



4 November 2009

ASX Announcement

SHAREHOLDER MEETING TO APPROVE CAMEROON IRON ORE PROJECT

Legend Mining Limited (Legend) is pleased to announce that it has today mailed the Notice of General Meeting (NOM) and Explanatory Memorandum to shareholders, relating to the acquisition of a 90% interest in Camina SA, a company which owns tenements in Cameroon, West Africa, that are prospective for iron ore and gold. The General Meeting of shareholders will be held on Friday 4 December at 11.00 am WST at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

Key terms of Transaction

- Subject to Legend shareholder approval for the resolutions detailed in the NOM;
 - 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 Camina nominees, 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 to Camina nominees of;
 - (a) 350M Legend shares.
 - (b) 200M Legend 5 year options exercisable at 4 cents per option.
 - (c) 400M performance options (a) exercisable for nil consideration, once a JORC compliant resource of 250Mt of iron ore containing a minimum of 50Mt of Direct Shipping Ore (DSO) is identified on the permits.
 - (d) 400M performance options (b) exercisable for nil consideration, 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 also confirms that the full form Share Sale Agreement with Camina was signed by all parties on 27 October 2009 and that Legend has completed legal due diligence on Camina and its assets, and has waived the due diligence condition in the Share Sale Agreement.

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

For more information:

Mr Mark Wilson
Managing Director
Legend Mining Limited
Ph: (08) 9212 0600

LEGEND MINING LIMITED

ABN 22 060 966 145

NOTICE OF GENERAL MEETING AND EXPLANATORY STATEMENT

General Meeting to be held at the Celtic Club, 48 Ord Street, West Perth,
Western Australia on Friday, 4 December 2009
at 11.00 am AWST

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of General Meeting please do not hesitate to contact the Company Secretary, Brett White on (08) 9212 0600.

Notice of General Meeting

Notice is hereby given that a General Meeting of Legend Mining Limited (the **Company**) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 4 December 2009 at 11.00 am AWST.

Special Business

The Company entered into a Heads of Agreement with Camina SA (**Camina**) and the Vendors on 4 September 2009 to explore for iron ore in Cameroon, West Africa (**HOA**). The HOA gives the Company the right to acquire a 90% interest in two granted exploration permits and one exploration permit application, covering an area of approximately 2,400km², by acquiring 90% ownership of Camina (**Camina Acquisition**).

Pursuant to the HOA, Legend, Legend Iron, the Vendors, Camina and others have entered into, or will enter into, the Share Sale Agreement to formalise the arrangements set out in the HOA.

The General Meeting is being convened for the purpose of seeking approvals from Shareholders which are required under the Listing Rules to various aspects of the proposed Camina Acquisition under the terms and conditions of the Share Sale Agreement.

Details of the proposed Camina Acquisition, together with a full explanation with respect to each of the proposed Resolutions, are set out in the attached Explanatory Statement.

1 Resolution 1 – Significant transaction: Camina Acquisition

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 11.1.2 and for all other purposes, the Shareholders approve the Camina Acquisition pursuant to the arrangements set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on a resolution by:

- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any of their associates.

The Company need not disregard a vote on Resolution 1 if:

- it is cast by a 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 the person chairing 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.

2 Resolution 2 – Issue of Deposit Shares to the Vendors or their nominees

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.1 and for all other purposes, subject to the passing of Resolution 1, the Shareholders approve the allotment and issue of 50,000,000 Shares to the

Vendors or their nominees within 90 days of the date of this resolution, pursuant to the arrangements set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on a resolution by:

- any person who may participate in the issue;
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any of their associates.

The Company need not disregard a vote on Resolution 2 if:

- it is cast by a 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 the person chairing 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.

3 Resolution 3 – Issue of Vendor Shares to the Vendors or their nominees

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.1 and for all other purposes, subject to the passing of Resolution 1, the Shareholders approve the allotment and issue of 350,000,000 Shares to the Vendors or their nominees, pursuant to the arrangements set out in the Explanatory Statement attached.”

Voting Exclusion Statement

The Company will disregard any votes cast on a resolution by:

- any person who may participate in the issue;
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any of their associates.

The Company need not disregard a vote on Resolution 3 if:

- it is cast by a 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 the person chairing 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.

4 Resolution 4 – Issue of Vendor Options to the Vendors or their nominees

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.1 and for all other purposes, subject to the passing of Resolution 1, the Shareholders approve the issue of 200,000,000 Options to the Vendors or their nominees, pursuant to the arrangements set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on a resolution by:

- any person who may participate in the issue;
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any of their associates.

The Company need not disregard a vote on Resolution 4 if:

- it is cast by a 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 the person chairing 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.

5 Resolution 5 – Issue of Performance Options (a) to the Vendors or their nominees

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.1 and for all other purposes, subject to the passing of Resolution 1, the Shareholders approve the issue of 400,000,000 Options to the Vendors or their nominees, pursuant to the arrangements set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on a resolution by:

- any person who may participate in the issue;
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any of their associates.

The Company need not disregard a vote on Resolution 5 if:

- it is cast by a 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 the person chairing 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.

6 Resolution 6 – Issue of Performance Options (b) to the Vendors or their nominees

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.1 and for all other purposes, subject to the passing of Resolution 1, the Shareholders approve the issue of 400,000,000 Options to the Vendors or their nominees, pursuant to the arrangements set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on a resolution by:

- any person who may participate in the issue;
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any of their associates.

The Company need not disregard a vote on Resolution 6 if:

- it is cast by a 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 the person chairing 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.

7 Resolution 7 – Issue of Options to Related Party – Mr Mark Wilson

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act and for all other purposes, the Shareholders approve the issue by the Company of 55,000,000 Options to Mr Mark Wilson, the managing director of the Company, pursuant to the arrangements set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will, in accordance with Section 224 of the Corporations Act and the Listing Rules, disregard any votes cast on a resolution by:

- Mr Mark Wilson; and
- any of his associates.

The Company need not disregard a vote on Resolution 7 if:

- it is cast by a 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 the person chairing 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.

8 Resolution 8 – Issue of Options to Related Party – Mr Michael Atkins

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 10.11 and Section 208 of the Corporations Act and for all other purposes, the Shareholders approve the issue by the Company of 5,000,000 Options to Mr Michael Atkins, a director of the Company, pursuant to the arrangements set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will, in accordance with Section 224 of the Corporations Act and the Listing Rules, disregard any votes cast on a resolution by:

- Mr Michael Atkins; and
- any of his associates.

The Company need not disregard a vote on Resolution 8 if:

- it is cast by a 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 the person chairing 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.

9 Resolution 9 – Issue of Options to Camina’s Nominees

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders approve the issue of 140,000,000 Options to entities nominated by Camina within 90 days of the date of this resolution, pursuant to the arrangements set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on a resolution by:

- any person who may participate in the issue;
- a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- any of their associates.

The Company need not disregard a vote on Resolution 9 if:

- it is cast by a 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 the person chairing 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.

10 Resolution 10 – Approval of new Employee Share Option Plan No.3

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, pursuant to and in accordance with Exception 9(b) in Listing Rule 7.2, and for all other purposes, the Shareholders approve the issue of Options under Employee Share Option Plan No. 3 as detailed in the Explanatory Statement.”

Voting Exclusion Statement

For the purposes of Resolution 10, under ASX Listing Rule 7.2 Exception 9(b), the Company will disregard any votes cast on this Resolution by any Directors and their associates, on the basis that they are all eligible to participate in any employee incentive scheme of the Company.

The Company need not disregard a vote on Resolution 10 if:

- it is cast by a 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 the person chairing 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.

Explanatory Statement

The Explanatory Statement accompanying this Notice of General Meeting is incorporated in and comprises part of this Notice of General Meeting.

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

Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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.

“Snap-shot” Time

The Company may specify a time, not more than 48 hours before the General Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the General Meeting.

The Directors have determined that all Shares of the Company that are quoted on ASX at 5.00 am AWST on 2nd December 2009 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the General Meeting 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 in advance of the meeting or handed in at the meeting when registering as a corporate representative. An appointment of corporate representative form is available upon request from the Company Secretary.

By Order of the Board of Directors



Brett White
Company Secretary
Legend Mining Limited

30 October 2009

Explanatory Statement

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

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

1 Overview

- (a) The Company is an ASX listed Australian based mineral exploration company.
 - (b) The Company has entered into, or will enter into, the Share Sale Agreement pursuant to which the Company may acquire 90% of the issued shares in Camina, subject to the satisfaction of certain conditions precedent.
 - (c) Details of the transactions contemplated by the Share Sale Agreement which require Shareholder approval are the subject of Resolutions 1 to 6 inclusive, and are described in more detail in paragraph 2 of the Explanatory Statement.
 - (d) No one person or allottee under Resolutions 1 to 10 inclusive will hold more than 19.9% of the issued capital of the Company following the issue of the securities pursuant to those Resolutions.
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2 Share Sale Agreement

The key terms of the Share Sale Agreement are summarised below.

