discount has been allowed;
- e) the last closing Share price as at the date of this Notice of Meeting is 7.2 cents per Share; and
- f) the average current risk free interest rate is 2.63%.

On this basis, the implied "value" being received by the Related Party is 2.097 cents per Option. The total value of the Options proposed to be issued under Resolution 2 is \$292,637.

Trading History

The market price of shares in the Company will normally determine if the Options are exercised. If the Company's Shares are trading on the ASX at a price that is higher than the exercise price of the options, there may be a perceived cost to the Company.

Over the last 6 months the Shares have traded between 5 cents per Share (lowest) and 10 cents per Share (highest). The latest trading price available at the time of preparing this Notice of Meeting was 7.2 cents per Share.

Over the last 6 months the LCYOA Options have traded between \$0.002 and \$0.009, which may be of interest to Shareholders given the proposed New Listed Options will have the same terms as the LCYOA Options due to expire on 31 December 2012.

The Chairman intends to vote all available proxies in favour of Resolution 2.

3. Approval for the Issue of New Category B Listed Options (Resolution 3)

Background to Resolution 3

The Company has 28,000,000 options on issue (ASX code: LCYOB) which expire on 31 December 2012, exercisable at \$0.10 each, of which 14,000,000 are held by unrelated parties. The Directors who are not holders of LCYOB Options have resolved that subject to Shareholder approval, a fresh issue of New Category B Listed Options should be granted to the optionholders who were registered as the holders of the LCYOB Options on the expiry date of 31 December 2012, on the terms detailed in Annexure B for a subscription price of \$0.001, exercisable at \$0.10 each by 31 December 2014. The Company will issue a prospectus to comply with the disclosure requirements of the Corporations Act in relation to the issue of the New Category B Options.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Approval is being sought under ASX Listing Rule 7.1 for the issue of up to 14,000,000 New Category B Listed Options to the optionholders who were registered as the holders of the LCYOB Options on the expiry date of 31 December 2013.

If Resolution 3 is passed, following the issue of the New Category B Listed Options referred to above, the Company will still have the capacity to issue 15% of its equity securities over the next 12 months as those New Category B Listed Options, once issued, will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the New Category B Listed Options referred to above must occur no later than 3 months, or such later date as permitted by ASX, from the date of the General Meeting.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of Shares and Adviser Options:

- (a) the maximum number of New B Category Listed Options to be issued is 14,000,000;
- (b) the New Category B Listed Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;

- (c) the New Category B Options will be issued for consideration of \$0.001 and have an exercise price of \$0.10 exercisable on or before 31 December 2014. The New Category B Listed Options will otherwise be issued on the terms and conditions set out in Annexure B;
- (d) the New Category B Listed Options are being issued to investors who are not Related Parties of the Company who were all Optionholders of LCYOB Options on 31 December 2012;
- (e) If and when the New Category B Listed Options are exercised, the allotted and issued Shares will rank equally in all respects with the existing class of quoted fully paid ordinary shares, the terms of which are in the public domain; and
- (f) Funds of up to \$1,400,000 may be raised upon any exercise of the New Category B Listed Options which will be used to partially fund the exploration programmes in respect to the Mt Bevan Project and general working administration costs. However, there is no guarantee that the New Category B Listed Options will be exercised at any time in the future.

The Chairman intends to vote all available proxies in favour of Resolution 3.

4. Approval for the Issue of New Category B Listed Options to Existing LCYOB Optionholders who are Related Parties (Resolution 4)

Background to Resolution 4

The Company has 28,000,000 options on issue (ASX code: LCYOB) which expire on 31 December 2012, exercisable at \$0.10 each. The Directors who are not holders of LCYOB Options have resolved that subject to Shareholder approval, upon the expiry of the LCYOB Options, a fresh issue of New Category B Listed Options should be granted to the optionholders who were registered as the holders of the LCYOB Options on the expiry date of 31 December 2012, on the terms detailed in Annexure B for a subscription price of \$0.001, exercisable at \$0.10 each by 31 December 2014. The Company will issue a prospectus to comply with the disclosure requirements of the Corporations Act in relation to the issue of the New Category B Options.

