Legacy Iron Ore: Trading at Discount to Peers with Backing from India's NMDC

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Sydney, Australia (ABN Newswire) - In a first for an Australian explorer, Legacy Iron Ore (ASX:LCY) has an investment and the backing of India's largest iron ore miner NMDC. Legacy has a platform to develop into a significant iron ore and bulk commodity company.

The Company is now in a strong position to fast track further exploration and mining studies at Mt Bevan. This should assist in promoting an outcome with joint venture partner Hawthorn Resources Ltd (ASX:HAW) with a 40% interest after Legacy's farm-in.

Click here to download the RM Research Report on LCY:
http://abnnewswire.net/lnk/32SAGYZ4

Exploration at Mt Bevan has delivered solid results, the last phase of drilling returning an approximate 300% increase in JORC resources to 1.60 billion tonnes @ 30.2% Fe (25% Fe cut-off grade) from the maiden 617 Mt @ 32.1% FE (25% Fe cut-off grade) returned in mid 2011.

Resources are likely to substantially increase on the back of the Exploration Target of 250 - 350 million tonnes at Mt Alexander, and the unexplored Eastern BIF which extends for some 20 kilometres within the project area.

Importantly, the Mt Bevan Joint Venture is located close to road, rail and an existing deep water port, mitigating the need for excessive investment in infrastructure, notably port facilities. There is potential for early cash flows from DSO hematite.

Metallurgical work undertaken in 2011 also demonstrates the potential to fast track Mt Bevan with low strip ratios, coarse grind size, low silica and an average concentrate grades in excess of 69% Fe.

A follow up 7,000 metres Phase 3 program is due to commence shortly. The next critical phase will include further metallurgical test work.

Legacy is NMDC's first ever foreign acquisition. NMDC has stated it intends to use Legacy as a foothold in Australia to acquire other mineral assets. NMDC has cash reserves of over AU$4 billion.

On an EV/Resource basis, Legacy is currently trading at an Enterprise Value/Tonne of iron ore JORC Resources of just AU$0.06 cents per tonne.

If you would like to know more please contact RM Capital on +61-8-9488-0800 to speak to one of RM Capital Advisers.

About Legacy Iron Ore Limited:

Legacy Iron Ore Limited (ASX:LCY) is an Australia-based mineral exploration company. Legacy has a multi-pronged exploration focus for gold and iron ore.

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