2.1 Agreement to sell and purchase the Sale Shares

The Vendors agree to sell the Sale Shares to Legend Iron free of all Encumbrances and Legend Iron agrees to purchase the Sale Shares from the Vendors for the consideration set out in the Share Sale Agreement.

2.2 First Completion Conditions Precedent

Subject to satisfaction of the following conditions precedent, Legend will undertake First Completion:

- (a) by 19 October 2009 (or such later date as may be agreed in accordance with the Share Sale Agreement), Legend being satisfied in its absolute discretion with the results of detailed investigations by Legend and its professional advisors as to the legal status of the Permits and the financial, corporate and legal standing of Camina; and
- (b) by 21 December 2009 (or such other date as may be agreed in accordance with the Share Sale Agreement) (**First Drop Dead Date**):
 - (i) any necessary approvals, consents and waivers from all applicable Government Agencies (whether located in Australia or elsewhere) being obtained to the transactions contemplated in the Share Sale Agreement including, to the extent required, the grant of security by Camina (at the cost of Legend) in favour of Legend and/or Legend Iron as Legend may reasonably require (in form and substance satisfactory to Legend) as security for the due and punctual performance by Camina and the Vendors of their respective obligations under the Share Sale Agreement; and

- (ii) Camina must provide to Legend and Legend Iron a certificate in the form prescribed in the Share Sale Agreement (**First Completion Vendor Warranty Certificate**) to certify that each Vendor warranty set out in the Share Sale Agreement (**Vendor Warranty**) is, or will be, true and correct as at the date of each of the First Completion Vendor Warranty Certificate and First Completion.

2.3 First Completion Breached Vendor Warranty

- (a) If any of the circumstances described in the Vendor Warranties have changed in a material respect to the extent that a Vendor Warranty is incorrect and cannot be given in the form stipulated in the Share Sale Agreement (**First Completion Breached Vendor Warranty**), Camina must prior to the First Drop Dead Date provide Legend with full and complete details of the First Completion Breached Vendor Warranty.
- (b) Legend must give notice to Camina and the Vendors within 4 business days whether or not it accepts the First Completion Breached Vendor Warranty. If it:
 - (i) accepts it, then First Completion shall occur; or
 - (ii) does not accept it, then Legend may elect to terminate the Share Sale Agreement by notice to Camina and the Vendors.

2.4 First Completion

The following transactions must be undertaken by Legend within 5 business days of the First Drop Dead Date as part of First Completion:

- (a) issue 50 million Shares to the Vendors or their nominees (**Deposit Shares**);
- (b) deliver holding statements or other evidence of title for the Deposit Shares to Camina for distribution to the Vendors or their nominees; and
- (c) pay the sum of A\$170,000 (which is non-refundable) to the Vendors in such proportions as the Vendors may nominate to Legend.

2.5 Exploration Program and Minimum Expenditure

Upon First Completion occurring:

- (a) Camina grants to Legend the exclusive right to conduct the Exploration Program until the date that is 12 months after First Completion, or such other date as agreed by the parties in accordance with the Share Sale Agreement (**Final Drop Dead Date**); and
- (b) Legend must incur the Minimum Expenditure in relation to the Exploration Program by the Final Drop Dead Date.

2.6 Final Completion Conditions Precedent

Subject to satisfaction of the following conditions precedent, Legend will undertake Final Completion in accordance with either paragraph 2.11 or paragraph 2.12 of the Explanatory Statement:

- (a) notification in writing by Legend to Camina and the Vendors that Legend is satisfied in its absolute discretion with the outcome of its Exploration Program, and its technical due diligence with respect to the outcome of that Exploration Program; and
- (b) Legend having expended the Minimum Expenditure and notified Camina and the Vendors in writing that it has done so,

(the **Final Completion Conditions Precedent**).

2.7 Notify Vendors and deliver accounts

- (a) Legend must notify Camina and the Vendors promptly upon the Final Completion Conditions Precedent being satisfied (**Final Completion CP Satisfaction Notice**).
- (b) Promptly after receipt of the Final Completion CP Satisfaction Notice, Camina must cause its Accounts to be updated to reflect its position as at the Second Accounts Date (**Updated Accounts**).

2.8 Final Completion Vendor Warranty Certificate

- (a) Promptly upon receipt of the Final Completion CP Satisfaction Notice and the Updated Accounts, Camina must provide to Legend:
 - (i) a certificate to certify that each Vendor Warranty is or will be true and correct as at the date of each of the Final Completion Vendor Warranty Certificate and Final Completion (**Final Completion Vendor Warranty Certificate**), or if any of the circumstances described in the Vendor Warranties have changed in a material respect, as determined by Legend, to the extent that a Vendor Warranty is incorrect and cannot be given in the form stipulated in the Share Sale Agreement (**Final Completion Breached Vendor Warranty**), full and complete details of the Final Completion Breached Vendor Warranty; and
 - (ii) a copy, certified by 2 directors of Camina, of the Updated Accounts.
- (b) If Camina fails to give a Final Completion Vendor Warranty Certificate or to provide the Updated Accounts, each in the manner stipulated in the Share Sale Agreement, then Legend may elect to proceed to Final Completion by giving notice to the Vendors (**Final Completion Notice**).

2.9 Final Vendor Due Diligence

- (a) During the period of 21 days following receipt of a Final Completion Vendor Warranty Certificate and a certified copy of the Updated Accounts (**Final Completion Vendor Due Diligence Period**), Legend is entitled to conduct such due diligence as it may require (**Final Completion Vendor Due Diligence**) to check the accuracy of the Final Completion Vendor Warranty Certificate and the Updated Accounts.
- (b) Legend must give notice to the Vendors within 5 days following the expiry of the Final Completion Vendor Due Diligence Period whether or not it is satisfied with its Final Completion Vendor Due Diligence (such notice being either a **Final Due Diligence Satisfaction Notice** or **Final Due Diligence Non-Satisfaction Notice**, as the case may be).
- (c) If Legend issues a Final Due Diligence Satisfaction Notice, then Final Completion shall occur in accordance with paragraph 2.11 of the Explanatory Statement.
- (d) If Legend issues a Final Due Diligence Non-Satisfaction Notice, then Legend may elect by notice to the Vendors to acquire a direct 90% interest in the Permits (instead of the Sale Shares) whereupon Final Completion shall occur in accordance with paragraph 2.12 of the Explanatory Statement.

2.10 Date of Final Completion

Final Completion will occur within 5 business days after Legend gives:

- (a) a Final Due Diligence Satisfaction Notice;
- (b) a Final Due Diligence Non-Satisfaction Notice; or
- (c) the Final Completion Notice.

2.11 Share Acquisition Completion

If Legend is satisfied with its Final Completion Vendor Due Diligence and gives a Final Due Diligence Satisfaction Notice to the Vendors, or Legend elects to proceed to Final Completion by giving a Final Completion Notice to the Vendors, then at Final Completion, Legend must deliver to the Vendors and their nominees the following items against receipt of the share certificates for the Sale Shares together with executed and registrable transfer of the Sale Shares in favour of Legend Iron:

- (a) holding statements, or other evidence of title for the Vendor Shares;
- (b) certificates for the Vendor Options;
- (c) certificates for the Performance Options (a); and
- (d) certificates for the Performance Options (b).

2.12 Permit Acquisition Completion

If Legend is not satisfied with its Final Completion Vendor Due Diligence and gives a Final Due Diligence Non-Satisfaction Notice, or Legend elects to proceed to Final Completion by giving a Final Completion Notice to the Vendors, then at Final Completion, Legend must deliver to the Vendors and their nominees the following items against receipt of the title documents to the Permits together with transfers (in registrable form) in favour of Legend Iron or its nominee of a direct 90% interest in the Permits, and receipt of the title documents to the New Permits (if any) together with transfers (in registrable form) in favour of Legend Iron or its nominee of a direct 90% interest in the New Permits:

- (a) holding statements, or other evidence of title for the Vendor Shares;
- (b) certificates for the Vendor Options;
- (a) certificates for the Performance Options (a); and
- (b) certificates for the Performance Options (b).

3 Resolution 1 – Significant transaction: Camina Acquisition

3.1 Background

As described in paragraph 2 of the Explanatory Statement, the Company proposes to undertake the Camina Acquisition pursuant to the Share Sale Agreement.

Each of Resolutions 2 to 6 inclusive is dependent on Resolution 1 being passed.

3.2 Listing Rule 11.1.2 approval

If a change in the nature or scale of an entity's activities is contemplated that may have the effect of significantly changing the nature of a security holder's investment, the approval of security holders may be appropriate before that change is made. This principle is set out in Listing Rule 11.1.2, which ASX applies in relation to significant acquisitions.

Listing Rule 11.1.2 requires an entity to obtain shareholder approval, if required by ASX, if an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities. This shareholder approval must be obtained before making the change.