One of the optionholders who will be registered as the holders of the LCYOB Options on the expiry date of 31 December 2012, NMDC Limited, is a Related Party of the Company and as such Shareholder approval is necessary under ASX Listing Rule 10.11 prior to the issue of any New Category B Listed Options to Related Parties.

ASX Listing Rules 10.11 and 7.1

Listing Rule 10.11 provides a general restriction, subject to specified exceptions, against issuing securities to a related party without shareholder approval. A "related party" is widely defined under the Corporations Act, and includes a Director of the Company, and a party which controls the Company. Shareholder approval is required under Resolution 4 in order to comply with Listing Rule 10.11 because NMDC Ltd is a related party of the Company by virtue of the fact that it controls the Company. The control is demonstrated by the fact that NMDC Ltd has three nominee Directors out of a total number of five Directors on the Board, and holds approximately 50% of the Shares on issue.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options under Resolutions 4 as approval is being obtained under ASX Listing Rule 10.11.

Approval is being sought under ASX Listing Rule 10.11 for the issue of up to 14,000,000 New Category B Listed Options to a Related Parties of the Company, namely NMDC Ltd a substantial shareholder of the Company. If Resolution 4 is passed, following the issue of the New Category B Listed Options referred to above, the Company will still have the capacity to issue 15% of its equity securities over the next 12 months as those New Category B Listed Options, once issued, will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the New Category B Listed Options referred to above must occur no later than 1 month, or such later date as permitted by ASX, from the date of the General Meeting.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the maximum number of securities to be issued by the Company is 14,000,000 New Category B Listed Options at a subscription price of \$0.001 each, will be issued to NMDC Ltd under Resolution 4;
- (b) the New Category B Listed Options will be issued no later than one month after the date of the General Meeting, and it is intended that allotment will occur on the same date;
- (c) the New Listed Options are exercisable at an exercise price of \$0.10 on or before 31 December 2014. The New Category B Listed Options will otherwise be issued on the terms and conditions set out in Annexure B; and
- (d) Funds of up to \$1,400,000 may be raised upon exercise of the Options which will be used to partially fund the exploration programmes in respect to the Mt Bevan Project and general working administration costs. However, there is no guarantee that the New Category B Options will be exercised at any time in the future.

Section 208 Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The proposed grant of New Listed Options under Resolution 4 constitutes the provision of a financial benefit to a related party. Section 229 of the Corporations Act includes as an example of a “financial benefit”, the issuing of securities or the granting of an option to a related party.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- the giving of the financial benefit falls within an exception to the provision; or
- prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after shareholder approval is obtained.

Information Requirements

The following information is provided in accordance with Section 219 of the Corporations Act.

The Related Parties to Whom the Proposed Resolutions Would Permit the Benefit to be Given

NMDC Ltd, under Resolution 4

(“Related Party”)

The Nature of the Financial Benefit

The issue of New Category B Listed Options at a subscription price of \$0.001 each, enabling the holder to subscribe for Shares in the capital of the Company, credited as fully paid, exercisable at an exercise price of \$0.10 per Option on or before an expiry date of 31 December 2014 and otherwise on the terms of Annexure B.

If the Options to be issued under Resolution 4 are exercised (but assuming that no more Shares or Options are issued or exercised by the Company), the Company’s issued share capital will increase by 14,000,000 Shares representing 2.35% of the issued share capital of the Company, diluting the shareholders by a corresponding amount.

Other Information that is Reasonably Required by Members to Make a Decision and that is known to the Company or any of its Directors

The Options have been valued using both the Black-Scholes pricing model and based on the following assumptions:

- a) the Options are to be exercisable at 10 cents each;
- b) the Options are to be exercised within 2 years from the date of issue;
- c) price volatility of the Shares is approximately 90%;
- d) no discount has been allowed;
- e) the last closing Share price as at the date of this Notice of Meeting is 7.2 cents per Share; and
- f) the average current risk free interest rate is 2.63%.

On this basis, the implied “value” being received by the Related Party is 2.872 cents per Option. The total value of the Options proposed to be issued under Resolution 4 is \$402,080.

