एनएमडीसी लिमिटेड
भारत सरकार का उद्यम

NMDC LIMITED
A Govt. of India Enterprise

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The Stock Exchanges
(BSE, NSE, DSE, CSE
MSE, Bg.SE)

Sir/Madam,

Sub: Acquisition of 50% equity stake in Legacy Iron Ore Ltd., Australia.

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Reference the captioned subject, enclosed please find herewith a copy of announcement in respect of acquisition by NMDC of 50% equity stake in Legacy Iron Ore Ltd., Australia.

This is for your kind information.

Thanking you,

Yours faithfully,
for NMDC Limited

(Kumar Raghavan)
Company Secretary &
Executive Director (L&CC)

Encl:- As above.

नेशनल मिनरल डेवलपमेंट कॉर्पोरेशन लिमिटेड National Mineral Development Corporation Limited
पंजीकृत कार्यालय : खनिज भवन, 10-3-311/ए, कैसल हिल्स, मासाब टैंकल, हैदराबाद - 500 028
Regd. Office : 'Khanij Bhavan' 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028
✆ : 23538713-21 (9 Lines), Fax : 91-40-23538711, E-mail : hois@nmdc.co.in

NMDC acquires 50% equity stake in

Legacy Iron Ore Limited, Australia

NMDC Limited ("NMDC"), India's largest iron ore producer and exporter, today confirmed acquisition of a 50% equity stake in Perth based Australian iron ore, gold and base metals exploration company, Legacy Iron Ore Limited ("Legacy"), for a consideration of A$18.89 million with intent of furthering its strategic interests in the natural resources sector globally.

Legacy is primarily an iron ore exploration company that is based in Western Australia, and is developing the Mt Bevan Iron Ore Project, which has the potential to develop into one of the largest resources of iron ore in the Central Yilgarn region in Western Australia. Legacy is also developing an advanced gold exploration project at Mt Celia, at the South Laverton Project, and holds other prospective areas including Robertson Range for iron and manganese, Hamersley for iron, and East Kimberley for gold.

Legacy is earning a 60% interest in the Mt Bevan Project from Hawthorn Resources Limited ("Hawthorn"), by committing A$3.5 million to exploration and completion of Pre-Feasibility studies before October 2012. Some of the key highlights of the Mt Bevan project are:

- Mt Bevan is an early stage project held in a joint venture between Legacy and Hawthorn
- Legacy's flagship project, Mt Bevan, has a current Inferred resource of 616.8 Mt at 32.1% Fe (Legacy's attributable 60% resource is 370Mt) compliant with Australia's Joint Ore Reserves Committee (JORC) resource categorization.
- The resource has been certified by SRK Consulting Ltd based on a drilling programme comprising 20 drill holes over 5,000m
- Mt Bevan tenements are located 100 km west of Leonora in the Central Yilgarn region, Western Australia. The tenements cover an area of 176 km^2
- Once operational, the project is expected to add 10Mtpa of iron ore concentrate to the global sea-borne iron ore market

Legacy has interests in following other exploration projects in Western Australia:

- Wholly-owned Hamersley and Robertson projects in the Pilbara region - Tenements prospective for iron ore and manganese
- Extensive tenements under South Laverton and East Kimberley projects, which are prospective for gold mineralization. The South Laverton gold project has JORC Indicated and Inferred resource of 121,454 oz of gold
- Base metal project at Koongie Park (part of the East Kimberley project)

Further to the Share Subscription Agreement between the companies on October 20, 2011, both the companies have completed various conditions as per the agreement and all necessary regulatory and shareholders' approvals have been obtained. NMDC will fund the acquisition through internal accruals. Legacy has also appointed a majority of three NMDC nominee directors out of five directors on the Board of Legacy.

This acquisition offers the following advantage to NMDC:

- Early stage entry into a company which has the potential to develop into a significant iron ore player in light of the growing resource at Mt. Bevan and also have management control in it as the major shareholder
- Increase NMDC's iron ore resource base and leverage its strengths in developing these projects and become a global player
- Utilise Legacy as a platform in Australia to source and secure steel making raw material projects