The purpose of Resolution 1 is to give Shareholders the opportunity to approve the Company entering into the transactions described in paragraph 2 of the Explanatory Statement.

A voting exclusion statement for Resolution 1 is included in the Notice of General Meeting.

4 Resolution 2 – Issue of Deposit Shares to the Vendors or their nominees

4.1 Background

As described in paragraph 2.4(a) of the Explanatory Statement, the Company is required to issue the Deposit Shares as part of the transactions contemplated by First Completion.

4.2 Listing Rule 7.1 approval

Listing Rule 7.1 requires the prior approval of Shareholders for an issue of Equity Securities if the Equity Securities will, when aggregated with all Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12 month period (unless one of the exceptions in Listing Rule 7.2 applies).

The issue of the Deposit Shares falls within this requirement and none of the exceptions apply.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the number of securities to be issued pursuant to Resolution 2 is 50,000,000 Shares;
- (b) no funds will be raised by the issue of the Deposit Shares;
- (c) the Deposit Shares will be issued to the Vendors or their nominees pursuant to First Completion under the Share Sale Agreement;
- (d) it is anticipated that, subject to Shareholder approval, the Deposit Shares will be issued and allotted on one date and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the Listing Rules;
- (e) the Deposit Shares will rank equally with the existing Shares; and
- (f) a voting exclusion statement is included in the Notice.

5 Resolution 3 – Issue of Vendor Shares to the Vendors or their nominees

5.1 Background

As described in paragraphs 2.11(a) and 2.12(a) of the Explanatory Statement, the Company is required to issue the Vendor Shares as part of the transactions contemplated by Final Completion.

5.2 Listing Rule 7.1 approval

Listing Rule 7.1 requires the prior approval of Shareholders for an issue of Equity Securities if the Equity Securities will, when aggregated with all Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12 month period (unless one of the exceptions in Listing Rule 7.2 applies).

The issue of the Vendor Shares falls within this requirement and none of the exceptions apply.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the number of securities to be issued pursuant to Resolution 3 is 350,000,000 Shares;

- (b) no funds will be raised by the issue of the Vendor Shares;
 - (c) the Vendor Shares will be issued to the Vendors or their nominees pursuant to Final Completion under the Share Sale Agreement;
 - (d) it is anticipated that, subject to Shareholder approval, the Vendor Shares will be issued and allotted on one date and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the Listing Rules;
 - (e) the Vendor Shares will rank equally with the existing Shares; and
 - (f) a voting exclusion statement is included in the Notice.
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6 Resolution 4 – Issue of Vendor Options to the Vendors or their nominees

6.1 Background

As described in paragraphs 2.11(b) and 2.12(b) of the Explanatory Statement, the Company is required to issue the Vendor Options as part of the transactions contemplated by Final Completion.

6.2 Listing Rule 7.1 approval

Listing Rule 7.1 requires the prior approval of Shareholders for an issue of Equity Securities if the Equity Securities will, when aggregated with all Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12 month period (unless one of the exceptions in Listing Rule 7.2 applies).

The issue of the Vendor Options falls within this requirement and none of the exceptions apply.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the number of securities to be issued pursuant to Resolution 4 is 200,000,000 Options;
- (b) the issue price of the Vendor Options is nil;
- (c) no funds will be raised by the issue of the Vendor Options. If any Vendor Options are exercised, the funds raised by the exercise of the Vendor Options will be applied towards working capital;
- (d) the Vendor Options will be issued to the Vendors or their nominees pursuant to Final Completion under the Share Sale Agreement;
- (e) it is anticipated that, subject to Shareholder approval, the Vendor Options will be issued on one date and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the Listing Rules;
- (f) the Vendor Options will be subject to the terms and conditions set out in Schedule 2; and
- (g) a voting exclusion statement is included in the Notice.

7 Resolution 5 – Issue of Performance Options (a) to the Vendors or their nominees

7.1 Background

As described in paragraphs 2.11(c) and 2.12(c) of the Explanatory Statement, the Company is required to issue the Performance Options (a) as part of the transactions contemplated by Final Completion.

7.2 Listing Rule 7.1 approval

Listing Rule 7.1 requires the prior approval of Shareholders for an issue of Equity Securities if the Equity Securities will, when aggregated with all Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the commencement of that 12 month period (unless one of the exceptions in Listing Rule 7.2 applies).

The issue of the Performance Options (a) falls within this requirement and none of the exceptions apply.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the number of securities to be issued pursuant to Resolution 5 is 400,000,000 Options;
- (b) the issue price of the Performance Options (a) is nil;
- (c) no funds will be raised by the issue of the Performance Options (a). If any Performance Options (a) are exercised, the funds raised by the exercise of the Performance Options (a) will be applied towards working capital;
- (d) the Performance Options (a) will be issued to the Vendors or their nominees pursuant to Final Completion under the Share Sale Agreement;
- (e) it is anticipated that, subject to Shareholder approval, the Performance Options (a) will be issued on one date and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the Listing Rules;
- (f) The Performance Options (a) will be subject to the terms and conditions set out in Schedule 3; and
- (g) a voting exclusion statement is included in the Notice.

8 Resolution 6 – Issue of Performance Options (b) to the Vendors or their nominees

8.1 Background

As described in paragraphs 2.11(d) and 2.12(d) of the Explanatory Statement, the Company is required to issue the Performance Options (b) as part of the transactions contemplated by Final Completion.

8.2 Listing Rule 7.1 approval

Listing Rule 7.1 requires the prior approval of Shareholders for an issue of Equity Securities if the Equity Securities will, when aggregated with all Equity Securities issued by the Company during the previous 12 months, exceed 15% of the number of Equity Securities on issue at the

commencement of that 12 month period (unless one of the exceptions in Listing Rule 7.2 applies).

The issue of the Performance Options (b) falls within this requirement and none of the exceptions apply.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the number of securities to be issued pursuant to Resolution 6 is 400,000,000 Options;
- (b) the issue price of the Performance Options (b) is nil;
- (c) no funds will be raised by the issue of the Performance Options (b). If any Performance Options (b) are exercised, the funds raised by the exercise of the Performance Options (b) will be applied towards working capital;
- (d) the Performance Options (b) will be issued to the Vendors or their nominees pursuant to Final Completion under the Share Sale Agreement;
- (e) it is anticipated that, subject to Shareholder approval, the Performance Options (b) will be issued on one date and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the Listing Rules;
- (f) the Performance Options (b) will be subject to the terms and conditions set out in Schedule 4; and
- (g) a voting exclusion statement is included in the Notice.

9 Resolution 7 – Issue of Options to Related Party – Mr Mark Wilson

9.1 Background

Legend proposes to issue 55,000,000 Options to Mr Mark Wilson, the Company's Managing Director, subject to the proviso that these Options will lapse if Legend does not proceed to Final Completion in accordance with the provisions of the Share Sale Agreement (**Wilson Options**).

Resolution 7 seeks Shareholder approval for the issue of the Wilson Options, in accordance with Listing Rule 10.11 and Section 208 of the Corporations Act.

9.2 Listing Rule 10.11 approval

Listing Rule 10.11 requires the Company to obtain Shareholder approval in order to issue Shares to a related party (unless an exception in Listing Rule 10.12 applies). Mr Wilson, being the Managing Director of the Company, is a related party of the Company for the purposes of Listing Rule 10.11 and no exception applies.

Listing Rule 7.1 also requires the Company to obtain Shareholder approval in order to issue Equity Securities representing more than 15% of the Company's Shares on issue (unless one of the exceptions in Listing Rule 7.2 applies). Exception 14 in Listing Rule 7.2 is an issue made with Shareholder approval under Listing Rule 10.11 and provides that if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Listing Rule 10.13 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the number of securities to be issued pursuant to Resolution 7 is 55,000,000 Options;
- (b) the issue price of the Options is nil;
- (c) no funds will be raised by the issue of these Options. If these Options are exercised, the funds raised by the exercise of the Options will be applied towards working capital;
- (d) the Options will be issued to Mark Wilson. Mark Wilson is a Director and therefore a related party of the Company;
- (e) it is anticipated that, subject to Shareholder approval, the Options will be issued on one date and in any event no later than 1 month after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the Listing Rules;
- (f) the Options will be subject to the terms and conditions set out in Schedule 5; and
- (g) a voting exclusion statement is included in the Notice.

9.3 Corporations Act Section 208 approval

Section 208 of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless:

- (a) the giving of the financial benefit falls within one of the specified exceptions set out in sections 210 to 216; or
- (b) shareholders approve the giving of the financial benefit.

The issue of the Wilson Options to Mr Wilson is a financial benefit conferred on a related party and it is not entirely certain that the issue of the Wilson Options falls within one of the specified exceptions set out in sections 210 to 216 of the Corporations Act. Accordingly, in the interest of certainty, the Company seeks Shareholder approval to issue the Wilson Options pursuant to section 208 of the Corporations Act.

