



4 September 2009

ASX Announcement

LEGEND SIGNS AGREEMENT OVER CAMEROON IRON ORE PROJECT

- **Right to earn 90% interest in iron ore project**
- **Direct Shipping Ore (DSO) potential associated with 57km of mapped itabirite close to existing road, rail and port infrastructure**
- **Shareholder meeting will be called to approve transaction**
- **Minimum \$1M exploration programme before decision to acquire**

Legend is pleased to announce that it has today signed a legally binding Heads of Agreement (HOA) with Camina SA to explore for iron ore in Cameroon, West Africa. The HOA gives Legend the right to acquire a 90% interest in two granted exploration permits and one exploration permit application, covering an area of approximately 2,400km², via a 90% ownership of Camina, see Figure 1. The granted permits are prospective for iron ore in the form of DSO itabirite-magnetite and itabirite, while the permit application has gold potential.

Camina, its consultants and advisors have substantial experience and expertise in dealing with mineral projects, infrastructure and government relationships in Cameroon. Legend will access Camina's capacity across these areas to advance the projects.

Legend Managing Director Mark Wilson said that his team was attracted to the potential scale of the Project, its proximity to existing road, rail and port infrastructure and the people who come with the deal.

"We could see the possibility of an early cashflow business with a very modest spend. The first step is to establish an exploration programme to identify the potential resource from the 57km of itabirite strike", said Mr Wilson.

Geology and Mineralisation Potential

The Project comprises two granted exploration permits with iron ore potential, Ngovayang and Mayo Binka, and an exploration permit application adjacent to Ngovayang which has potential for gold mineralisation, see Figure 1.

A site visit was conducted by Legend staff to assess the Project potential and to review existing infrastructure and logistical aspects of working in country. A recent report on the Project by an Independent Geologist was reviewed prior to the visit, with the report's general observations/conclusions confirmed during the visit.

Regional mapping of the Ngovayang Permit was originally undertaken by BRGM in 1986, see Figure 2. This mapping identified a NE-SW trending package of Archaean to Proterozoic age quartzitic metasediment, gneiss and amphibolite, as well as numerous itabirite units containing millimetre to centimetre bands of magnetite.



Within the Ngovayang Permit, 57km of itabirite has been identified in 13 separate zones. These itabirite zones, which can contain 20-45% Fe, are considered possible proto ore for higher grade DSO mineralisation due to supergene/alteration processes.

Discovery of 50Mt of DSO is the primary target for Legend, which would translate into an initial 1-2Mtpa operation with potential future expansion. A secondary target is the lower grade, but potentially very large tonnage of itabirite. This type of material has the ability to be beneficiated into a valuable saleable product, however significant CAPEX for crushing/grinding/magnetic separation processing is required.

The exploration permit application lies to the immediate SE of the Ngovayang Permit and contains minor alluvial gold workings where a six gram “nugget” has been panned. The source of the gold is unknown, but considered to be shear/fault related.

The Mayo Binka Permit contains essentially Proterozoic gneiss with subcropping boulders and scree of massive magnetite/haematite. The extensive scree and cover in the area will necessitate trenching to assist geological mapping and geochemical sampling.

Proposed Exploration Programme

Under the terms of the HOA, Legend is committed to a minimum exploration expenditure of A\$1M within a 12 month period. This exploration programme will aim to provide sufficiently significant results for Legend to justify the acquisition of 90% of the shares in Camina.

Exploration will include:

- High resolution aeromagnetic/radiometric survey over the entire Ngovayang Permit.
- Interpretation of aeromagnetic data targeting areas with potential for DSO.
- Geological mapping, geochemical sampling and trenching.
- Drill testing of priority target areas.

Infrastructure

The Ngovayang tenement in particular is well served by access infrastructure including rail and road networks to and from the port city of Douala (see Figure 1), which will greatly assist the exploration phases of work and potentially facilitate a start-up production transport system to port.

Regional Overview

Figure 1 shows regional iron ore deposits in proximity to Camina’s permits.



Key Terms of Transaction

The transaction is subject to a 45 day period of legal due diligence from the date of this announcement and to all regulatory approvals, including Legend shareholder approval. Contemporaneously Legend and Camina will enter into a full form agreement which will form the basis for the resolutions to be put forward at a Legend shareholder meeting expected to be held during Oct/Nov 2009.