Trading History

The market price of shares in the Company will normally determine if the Options are exercised. If the Company's Shares are trading on the ASX at a price that is higher than the exercise price of the options, there may be a perceived cost to the Company.

Over the last 6 months the Shares have traded between 5 cents per Share (lowest) and 10 cents per Share (highest). The latest trading price available at the time of preparing this Notice of Meeting was 7.2 cents per Share

Over the last 6 months the LCYOB Options have traded between \$0.003 and \$0.021, which may be of interest to Shareholders given the proposed New Category B Listed Options will have the same terms as the LCYOB Options due to expire on 31 December 2012.

The Chairman intends to vote all available proxies in favour of Resolution 4.

5. Approval for the Issue of New PiggyBack Options (Resolution 5)

Background to Resolution 5

The Company has 56,000,000 options on issue (ASX code: LCYAG) which expire on 7 January 2013, exercisable at \$0.229 each, of which 16,900,000 are held by unrelated parties. The Directors who are not holders of LCYAG Options have resolved that subject to Shareholder approval, a fresh issue of New PiggyBack Options should be granted to the optionholders who were registered as the holders of the LCYAG Options on the expiry date of 7 January 2013, on the terms detailed in Annexure C for a subscription price of \$0.001, exercisable at \$0.2229 each by 7 January 2015. The Company will issue a prospectus to comply with the disclosure requirements of the Corporations Act in relation to the issue of the New PiggyBack Options.

ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Approval is being sought under ASX Listing Rule 7.1 for the issue of up to 16,900,000 New PiggyBack Options to the optionholders who were registered as the holders of the LCYAG Options on the expiry date of 7 January 2013.

If Resolution 5 is passed, following the issue of the New PiggyBack Options referred to above, the Company will still have the capacity to issue 15% of its equity securities over the next 12 months as those New PiggyBack Options, once issued, will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the New PiggyBack Options referred to above must occur no later than 3 months, or such later date as permitted by ASX, from the date of the General Meeting.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of New PiggyBack Options:

- (a) the maximum number of New PiggyBack Options to be issued is 16,900,000;
- (b) the New PiggyBack Options will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the New PiggyBack Options will be issued for consideration of \$0.001 and have an exercise price of \$0.2229 exercisable on or before 7 January 2015. The New PiggyBack Options will otherwise be issued on the terms and conditions set out in Annexure C;
- (d) the New PiggyBack Options are being issued to investors who are not Related Parties of the Company who were all Optionholders of LCYAG Options on 7 January 2013;

- (e) If and when the New PiggyBack Options are exercised, the allotted and issued Shares will rank equally in all respects with the existing class of quoted fully paid ordinary shares, the terms of which are in the public domain; and
- (f) Funds of up to \$3,767,010 may be raised upon any exercise of the New PiggyBack Options which will be used to partially fund the exploration programmes in respect to the Mt Bevan Project and general working administration costs. However, there is no guarantee that the New PiggyBack Options will be exercised at any time in the future.

The Chairman intends to vote all available proxies in favour of Resolution 5.

6. Approval for the Issue of New Listed Options to Related Parties (Resolution 6, 7 and 8)

Background to Resolutions 6, 7 and 8

The Company has 56,000,000 options on issue (ASX code: LCYAG) which expire on 7 January 2013, exercisable at \$0.229 each. The Directors who are not holders of LCYAG Options have resolved that subject to Shareholder approval, upon the expiry of the LCYAG Options, a fresh issue of New PiggyBack Options should be granted to the optionholders who were registered as the holders of the LCYAG Options on the expiry date of 7 January 2013, on the terms detailed in Annexure C for a subscription price of \$0.001, exercisable at \$0.2229 each by 7 January 2015. The Company will issue a prospectus to comply with the disclosure requirements of the Corporations Act in relation to the issue of the New PiggyBack Options.

Some of the optionholders who will be registered as the holders of the LCYAG Options on the expiry date of 7 January 2013 are Related Parties of the Company and as such Shareholder approval is necessary under ASX Listing Rule 10.11 prior to the issue of any New PiggyBack Options to Related Parties.