Under section 218(1)(b) of the Corporations Act, an explanatory statement satisfying section 219 of the Corporations Act must be lodged at ASIC at least 14 days before the Notice of General Meeting is given. Under section 219 of the Corporations Act, the explanatory statement must include certain information, which information is set out below.

- (a) **The related party to whom the proposed resolutions would permit the financial benefit to be given:**

Mark Wilson

- (b) **The nature of the potential financial benefit**

The issue of 55,000,000 Options.

- (c) **In relation to each Director, the Director's recommendation about the proposed resolution and reasons for it (if the Director did not want to make a recommendation or was not available to consider it – why not)**

The Directors (other than Mr Wilson) recommend that Shareholders approve Resolution 7 as they are of the view that the issue of the Wilson Options is appropriate recognition of Mr Wilson's efforts to date, and assists the Company in retaining the services and dedication of Mr Wilson whilst the Company undertakes the Final Completion Conditions Precedent with a view to achieving Final Completion. Further, the issue of Options maintains the Company's cash reserves at a time when there is significant competition for the services of experienced exploration and mining personnel.

The Directors (other than Mr Wilson) considered Mr Wilson's experience, his contribution to the Company and potential future contributions to the Company, the current market price of the Shares and current market practice when determining the terms of the Options and the number of Options to be issued to Mr Wilson.

All Directors were available to consider Resolution 7. The Directors making a recommendation to Shareholders do not have a material personal interest in the outcome of Resolution 7. Mr Wilson abstains from making a recommendation as he has a material personal interest in the outcome of Resolution 7.

(d) **All other information that is reasonably required by members to make a decision whether it is in the best interests of the Company to pass Resolution 7 that is known to the Company or any of its Directors**

Section 219(2) of the Corporations Act states that an example of this kind of information is information about what, from an economic and commercial view, are the true potential costs and detriments of, or resulting from, giving financial benefits as permitted by the proposed resolution, including opportunity costs, taxation consequences (such as liability to fringe benefits tax) and benefits forgone by whoever would give the benefits.

- (i) The Company will disregard any votes cast on Resolution 7 by Mr Wilson and any Associate of Mr Wilson. However, the Company need not disregard a vote if it is cast by a 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 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.
- (ii) The Company will not loan Mr Wilson money in relation to the issue of the Options.
- (iii) Mr Wilson's fixed remuneration package is A\$250,000 per annum (inclusive of superannuation).
- (iv) An estimate of the value of the Wilson Options is set out in Schedule 6 to this Explanatory Statement.
- (v) Mr Wilson currently holds 30,000,000 Shares and no Options.
- (vi) Should Mr Wilson exercise the Wilson Options, his interest in the Company will increase to 5.13% (assuming no prior exercise of conversion rights by any other option holder). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 55,000,000 Shares that will be issued on exercise of the Wilson Options.
- (vii) The amount that would be raised by the exercise of all Wilson Options by Mr Wilson is set out as follows:

Options	Number if Shares upon exercise of all Wilson Options	Amount raised
55,000,000 Options at an exercise price of A\$0.04	55,000,000	A\$2,200,000

- (viii) The trading history of the Shares for the preceding 12 month period immediately preceding the lodgment of this Notice with ASIC on 27 October 2009, including the lowest and highest prices and the closing price as at 26 October 2009, is set out as follows:

- Highest \$0.045 9 September 2009

- Lowest: \$0.004 28 October 2008
- The volume weighted average sale price on ASX of the Shares during the 12 months immediately preceding the date of lodgment of this Notice with ASIC was \$0.0204.
- The latest available market sale price of the Shares on ASX prior to the date of lodgment of this Notice with ASIC was \$0.036.

10 Resolution 8 – Issue of Options to Related Party – Mr Michael Atkins

10.1 Background

Legend proposes to issue 5,000,000 Options to Mr Michael Atkins, a Director, subject to the proviso that these Options will lapse if Legend does not proceed to Final Completion in accordance with the provisions of the Share Sale Agreement (**Atkins Options**).

Resolution 8 seeks Shareholder approval for the issue of the Atkins Options, in accordance with Listing Rule 10.11 and Section 208 of the Corporations Act.

10.2 Listing Rule 10.11 approval

Listing Rule 10.11 requires the Company to obtain Shareholder approval in order to issue Shares to a related party (unless an exception in Listing Rule 10.12 applies). Michael Atkins, being a Director, is a related party of the Company for the purposes of Listing Rule 10.11 and no exception applies.

Listing Rule 7.1 also requires the Company to obtain Shareholder approval in order to issue Equity Securities representing more than 15% of the Company's Shares on issue (unless one of the exceptions in Listing Rule 7.2 applies). Exception 14 in Listing Rule 7.2 is an issue made with Shareholder approval under Listing Rule 10.11 and provides that if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

Listing Rule 10.13 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 10.11 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the number of securities to be issued pursuant to Resolution 8 is 5,000,000 Options;
- (b) the issue price of the Options is nil per Option;
- (c) no funds will be raised by the issue of these Options. If the Options are exercised, the funds raised by the exercise of the Options will be applied towards working capital;
- (d) the Options will be issued to Michael Atkins. Michael Atkins is a Director and therefore a related party of the Company;
- (e) it is anticipated that, subject to Shareholder approval, the Options will be issued on one date and in any event no later than 1 month after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the Listing Rules;
- (f) the Options will be subject to the terms and conditions set out in Schedule 5; and
- (g) a voting exclusion statement is included in the Notice.

10.3 Corporations Act Section 208 approval

Section 208 of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless:

- (a) the giving of the financial benefit falls within one of the specified exceptions set out in sections 210 to 216; or
- (b) shareholders approve the giving of the financial benefit.

The issue of the Atkins Options to Michael Atkins is a financial benefit conferred on a related party and it is not entirely certain that the issue of the Atkins Options falls within one of the specified exceptions set out in sections 210 to 216 of the Corporations Act. Accordingly, in the interest of certainty, the Company seeks Shareholder approval to issue the Atkins Options pursuant to section 208 of the Corporations Act.

Under section 218(1)(b) of the Corporations Act, an explanatory statement satisfying section 219 of the Corporations Act must be lodged at ASIC at least 14 days before the Notice of General Meeting is given. Under section 219 of the Corporations Act, the explanatory statement must include certain information, which information is set out below.

- (a) **The related party to whom the proposed resolutions would permit the financial benefit to be given:**

Michael Atkins

- (b) **The nature of the potential financial benefit**

The issue of 5,000,000 Options.

- (c) **In relation to each Director, the Director's recommendation about the proposed resolution and reasons for it (if the Director did not want to make a recommendation or was not available to consider it – why not)**

The Directors (other than Mr Atkins) recommend that Shareholders approve Resolution 8 as they are of the view that the issue of the Atkins Options is appropriate recognition of Mr Atkins' efforts to date, and assists the Company in retaining the services and dedication of Mr Atkins whilst the Company undertakes the Final Completion Conditions Precedent with a view to achieving Final Completion. Further, the issue of Options maintains the Company's cash reserves at a time when there is significant competition for the services of experienced exploration and mining personnel.

The Directors (other than Mr Atkins) considered Mr Atkins' experience, his contribution to the Company and potential future contributions to the Company, the current market price of the Shares and current market practice when determining the terms of the Options and the number of Options to be issued to Mr Atkins.

All Directors were available to consider Resolution 8. The Directors making a recommendation to Shareholders do not have a material personal interest in the outcome of Resolution 8. Mr Atkins abstains from making a recommendation as he has a material personal interest in the outcome of Resolution 8.

- (d) **All other information that is reasonably required by members to make a decision whether it is in the best interests of the Company to pass Resolution 8 that is known to the Company or any of its Directors**

Section 219(2) of the Corporations Act states that an example of this kind of information is information about what, from an economic and commercial view, are the true potential costs and detriments of, or resulting from, giving financial benefits as permitted by the proposed resolution, including opportunity costs, taxation consequences (such as liability to fringe benefits tax) and benefits forgone by whoever would give the benefits.