The key terms are:

- Following Legend shareholder approval for the transaction;
 - a) Legend shall issue to the Camina nominees 50M Legend fully paid shares and pay A\$170,000 to Camina for the right to carry out an exploration programme of a minimum value of A\$1M over a 12 month period.
 - b) Legend shall issue 200M (140M to consultants and advisors, 55M to Mr Mark Wilson, Legend Managing Director and 5M to Mr Michael Atkins, Legend Chairman) 5 year options exercisable at 4 cents per option, with the proviso that such options shall lapse if Legend declines to exercise its right to acquire the 90% interest in Camina at the conclusion of the exploration programme.
- At the conclusion of the exploration programme, Legend at its sole discretion can acquire 90% of the shares in Camina in return for the issue of a further consideration of 350M Legend shares and 200M Legend 5 year options exercisable at 4 cents per option to Camina nominees.
- Once a JORC compliant resource of 250Mt of iron ore containing a minimum of 50Mt of DSO is identified on the permits, Legend will issue a further 400M Legend shares to Camina nominees.
- Once a JORC compliant Resource of 2Bt of iron ore containing a minimum of 200Mt of DSO is identified on the permits OR the first US\$60M from sales of ore from the permits is achieved, Legend will issue a further 400M Legend shares to Camina nominees.

Visit www.legendmining.com.au for further information and announcements.

For more information:

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The information in this announcement that relates to Exploration Results is based on information compiled by Mr Derek Waterfield, a Member of the Australian Institute of Geoscientists and a full time employee of Legend Mining Limited. Mr Waterfield has sufficient relevant experience in the styles of mineralisation and types of deposit under consideration, and in the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the inclusion of the information in the form and context in which it appears.