ASX Listing Rules 10.11 and 7.1

Listing Rule 10.11 provides a general restriction, subject to specified exceptions, against issuing securities to a related party without shareholder approval. A "related party" is widely defined under the Corporations Act, and includes a Director of the Company, and a party which controls the Company. Shareholder approval under Resolutions 6 and 7 is required to comply with Listing Rule 10.11 since the allottees, as current Directors (or their nominees), are related parties of the Company. Shareholder approval is required under Resolution 8 in order to comply with Listing Rule 10.11 because NMDC Ltd is a related party of the Company by virtue of the fact that it controls the Company. The control is demonstrated by the fact that NMDC Ltd has three nominee Directors out of a total number of five Directors on the Board, and holds approximately 50% of the Shares on issue.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Options under Resolutions 6, 7 and 8 as approval is being obtained under ASX Listing Rule 10.11.

Approval is being sought under ASX Listing Rule 10.11 for the issue of up to 39,100,000 New PiggyBack Options to three Related Parties of the Company, namely Sharon Heng the Managing Director, Tim Turner, a non executive director and NMDC Ltd a substantial shareholder of the Company.

The Company will issue a prospectus to comply with the disclosure requirements of the Corporations Act in relation to the issue of the New Piggy back Options.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of these securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Approval is being sought under ASX Listing Rule 10.11 for the issue of up to 39,100,000 New Piggy back Options to existing holders of LCYAG options who are Related Parties of the Company.

If Resolutions 6, 7 and 8 are each passed, following the issue of the New PiggyBack Options referred to above, the Company will still have the capacity to issue 15% of its equity securities over the next 12 months as those New PiggyBack Options, once issued, will be excluded from the calculation under ASX Listing Rule 7.1. The issue of the New PiggyBack Options referred to above must occur no later than 1 month, or such later date as permitted by ASX, from the date of the General Meeting.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 6, 7 and 8:

- (a) the maximum number of securities to be issued by the Company is 39,100,000 New Piggy back Options at a subscription price of \$0.001 each, of which 11,000,000 will be issued to Sharon Heng or her nominee under Resolution 6, 100,000 will be issued to Tim Turner or his nominee under Resolution 7, and 28,000,000 will be issued to NMDC Ltd under Resolution 8;
- (b) the New PiggyBack Options will be issued no later than one month after the date of the General Meeting;
- (c) the New PiggyBack Options are exercisable at an exercise price of \$0.2229 on or before 7 January 2015. The New Piggy back Options will otherwise be issued on the terms and conditions set out in Annexure C; and
- (d) Funds of up to \$6,421,200 may be raised upon exercise of the Options which will be used to partially fund the exploration programmes in respect to the Mt Bevan Project and general working administration costs. However, there is no guarantee that the New PiggyBack Options will be exercised at any time in the future.

Section 208 Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. The proposed grant of New Listed Options under Resolutions 6, 7 and 8 each constitutes the provision of a financial benefit to a related party. Section 229 of the Corporations Act includes as an example of a “financial benefit”, the issuing of securities or the granting of an option to a related party.

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- the giving of the financial benefit falls within an exception to the provision; or
- prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after shareholder approval is obtained.

The following information is provided in accordance with Section 219 of the Corporations Act.

The Related Parties to Whom the Proposed Resolutions Would Permit the Benefit to be Given

Sharon Heng, under Resolution 6

Tim Turner, under Resolution 7

NMDC Ltd, under Resolution 8

(“Related Party”)

The Nature of the Financial Benefit

The issue of New PiggyBack Options at a subscription price of \$0.001 each, enabling the holder to subscribe for Shares in the capital of the Company, credited as fully paid, exercisable at an exercise price of \$0.2229 per Option on or before an expiry date of 7 December 2015 and otherwise on the terms of Annexure C.

If the Options to be issued under Resolution 6 are exercised (but assuming that no more Shares or Options are issued or exercised by the Company), the Company’s issued share capital will increase by 11,000,000 Shares representing 1.86% of the issued share capital of the Company, diluting the shareholders by a corresponding amount.