- (i) The Company will disregard any votes cast on Resolution 8 by Mr Atkins and any Associate of Mr Atkins. However, the Company need not disregard a vote if it is cast by a 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 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.
- (ii) The Company will not loan Mr Atkins money in relation to the issue of the Options.
- (iii) Mr Atkins' fixed remuneration package is A\$66,000 per annum (inclusive of superannuation).
- (iv) An estimate of the value of the Atkins Options is set out in Schedule 6 to this Explanatory Statement.
- (v) Mr Atkins currently holds 1,558,334 Shares and no Options.
- (vi) Should Mr Atkins exercise the Atkins Options, his interest in the Company will increase to 0.3% (assuming no prior exercise of conversion rights by any other option holder). In turn, the remaining Shareholders will have their existing interests diluted in proportion to the additional 5,000,000 Shares that will be issued on exercise of the Atkins Options.
- (vii) The amount that would be raised by the exercise of all Atkins Options by Mr Atkins is set out as follows:

Options	Number if Shares upon exercise of all Wilson Options	Amount raised
5,000,000 Options at an exercise price of A\$0.04	5,000,000	A\$200,000

- (viii) The trading history of the Shares for the preceding 12 month period immediately preceding the lodgment of this Notice with ASIC on 27 October 2009, including the lowest and highest prices and the closing price as at 26 October 2009, is set out as follows:
 - Highest \$0.045 9 September 2009
 - Lowest: \$0.004 28 October 2008
 - The volume weighted average sale price on ASX of the Shares during the 12 months immediately preceding the date of lodgment of this Notice with ASIC was \$0.0204.
 - The latest available market sale price of the Shares on ASX prior to the date of lodgment of this Notice with ASIC was \$0.036.

11 Resolution 9 – Issue of Options to Camina Nominees

11.1 Background

Legend proposes to issue 140,000,000 Options to the Camina Nominees, subject to the proviso that these Options will lapse if Legend does not proceed to Final Completion in accordance with the provisions of the Share Sale Agreement (**Camina Nominee Options**).

Resolution 9 seeks Shareholder approval for the issue of the Camina Nominee Options, in accordance with Listing Rule 7.1.

11.2 Listing Rule 7.1 approval

Listing Rule 7.1 requires the Company to obtain Shareholder approval in order to issue Options representing more than 15% of the Equity Securities on issue (unless one of the exceptions in Listing Rule 7.2 applies). The Company's proposed issue of 140,000,000 Camina Nominee Options falls within this requirement, and none of the exceptions apply.

Listing Rule 7.3 contains certain requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1 and the following information is included in this Explanatory Memorandum for that purpose:

- (a) the number of securities to be issued pursuant to Resolution 9 is 140,000,000 Options;
- (b) the issue price of the Options is NIL per Option;
- (c) no funds will be raised by the issue of these Options. If any Options are exercised, the funds raised by the exercise of the Options will be applied towards working capital.
- (d) it is anticipated that, subject to Shareholder approval, the Options will be issued on one date and in any event no later than 3 months after the date of the Meeting, or such later date as approved by ASX by way of ASX granting a waiver from the Listing Rules;
- (e) the Options will be subject to the terms and conditions set out in Schedule 5; and
- (f) a voting exclusion statement is included in the Notice.

12 Resolution 10 – Approval of new Employee Share Option Plan No.3

12.1 Background

The Company proposes to adopt a new Employee Share Option Plan No.3 pursuant to which the Board may make offers of Options to eligible employees and consultants of the Company in order to provide an incentive to deliver growth and value for the benefit of all Shareholders (**Plan**). If approved, this will replace the Company's existing Employee Share Option Plan No.2, with immediate effect, and will govern all offers, acceptances and issues of Options made under the Plan following the date of the General Meeting. It will not affect Options which have been issued prior to the date of the General Meeting, which will remain governed by Employee Share Option Plan No. 2, approved by Shareholders in general meeting on 15 May 2007.

The Plan differs from the current Employee Share Option Plan No.2 because it does not require all offers and issues of Options to have a 12 month vesting period. This is a significant change in the context of recent proposals by the Federal government to change the tax treatment of options issued under incentive schemes. Removal of the vesting period requirement allows the Board maximum flexibility to make offers of Options on the terms of the Plan as appropriate at the time, having regard to the tax environment which the proposed participants find themselves in when an offer of Options is received from the Company.

The Plan still satisfies certain ASIC class order conditions, relieving the Company from the obligation to issue a prospectus for the offer of Options to participants other than consultants under the Plan. Offers of Options under the Plan which are made to consultants will constitute excluded offers under section 708(12) of the Corporations Act which exempts the Company from the obligation to issue a prospectus. Secondary trading provisions of the Corporations Act require the Company to issue a cleansing notice under section 708A(6) of the Corporations Act within 5 business days of issue of the Shares the subject of exercise of any Option.

12.2 Approval under Exception 9(b) of Listing Rule 7.2

Shareholder approval is sought for the offer and subsequent issue of Options for the purposes of Exception 9(b) of ASX Listing Rule 7.2. If approval is given, Options issued under the Plan will be exempt from counting towards the 15% of the issued capital of the Company which may be issued in any 12 month period without requiring Shareholder approval in advance under ASX Listing Rule 7.1. Shareholder approval will therefore allow the Company to retain maximum flexibility in relation to use of that 15% capacity.

In accordance with Exception 9(b) of Listing Rule 7.2, the following information is provided in relation to the issue of Options under the Plan:

(a) A summary of the terms of the Plan

- (i) The Options are exercisable wholly or in part at any time before 5.00 pm AWST on the last day of the exercise period. Options not exercised by that date shall lapse.
- (ii) Each Option shall entitle the option holder to acquire one fully paid ordinary Share upon payment of the sum of the exercise price specified in the offer accepted by the Participant. The exercise price will be not less than 80% of the average closing sale price of the Shares announced on ASX over the five trading days immediately preceding the date of an offer of Options to the participant.
- (iii) The Options are non-transferable unless to a nominee or otherwise approved by the Board.
- (iv) Each Option may be exercised by notice in writing to the Company at any time before their date of expiry. Any notice of exercise of an Option received by the Company with payment in full of the exercise price will be deemed to be a notice of the exercise of that Option as at the date of receipt.
- (v) Application will not be made to ASX for official quotation of the Options. Application will be made for official quotation of the Shares issued upon exercise of Options.
- (vi) An Option will lapse immediately upon the first to occur of its expiry date or the holder acting fraudulently or dishonestly in relation to the Company, or 30 days after certain conditions associated with a party acquiring a 90% interest in the Shares of the Company.
- (vii) An Option will lapse 30 days after voluntary resignation from employment or engagement by the party to whom an offer of Options was made (whether or not the Options are held by that person or a nominee).
- (viii) An Option will lapse six months after the death, permanent disability or redundancy of the party to whom an offer of Options was made (whether or not the Options are held by that person or a nominee).
- (ix) There are no participating rights or entitlements inherent in the Options and option holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 business days after the issue is announced so as to give option holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.
- (ix) Shares allotted pursuant to the exercise of Options will be allotted following receipt of all the relevant documents and payments and will rank equally with the issued Shares.

- (x) In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder shall be reconstructed in accordance with the Listing Rules.
- (xi) If, from time to time, before the expiry of the Options the Company makes a pro-rata issue of Shares to shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the option holder would have received if the option had been exercised before the date for calculating entitlements to the pro-rata issue.

(b) **The number of securities issued under the Plan since the date of the last approval**

As at the date of this Notice of General Meeting, no Options have been issued to any party under Employee Share Option Plan No.3.

(c) **A voting exclusion statement**

A voting exclusion statement for Resolution 10 is included in the Notice of General Meeting.

Glossary

In the Notice of General Meeting and this Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

A\$ means the lawful currency of Australia.

Accounts means the balance sheet of Camina as at the applicable Accounts Date and the audited profit and loss account of Camina for the year ending on the applicable Accounts Date.

Accounts Date means:

- (a) the First Accounts Date; and
- (b) the Second Accounts Date.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, the Australian Securities Exchange operated by ASX Limited.

Atkins Options is defined in paragraph 10.1 of the Explanatory Statement.

AWST means Australian Western Standard Time.

Camina means Camina SA, a company incorporated in the Republic of Cameroon with registration number RC/YAO/2007/B/3579.

Camina Acquisition means the acquisition by Legend of the Sale Shares or a 90% interest in the Permits, in accordance with the Share Sale Agreement.

Camina Nominees means the entities nominated by Camina.

Camina Nominee Options is defined in paragraph 11.1 of the Explanatory Statement.

Company means Legend Mining Limited ABN 22 060 966 145.

Corporations Act means the *Corporations Act 2001* (Cth).

Deposit Shares is defined in paragraph 2.4(a) of the Explanatory Statement.

Direct Shipping Ore means ore with a minimum Fe content of 60% and that can be sold direct to customers following crushing and screening.

Directors mean the directors of the Company.

Encumbrance means any mortgage, charge, pledge, lien, encumbrance, arrangement for retention of title or other interest having the effect of providing security, whether existing or agreed to be granted or created.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement to this Notice of General Meeting.

Exploration Program means the exploration program to be conducted by Legend on the Permit Area including mapping, aeromagnetic survey and an initial drilling program, such exploration program being undertaken by Legend in accordance with any Mining Code requirements.

First Accounts Date means 31 December 2008.

First Completion means the transactions to be undertaken by Legend described in paragraph 2.3 of the Explanatory Statement.

First Completion Breached Vendor Warranty is defined in paragraph 2.3(a) of the Explanatory Statement.