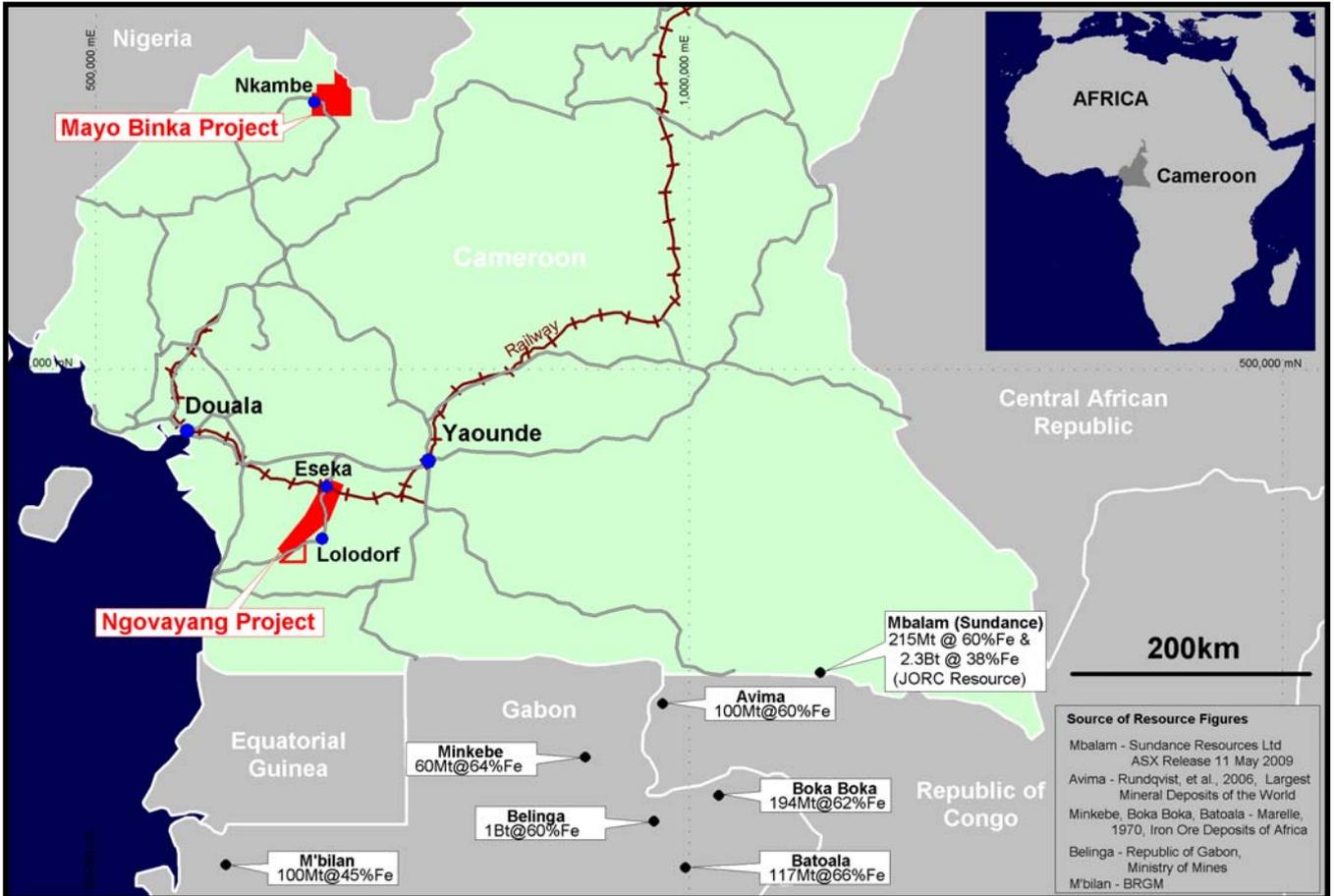


Figure 1: Cameroon Project Location and Regional Iron Ore Deposits

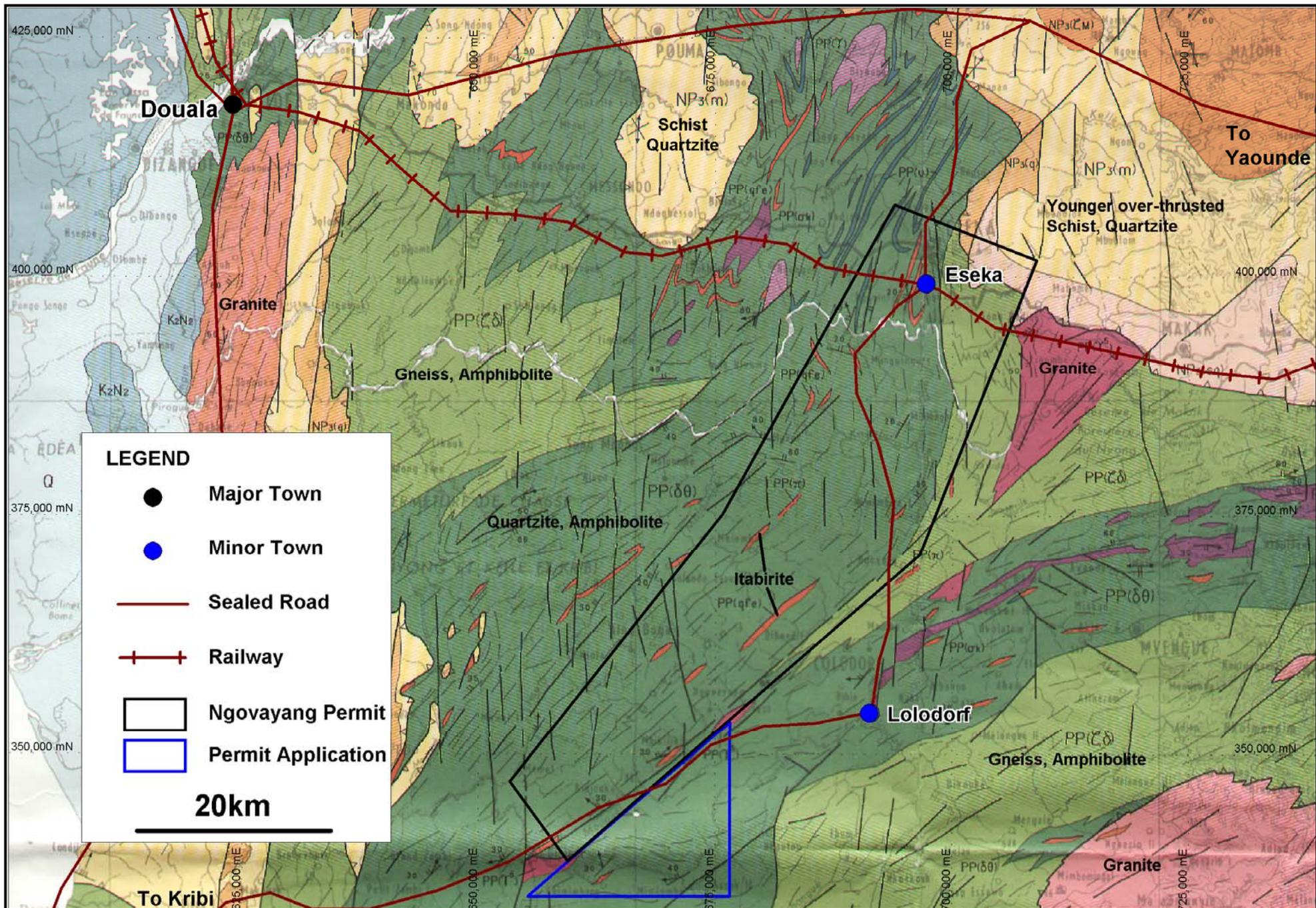


Figure 2: Ngovayang Project - Location and Geological Setting