If the Options to be issued under Resolution 7 are exercised (but assuming that no more Shares or Options are issued or exercised by the Company), the Company’s issued share capital will increase by 100,000 Shares representing 0.02% of the issued share capital of the Company, diluting the shareholders by a corresponding amount.

If the Options to be issued under Resolution 8 are exercised (but assuming that no more Shares or Options are issued or exercised by the Company), the Company’s issued share capital will increase by

28,000,000 Shares representing 4.60% of the issued share capital of the Company, diluting the shareholders by a corresponding amount.

Other Information that is Reasonably Required by Members to Make a Decision and that is known to the Company or any of its Directors

The Options have been valued using both the Black-Scholes pricing model and based on the following assumptions:

- a) the Options are to be exercisable at \$0.2229 each;
- b) the Options are to be exercised within 2 years from the date of issue;
- c) price volatility of the Shares is approximately 90%;
- d) no discount has been allowed;
- e) the last closing Share price as at the date of this Notice of Meeting is 7.2 cents per Share; and
- f) the average current risk free interest rate is 2.58%.

On this basis, the implied "value" being received by the Related Party is 1.46 cents per Option. The total value of the Options proposed to be issued under Resolution 6 is \$160,600, under Resolution 7, \$1,460 and under Resolution 8, \$408,800.

Trading History

The market price of shares in the Company will normally determine if the Options are exercised. If the Company's Shares are trading on the ASX at a price that is higher than the exercise price of the options, there may be a perceived cost to the Company.

Over the last 6 months the Shares have traded between 5 cents per Share (lowest) and 10 cents per Share (highest). The latest trading price available at the time of preparing this Notice of Meeting was 7.2 cents per Share.

The Chairman intends to vote all available proxies in favour of Resolutions 6, 7 and 8.

Glossary

In this Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

ASX	ASX Limited (ACN 008 624 691).
Board	Board of Directors.
Chairman	Narenda Kumar Nanda
Constitution	Constitution of the Company.
Company or Legacy	Legacy Iron Ore Limited (ACN 125 010 353)
Corporations Act	Corporations Act 2001 (Cth).
Director	Director of the Company.
Explanatory Statement	the Explanatory Statement accompanying the Notice of Extraordinary General Meeting.
Extraordinary General Meeting	means the meeting convened by the Notice of Extraordinary General Meeting.
Listing Rules or ASX Listing Rules	the listing rules of ASX.
Meeting	means this Extraordinary General Meeting.
NMDC	means National Mineral Development Corporation Limited
Notice of Extraordinary General Meeting	the Notice of Extraordinary General Meeting accompanying the Explanatory Statement.
Related Party	has the meaning given in the Corporations Act.
Option	an option to subscribe for one Share.
Share(s)	ordinary fully paid shares in the capital of the Company.
Shareholder	a holder of a Share.
WST	Western Standard Time as observed in Perth, Western Australia.

Annexure A: New Listed Options

1. Each Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Options are exercisable on or before 31 December 2014.
3. Each Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of \$0.15 per Option exercised.
4. The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until expiry of the Options. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is listed on ASX.
5. Option holders shall be permitted to participate in new issues of securities on the prior exercise of options in which case the Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
6. Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
7. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
8. If there is a bonus issue to shareholders, the number of shares over which the Option is exercisable may be increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
9. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.
10. Application will be made for the Options to be quoted on the Official List of the ASX.

Annexure B: New Category B Options

1. Each Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Options are exercisable on or before 31 December 2014.
3. Each Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of \$0.10 per Option exercised.
4. The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until expiry of the Options. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is listed on ASX.
5. Option holders shall be permitted to participate in new issues of securities on the prior exercise of options in which case the Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
6. Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
7. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
8. If there is a bonus issue to shareholders, the number of shares over which the Option is exercisable may be increased by the number of shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
9. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.
10. Application will be made for the Options to be quoted on the Official List of the ASX.