First Completion Vendor Warranty Certificate is defined in paragraph 2.2(b)(ii) of the Explanatory Statement.

First Drop Dead Date is defined in paragraph 2.2(b) of the Explanatory Statement.

Final Completion means the transactions to be undertaken by Legend under paragraphs 2.11 or 2.12 of the Explanatory Statement.

Final Completion Breached Vendor Warranty is defined in paragraph 2.8(a) of the Explanatory Statement.

Final Completion Conditions Precedent is defined in paragraph 2.6 of the Explanatory Statement.

Final Completion CP Satisfaction Notice is defined in paragraph 2.7(a) of the Explanatory Statement.

Final Completion Notice is defined in paragraph 2.8(b) of the Explanatory Statement.

Final Completion Vendor Due Diligence is defined in paragraph 2.9(a) of the Explanatory Statement.

Final Completion Vendor Due Diligence Period is defined in paragraph 2.9(a) of the Explanatory Statement.

Final Completion Vendor Warranty Certificate is defined in paragraph 2.8(a)(i) of the Explanatory Statement.

Final Drop Dead Date is defined in paragraph 2.5(a) of the Explanatory Statement.

Final Due Diligence Non-Satisfaction Notice is defined in paragraph 2.9(b) of the Explanatory Statement.

Final Due Diligence Satisfaction Notice is defined in paragraph 2.9(b) of the Explanatory Statement.

General Meeting and **Meeting** means the general meeting held pursuant to this Notice of General Meeting.

Government Agency means any government or governmental, semi-governmental, administrative, fiscal, or judicial body, department, commission, authority, tribunal, agency or entity.

HOA means a Heads of Agreement dated 4 September 2009 between Legend, Camina and the Vendors, under which the Vendors agreed to sell the Sale Shares to Legend on the terms set out in that agreement.

JORC Code means the Australasia Code for Reporting Exploration Results, Mineral Resources and Ore Reserves prepared by Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Legend means the Company.

Legend Iron means Legend Iron Limited, a wholly owned subsidiary of Legend, being a company incorporated in the British Virgin Islands.

Listing Rules means the listing rules of ASX.

Minimum Expenditure means all expenditure incurred by Legend (being an amount of not less than A\$1,000,000) with respect to, or in connection with (directly or indirectly), the Exploration Program.

Mining Code means the Mining Code of the Republic of Cameroon (Law no. 1 of 16 April 2001).

New Permit means any future application lodged by Camina for an exploration permit under the Mining Code and which is granted to, and issued in favour of, Camina by the applicable Government Agency.

Notice of General Meeting and Notice means this Notice of General Meeting and includes the Explanatory Statement and Proxy Form.

Option means an American style call option to subscribe for a Share in the Company.

Performance Options (a) means 400 million Options which subject to all necessary approvals by ASX, may be converted to Shares by notice in writing to Legend without further payment if, within 5 years from Final Completion a 250 million tonnes, inferred iron ore resource is estimated by Legend which is in compliance with the JORC Code within the area of the Permits and the Permit Application, which resource must include a minimum of 50 million tonnes of Direct Shipping Ore, which Options are otherwise to be granted on the terms contained in Schedule 3.

Performance Options (b) means 400 million Options, which subject to all necessary approvals by ASX, may be converted to Shares by notice in writing to Legend without further payment if:

- (a) US\$60 million in sales revenue is generated by Legend from mining activity in the areas of the Permits and the Permit Application within 5 years from Final Completion; or
- (b) an inferred iron ore resource of at least 2 billion tonnes, is estimated by Legend which is in compliance with the JORC Code within the area of the Permits and the Permit Application, which resource must include a minimum of 200 million tonnes of Direct Shipping Ore,

which options are otherwise to be granted on the terms contained in Schedule 4.

Permit Application means the application lodged by Camina for the Bijouka exploration permit under the Mining Code.

Permit Area means the area to which the Permits relate.

Permits means:

- (a) the Permit Application (and any permits which are granted as a result of the application);
- (b) the Ngovayang (Permit Number 144) and Mayo Binka (Permit Number 136) exploration permits held by Camina under the Mining Code;
- (c) any New Permit; and
- (d) any permit applied for or granted in renewal, extension or substitution of any such permit described in paragraphs (a), (b) and (c) above.

Plan means the Employee Share Option Plan No.3 the subject of Resolution 10.

Proxy Form means the proxy form attached to this Notice of General Meeting.

Resolution means a resolution contained in this Notice of General Meeting.

Sale Shares means 900 ordinary fully paid shares, representing 90% of all of the issued securities in Camina.

Schedule means a schedule to this Explanatory Statement.

Second Accounts Date means the date that Legend gives notice to Camina and the Vendors that the conditions precedent to Final Completion have been satisfied.

Share means a fully paid ordinary share of the Company ranking equally with all other ordinary shares of the Company.

Share Sale Agreement means the agreement made, or to be made between Legend, Legend Iron, the Vendors, Camina and others under which Camina agrees to sell either 90% of the issued shares in Camina (being the Sale Shares) to Legend Iron or a 90% interest in the Permits to Legend Iron, in accordance with the terms of that agreement.

Shareholder means a shareholder of the Company.

Updated Accounts is defined in paragraph 2.7(b) of the Explanatory Statement.

Vendors means the parties described as the vendors under the Share Sale Agreement, being the parties set out in Schedule 1.

Vendor Options means 200,000,000 Options exercisable by payment of A\$0.04 cents per Option on or before the expiry of 5 years from the date of Final Completion, which Options are otherwise to be granted on the terms contained in Schedule 2.

Vendor Shares means 350,000,000 Shares.

Wilson Options is defined in paragraph 9.1 of the Explanatory Statement.

SCHEDULE 1

Vendors

Vendors (Column 1)	Total Number Of Shares Held By Vendors In Camina (Column 2)
NSAMBA SARL	300
MR NDAM MAMA	130
MR SUH CHEO EMMANUEL,	120
MR NGANSO SUNJI NOUCHA THIERY YVES ROBERT,	100
NEGTEL SARL	80
MR MABOU FRANCIS,	50
MR MAMBOU KAMENI GERALD ARTHUR	50
MRS EDIMA THERESE	50
MR MANJOH JULIUS BIME	50
MS YAMBA NGUEPNANG GAELLE SANDRINE	30
MR ABOMO CHRISTIAN	20
MS MATATSING JOVELINE FLORE	20
Total	1000

SCHEDULE 2

Terms and Conditions

Vendor Options

- 1 Each Option allows the Holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) in accordance with these terms and conditions.
- 2 The exercise price of each Option is A\$0.04 cents (**Exercise Price**).
- 3 If the Holder exercises an Option then the Company must issue a Share to the Holder, free of any Lien, on the terms set out in these Terms and Conditions.
- 4 The Options are exercisable:
 - (a) from time to time prior to 5pm (Perth time) on the date that occurs 5 years from Final Completion (as defined in a share sale agreement dated 27 October 2009 between, among others, the Company, Legend Iron and certain other parties) (**Expiry Date**); and
 - (c) by lodging at the registered office of the Company an exercise notice in the form attached to this certificate (**Exercise Notice**) accompanied by the payment of the purchase price for the Options (being the Exercise Price multiplied by the number of Options the subject of the Exercise Notice, the **Purchase Price**).
- 5 There are no participating rights or entitlements inherent in the Options until those Options are exercised and Shares are issued in accordance with these Terms and Conditions.
- 6 In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company, the Options are to be reorganised in a manner required by the listing rules or regulations of the Australian Securities Exchange (**ASX Listing Rules**) on a reorganisation of capital (irrespective of whether the Company is or is not listed).
- 7 Shares allotted and issued pursuant to the exercise of Options will be allotted and issued by the Company within 10 Business Days after receipt by the Company of both a properly executed Exercise Notice in accordance with paragraph 2 above and payment of the Purchase Price for those Shares. The Company will also issue within this period a replacement Option Certificate to the holder for the balance of any unexercised Options.
- 8 Application will not be made to the Australian Securities Exchange (**ASX**) for official quotation of the Options.
- 9 All Shares issued upon exercise of any Option will rank pari passu in all respects with the Company's then issued Shares and will be entitled to all dividends declared by the board of the Company in respect of shares of the same class as the Shares after the day the Company has received an Exercise Notice and has received all of the Purchase Price.
- 10 The Company will apply within 10 Business Days of the Holder having exercised any Options (or earlier if required by the ASX Listing Rules) for official quotation with the ASX for all Shares issued upon exercise of any such Options.
- 11 The Company will give the Holder at least 14 Trading Days (as that term is defined in the ASX Listing Rules) written notice for any new issues of Shares or other securities of the Company which is being extended to all shareholders of the Company before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules (Record Date).

- 12 The Holder will be entitled to participate in new securities offered to all shareholders in the Company to the extent that it has exercised its Options prior to the Record Date for the new issue.
- 13 If there is a bonus issue to holders of Shares prior to the Expiry Date, the number of Shares over which Options are exercisable will be increased in accordance with ASX Listing Rule 6.22.3.
- 14 In the event of a pro-rata issue of capital of the Company (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares over which the Options exist and the Exercise Price for each Option will be adjusted in accordance with the ASX Listing Rules.
- 15 To the extent that any provision of this Option certificate (or any replacement certificate) is inconsistent or different in any way from any provision of the ASX Listing Rules in respect of options to subscribe for ordinary shares in companies listed on the ASX, the ASX Listing Rules prevail.
- 16 The Options are transferable of the Holder.

SCHEDULE 3

Terms and Conditions

Performance Options (a)

Expressions used in these Terms and Conditions that are defined in the share sale agreement dated 27 October 2009 (between, among others, the Company, Legend Iron and certain other parties relating to the acquisition by Legend Iron of shares in Camina SA, bear the defined meanings.

- 1 Each Option allows the Holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) in accordance with these terms and conditions.
- 2 The exercise price of each Option is Nil.
- 3 If the Holder exercises an Option then the Company must issue a Share to the Holder, free of any Encumbrance, on the terms set out in these Terms and Conditions.
- 4 The Options are exercisable:
 - (a) at any time within 5 years from Final Completion (**Expiry Date**) following receipt by the Holder of a written notice from the Company that the Company has established that there is a 250 million tonnes inferred iron ore resource which is in compliance with the JORC Code within the area of the Permits and the Permit Application, including a minimum of 50 million tonnes of Direct Shipping Ore (**Resource Notice 1**); and
 - (b) by lodging at the registered office of the Company an exercise notice in the form attached to this certificate (**Exercise Notice**).

For the avoidance of doubt, the Options are not exercisable unless and until the Holder receives a Resource Notice from the Company and if Resource Notice 1 has not been received prior to the Expiry Date, then the Options are of no effect.

- 5 There are no participating rights or entitlements inherent in the Options until those Options are exercised and Shares are issued in accordance with these Terms and Conditions.
- 6 In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company, the Options are to be reorganised in a manner required by the listing rules or regulations of the Australian Securities Exchange (**ASX Listing Rules**) on a reorganisation of capital (irrespective of whether the Company is or is not listed).
- 7 Shares allotted and issued pursuant to the exercise of Options will be allotted and issued by the Company within 10 Business Days after receipt by the Company of both a properly executed Exercise Notice in accordance with paragraph 2 above and payment of the Purchase Price for those Shares. The Company will also issue within this period a replacement Option Certificate to the holder for the balance of any unexercised Options.
- 8 Application will not be made to the Australian Securities Exchange (**ASX**) for official quotation of the Options.
- 9 All Shares issued upon exercise of any Option will rank pari passu in all respects with the Company's then issued Shares and will be entitled to all dividends declared by the board of the Company in respect of shares of the same class as the Shares after the day the Company has received an Exercise Notice and has received all of the Purchase Price.

- 10 The Company will apply within 10 Business Days of the Holder having exercised any Options (or earlier if required by the ASX Listing Rules) for official quotation with the ASX for all Shares issued upon exercise of any such Options.
- 11 The Company will give the Holder at least 14 Trading Days (as that term is defined in the ASX Listing Rules) written notice for any new issues of Shares or other securities of the Company which is being extended to all shareholders of the Company before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules (Record Date).
- 12 The Holder will be entitled to participate in new securities offered to all shareholders in the Company to the extent that it has exercised its Options prior to the Record Date for the new issue.
- 13 If there is a bonus issue to holders of Shares prior to the Expiry Date, the number of Shares over which Options are exercisable will be increased in accordance with ASX Listing Rule 6.22.3.
- 14 In the event of a pro-rata issue of capital of the Company (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares over which the Options exist and the Exercise Price for each Option will be adjusted in accordance with the ASX Listing Rules.
- 15 To the extent that any provision of this Option certificate (or any replacement certificate) is inconsistent or different in any way from any provision of the ASX Listing Rules in respect of options to subscribe for ordinary shares in companies listed on the ASX, the ASX Listing Rules prevail.
- 16 The Options are not transferable of the Holder.

SCHEDULE 4

Terms and Conditions

Performance Options (b)

Expressions used in these Terms and Conditions below that are defined in the share sale agreement dated 27 October 2009 (between, among others, the Company, Legend Iron and certain other parties relating to the acquisition by Legend Iron of shares in Camina SA, bear the defined meanings.

- 1 Each Option allows the Holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) in accordance with these terms and conditions.
- 2 The exercise price of each Option is nil.
- 3 If the Holder exercises an Option then the Company must issue a Share to the Holder, free of any Lien, on the terms set out in these Terms and Conditions.
- 4 The Options are exercisable:
 - (a) at any time within 5 years from Final Completion (**Expiry Date**) following receipt by the Holder of a written notice from the Company that it has:
 - (i) generated US\$60 million in sales revenue from mining activity in the areas of the Permits and the Permit Application (**Revenue Notice**); or
 - (ii) established that there is an inferred iron ore resource of at least 2 billion tonnes which is in compliance with the JORC Code within the area of the Permits and the Permit Application, including a minimum of 200 million tonnes of Direct Shipping Ore (**Resource Notice 2**); and
 - (b) by lodging at the registered office of the Company an exercise notice in the form attached to this certificate (**Exercise Notice**).

For the avoidance of doubt, the Options are not exercisable unless and until the Holder receives a Revenue Notice or a Resource Notice 2 from the Company and if that Revenue Notice or Resource Notice 2 has not been received prior to the Expiry Date, then the Options are of no effect.

- 5 There are no participating rights or entitlements inherent in the Options until those Options are exercised and Shares are issued in accordance with these Terms and Conditions.
- 6 In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company, the Options are to be reorganised in a manner required by the listing rules or regulations of the Australian Securities Exchange (**ASX Listing Rules**) on a reorganisation of capital (irrespective of whether the Company is or is not listed).
- 7 Shares allotted and issued pursuant to the exercise of Options will be allotted and issued by the Company within 10 Business Days after receipt by the Company of both a properly executed Exercise Notice in accordance with paragraph 2 above and payment of the Purchase Price for those Shares. The Company will also issue within this period a replacement Option Certificate to the holder for the balance of any unexercised Options.
- 8 Application will not be made to the Australian Securities Exchange (**ASX**) for official quotation of the Options.

- 9 All Shares issued upon exercise of any Option will rank pari passu in all respects with the Company's then issued Shares and will be entitled to all dividends declared by the board of the Company in respect of shares of the same class as the Shares after the day the Company has received an Exercise Notice and has received all of the Purchase Price.
- 10 The Company will apply within 10 Business Days of the Holder having exercised any Options (or earlier if required by the ASX Listing Rules) for official quotation with the ASX for all Shares issued upon exercise of any such Options.
- 11 The Company will give the Holder at least 14 Trading Days (as that term is defined in the ASX Listing Rules) written notice for any new issues of Shares or other securities of the Company which is being extended to all shareholders of the Company before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules (Record Date).
- 12 The Holder will be entitled to participate in new securities offered to all shareholders in the Company to the extent that it has exercised its Options prior to the Record Date for the new issue.
- 13 If there is a bonus issue to holders of Shares prior to the Expiry Date, the number of Shares over which Options are exercisable will be increased in accordance with ASX Listing Rule 6.22.3.
- 14 In the event of a pro-rata issue of capital of the Company (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares over which the Options exist and the Exercise Price for each Option will be adjusted in accordance with the ASX Listing Rules.
- 15 To the extent that any provision of this Option certificate (or any replacement certificate) is inconsistent or different in any way from any provision of the ASX Listing Rules in respect of options to subscribe for ordinary shares in companies listed on the ASX, the ASX Listing Rules prevail.
- 16 The Options are not transferable of the Holder.

SCHEDULE 5

Terms and Conditions Wilson Options, Atkins Options and Camina Nominee Options

Expressions used in these Terms and Conditions that are defined in the share sale agreement dated 27 October 2009 (between, among others, the Company, Legend Iron and certain other parties relating to the acquisition by Legend Iron of shares in Camina SA, bear the defined meanings.