Annexure C: New PiggyBack Option terms

Exercise

1.1 The exercise price of an Option is \$0.2229.

1.2 Each Option will expire 7 January 2015.

1.3 Upon exercise of an Option in addition to receiving one ordinary full paid Share, the optionholder will receive a further Option exercisable at \$0.25 on 7 January 2016.

1.4 An optionholder may exercise part of its Option holding without affecting its right to exercise further Options at a later time (provided it is within the life of the Option).

1.5 The Company will issue a notice to each optionholder at least 20 Business Days before the expiration of the Option.

2.0 Notice of exercise

In order for an option holder to exercise an Option, the holder must lodge with the Company Secretary a Notice of Exercise and a cheque for the total exercise price made payable to the Company.

3.0 Allotment of shares

Upon the exercise of an Option, the Company shall allot Shares in accordance with the Listing Rules and shall cause a holding statement to be issued, within 15 Business Days after the exercise of the Option.

4.0 Rights

4.1 Shares issued on the exercise of the Options will rank pari passu with all existing shares.

4.2 In relation to new issues, there are no participating rights or entitlements inherent in the Options. However, the Company will ensure that for the purposes of determining the entitlements to any such issue, the record date will be at least 10 Business Days after the issue is announced. Optionholders will be afforded the opportunity to exercise Options prior to the date for determining entitlements to participate in any such issue.

5.0 Bonus issues

5.1 Where the Company makes an issue of shares to shareholders by way of capitalisation of profits or reserves, and an optionholder exercises an Option, the optionholder will be entitled to shares under the bonus issue in accordance with the number of shares to which it would be entitled upon exercise of its Options.

5.2 Any shares issued under a bonus issue will be paid by the Company out of profits or reserves (as the case may be) and will rank pari passu with other shares.

6.0 Reconstruction

In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the expiry of any Options, the number of Options to which each optionholder is entitled or the exercise price of its Options or both will be reconstructed in a manner which complies with the provisions of the Listing Rules.

7.0 Transfer

The Options are fully transferable.

8.0 Listing

The Options will not be listed on ASX. However, upon the exercise of the Options, the Company will apply for the official quotation of the shares arising from the exercise on the ASX.

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

LEGACY IRON ORE LIMITED

ABN: 31 125 010 353

REGISTERED OFFICE:
LEVEL 5
CITIBANK HOUSE
37 ST GEORGES TERRACE
PERTH WA 6000

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: Holder Number: **SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

OR

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Extraordinary General Meeting of the Company to be held at 11.00am WST on 24th January 2013 at the Exchange Conference Centre, Exchange Plaza, Level 8, 2 The Esplanade, Perth WA 6000 and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution**For Against Abstain***

1. Approval for the Issue of New Listed Options

☐☐☐

2. Approval for the Issue of New Listed Options to National Mineral Development Corporation Limited

☐☐☐

3. Approval for the Issue of New Category B Listed Options

☐☐☐

4. Approval for the Issue of New Category B Listed Options to National Mineral Development Corporation Limited

☐☐☐

5. Approval for the Issue of New PiggyBack Options

☐☐☐

6. Approval for the Issue of New PiggyBack Options to Sharon Heng

☐☐☐

7. Approval for the Issue of New PiggyBack Options to Tim Turner

☐☐☐

8. Approval for the Issue of New PiggyBack Options to National Mineral Development Corporation Limited

☐☐☐**If no directions are given my proxy may vote as the proxy thinks fit or may abstain.**

* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If you wish to appoint the Chairperson as your proxy and you do not wish to direct the Chairperson how to vote, please mark "X" in the box.

☐ By marking this box, you acknowledge that the Chairperson may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him/her other than as a proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. The Chairperson of the Meeting intends to vote undirected proxies in favour of the resolution.

The Chairman intends to vote all available Proxies in favour of Resolutions 2, 4 & 7.**SECTION C: Please Sign Below****This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.**

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

5751335830

Reference Number:

1

LCY

1

NAME _____

[illegible]

()

1. Name and Address

2. Appointment of a Proxy

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of Legacy Iron Ore Limited.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms in the same envelope.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 11.00am WST on 22nd January 2013, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953

Street Address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Telephone **+61 8 9315 2333**

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.