- 1 Each Option allows the Holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) in accordance with these terms and conditions.
- 2 The exercise price of each Option is A\$0.04 cents (**Exercise Price**).
- 3 If the Holder exercises an Option then the Company must issue a Share to the Holder, free of any Lien, on the terms set out in these Terms and Conditions.
- 4 The Options are exercisable:
 - (a) from time to time prior to 5pm (Perth time) on the date that occurs 5 years from Final Completion (as defined in a share sale agreement dated 27 October 2009 between, among others, the Company, Legend Iron and certain other parties) (**Expiry Date**); and
 - (b) by lodging at the registered office of the Company an exercise notice in the form attached to this certificate (**Exercise Notice**) accompanied by the payment of the purchase price for the Options (being the Exercise Price multiplied by the number of Options the subject of the Exercise Notice, the **Purchase Price**).
- 5 There are no participating rights or entitlements inherent in the Options until those Options are exercised and Shares are issued in accordance with these Terms and Conditions.
- 6 In the event of any reorganisation (including consolidation, subdivision, reduction, cancellation or return) of the issued capital of the Company, the Options are to be reorganised in a manner required by the listing rules or regulations of the Australian Securities Exchange (**ASX Listing Rules**) on a reorganisation of capital (irrespective of whether the Company is or is not listed).
- 7 Shares allotted and issued pursuant to the exercise of Options will be allotted and issued by the Company within 10 Business Days after receipt by the Company of both a properly executed Exercise Notice in accordance with paragraph 2 above and payment of the Purchase Price for those Shares. The Company will also issue within this period a replacement Option Certificate to the holder for the balance of any unexercised Options.
- 8 Application will not be made to the Australian Securities Exchange (**ASX**) for official quotation of the Options.
- 9 All Shares issued upon exercise of any Option will rank pari passu in all respects with the Company's then issued Shares and will be entitled to all dividends declared by the board of the Company in respect of shares of the same class as the Shares after the day the Company has received an Exercise Notice and has received all of the Purchase Price.
- 10 The Company will apply within 10 Business Days of the Holder having exercised any Options (or earlier if required by the ASX Listing Rules) for official quotation with the ASX for all Shares issued upon exercise of any such Options.

- 11 The Company will give the Holder at least 14 Trading Days (as that term is defined in the ASX Listing Rules) written notice for any new issues of Shares or other securities of the Company which is being extended to all shareholders of the Company before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules (Record Date).
- 12 The Holder will be entitled to participate in new securities offered to all shareholders in the Company to the extent that it has exercised its Options prior to the Record Date for the new issue.
- 13 If there is a bonus issue to holders of Shares prior to the Expiry Date, the number of Shares over which Options are exercisable will be increased in accordance with ASX Listing Rule 6.22.3.
- 14 In the event of a pro-rata issue of capital of the Company (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Shares over which the Options exist and the Exercise Price for each Option will be adjusted in accordance with the ASX Listing Rules.
- 15 To the extent that any provision of this Option certificate (or any replacement certificate) is inconsistent or different in any way from any provision of the ASX Listing Rules in respect of options to subscribe for ordinary shares in companies listed on the ASX, the ASX Listing Rules prevail.
- 16 The Options are transferable of the Holder.

SCHEDULE 6

Estimate of the Value of the Wilson Options and the Atkins Options

An estimate of the value of the Options that are proposed to be granted to Mark Wilson, Michael Atkins and the Camina Nominees on the terms and conditions set out in Schedule 5 (pursuant to the passing of Resolutions 7, 8 and 9 respectively) using the Black Scholes Option Pricing Model has been calculated as set out below:

Number of Options	Exercise price and expiry date	Estimated Value A\$
55,000,000 Wilson Options	A\$0.04 exercise price expiring 5 years from Final Completion (as defined in a share sale agreement dated 27 October 2009 between, among others, the Company. Legend Iron and certain other parties)	\$1,268,850
5,000,000 Atkins Options	A\$0.04 exercise price expiring 5 years from Final Completion (as defined in a share sale agreement dated 27 October 2009 between, among others, the Company. Legend Iron and certain other parties)	\$115,350
140,000,000 Camina Nominee Options	A\$0.04 exercise price expiring 5 years from Final Completion (as defined in a share sale agreement dated 27 October 2009 between, among others, the Company. Legend Iron and certain other parties)	\$3,229,800
200,000,000		\$4,614,000

The estimated value of the Options was calculated using the following assumptions:

1. The Black Scholes option valuation methodology has been used.
2. The date of the valuation is as at 26 October 2009. The Options will need to be formally valued for A-IFRS purposes following Shareholder approval.
3. The market price of a fully paid Legend share as quoted on the ASX as at close of business on 26 October 2009 is 3.6 cents.
4. The exercise prices of the Options are 4 cents each but may only be exercised in the event that Legend exercises its right to acquire 90% of the Cameroon Iron Ore Project from Camina SA. In fact the Options will lapse if the option to acquire a 90% interest in the Project is not exercised at the conclusion of the 12 month Exploration Program.
5. The Options expire 5 years after issue date.
6. A risk free rate is approximately 5.57% for the 5 year Options.
7. Over the past 12 months to 26 October 2009 the Shares on relatively thin trading have traded between 0.5 cents and 4.5 cents for a simple volatility from the low of 800%. Over the past four months the Shares have traded between 1.6 cents and 4.5 cents (on one day only on 9 September 2009) (181% simple volatility). The annualised volatility using an option volatility calculator for the 12 months to 26 October 2009 is approximately 150.65%. For the purposes of a Notice of General Meeting, we have used the annualised volatility of 150.65%. The actual

volatility rate to be used at the dated the options are issued may be different (and the share price of a Legend share may be different).

8. The valuation noted below is not necessarily the market price that the Options could be traded at and it is not the market price for taxation purposes. The recipients of the Options should seek their own tax advice as to the tax treatment of receiving Options in Legend and the value for taxation purposes.
9. A 30% discount has been applied for the Options not being listed on the ASX and therefore not freely tradable. Anecdotal evidence indicates that discounts of 20% to 50% for share options not being listed and freely transferable are used to discount the technical valuations arrived at under either Binomial or Black Scholes. The Options do not vest unless the Company exercises its option to acquire a 90% interest in the Cameroon Iron Ore Project from Camina SA. No discount has been applied to reflect the vesting conditions as under IFRS, no discount is applied to non market based vesting conditions.

Based on the above assumptions the technical value of one Option is approximately 2.307 cents (3.296 cents prior to the discount). Thus the value of 200,000,000 Options is approximately \$4,614,000 (\$6,592,000 without a discount to reflect the unlisted status of the Options).

The above valuation was externally prepared by Stantons International Securities on 26 October 2009.

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PROXY FORM

Legend Mining Limited ABN 22 060 966 145

I/We (name of shareholder) _____

of (address) _____

being a member/members of Legend Mining Limited entitled to attend and vote at the General Meeting HEREBY APPOINT

(name) _____

or failing that person or, if no person is named, the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting of the Company to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 4 December 2009 at 11.00 am AWST and at any adjournment of the meeting.

Voting directions to your proxy – please mark to indicate your directions.

Resolution	For	Against	Abstain*
1. Approval of significant transaction: Camina Acquisition			
2. Issue of Deposit Shares to the Vendors or their nominees			
3. Issue of Vendor Shares to the Vendors or their nominees			
4. Issue of Vendor Options to the Vendors or their nominees			
5. Issue of Performance Options (a) to the Vendors or their nominees			
6. Issue of Performance Options (b) to the Vendors or their nominees			
7. Issue of Options to Related Party – Mr Mark Wilson			
8. Issue of Options to Related Party – Mr Michael Atkins			
9. Issue of Options to Camina Nominees			
10. Approval of new Employee Share Option Plan No.3			

OR

In relation to the Resolutions, if the Chairman of the General Meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of the Resolutions, please place a mark in the box.

By marking this box, you acknowledge that the Chairman of the General Meeting may exercise your proxy even if he has an interest in the outcome of the Resolutions and that votes cast by the Chairman of the General Meeting for those resolutions other than as 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 Chairman will not cast your votes on the Resolutions and your votes will not be counted in calculating the required majority if a poll is called on the Resolutions.

If a Shareholder appoints the Chairman of the General Meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of the item on a poll.

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxies must be allocated a proportion of the Shareholder's voting rights (by inserting the percentage in the appropriate box on the form). If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
 2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
 3. A proxy may decide whether to vote on any motion or resolution, except where the proxy is required by law or the appointing company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as he or she thinks fit. If a Shareholder appoints the Chairman of the General Meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of the item on a poll.
 4. The Chairman of the General Meeting will be Mr Michael Atkins.
 5. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - (i) two directors of the company;
 - (ii) a director and the company secretary of the company; or
 - (iii) for a proprietary company that has a sole director who is also the sole company secretary – that director.
- For the company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
6. Completion of a proxy form will not prevent individual Shareholders from attending the General Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the General Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the shareholder is present at the General Meeting.
 7. Where a proxy form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this proxy.
 8. To vote by proxy, please complete and sign the proxy form enclosed and either:
 - (i) return the proxy form by personal delivery or courier to Legend Mining Limited, Level 2, 640 Murray Street, West Perth, WA 6005;
 - (ii) send the proxy form by post to Legend Mining Limited, P.O Box 626, West Perth WA 6872; or

- (iii) send the proxy form by facsimile to Legend Mining Limited on facsimile number (08) 9212 0611 (or international +61 8 212 0611),

so that it is received not later than 11.00 am on 2nd December 2009.

Proxy forms received later than this time will be invalid.