

LEGEND MINING LIMITEDASX Symbol: **LEG**

ABN 22 060 966 145

Level 2, 640 Murray Street

West Perth

Western Australia 6005

PO Box 626

West Perth

Western Australia 6872

Phone: +61 8 9212 0600

Facsimile: +61 8 9212 0611

Email:

legend@legendmining.com.au

Website:

www.legendmining.com.au**CONTACT**

Mr Mark Wilson

Managing Director

Mr Derek Waterfield

Executive Director Technical

PROJECTS**Cameroon:** Iron Ore, Gold**HIGHLIGHTS**

- **Gold focussed stream sediment sampling identifies three priority target areas from pan concentrate samples.**
- **Assays from stream sediment sampling for fine and coarse fractions expected shortly.**
- **Samples of drillcore from three holes at Melombo East submitted for metallurgical testwork.**
- **Cash and liquids of circa \$14M.**

OVERVIEW

The focus of fieldwork at the Ngovayang Project during the quarter was a stream sediment sampling programme, designed to evaluate the gold potential at the project. A total of 231 stream sediment samples were collected and visual analysis of gold grains in pan concentrates were conducted in the field and back in the field office using a binocular microscope. The visual analysis ("gold particle count") resulted in the identification of three priority target areas. Fine (-2mm) and coarse (+2mm -6mm) fractions from each sample were sent for laboratory analysis, with results expected shortly. These assay results along with the pan concentrate data will determine the prioritisation of follow up work programmes and should also give a lead as to the origin of the gold.

Furthermore, upon advice of Golder Associates, samples of the mineralised sections of three drillholes from the Melombo East magnetite prospect were submitted for metallurgical testwork. These results will provide valuable input as to the quality of the magnetite, with results expected in late February.

Meanwhile the company is continuing its search for suitable partners for the Ngovayang Iron Ore Project.

The appointment during the quarter of Mr Derek Waterfield as Executive Director-Technical highlights the priority of Western Australian project generation.

1. CAMEROON PROJECT

The Cameroon Project comprises three granted exploration permits covering an area of approximately 2,970km² and is considered prospective for iron ore and gold.

Gold Exploration

Stream sediment samples were collected from 231 drainage points located on the southeastern side of the Ngovayang Range during the December quarter, see Figure 1. The sampled area straddles a wide NE-SW trending regional shear corridor with associated granitoid intrusives, and contains several small scale artisanal alluvial gold workings. At each sample point a pan concentrate sample was collected for gold grain count and observation, along with a bulk sample which was sieved into a “fine” -2mm fraction and a “coarse” +2mm - 6mm fraction. The sieved fractions were submitted for gold analysis and an extensive multi-element suite. Complete final results are expected shortly.

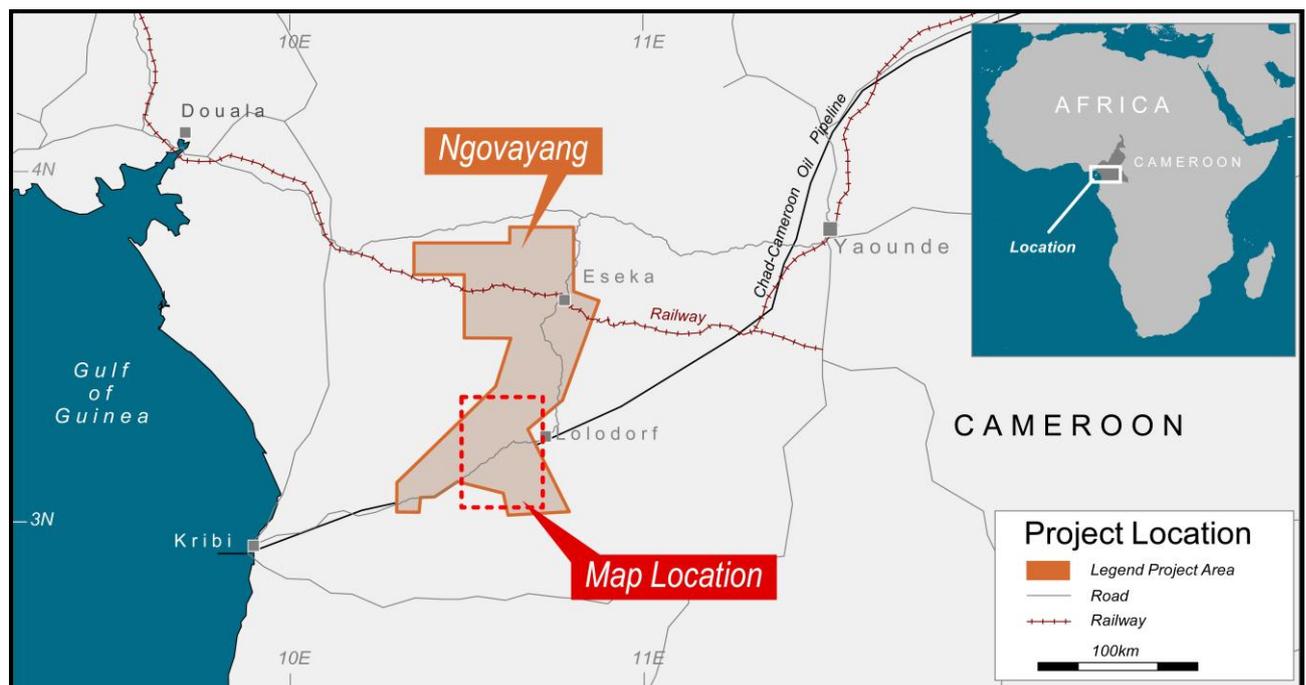


Figure 1: Cameroon project location – Showing gold sampling area

Pan Concentrate Results

The pan concentrate sampling has identified three priority targets where “clusters” of samples containing anomalous numbers of relatively coarse (up to 2.4mm) gold grains have been observed, see Figure 2. The significance of these results will not be fully known until gold and multi-element assays from the “fine” (-2mm) and “coarse” (+2mm -6mm) fractions are returned, however are considered highly encouraging for first pass sampling.

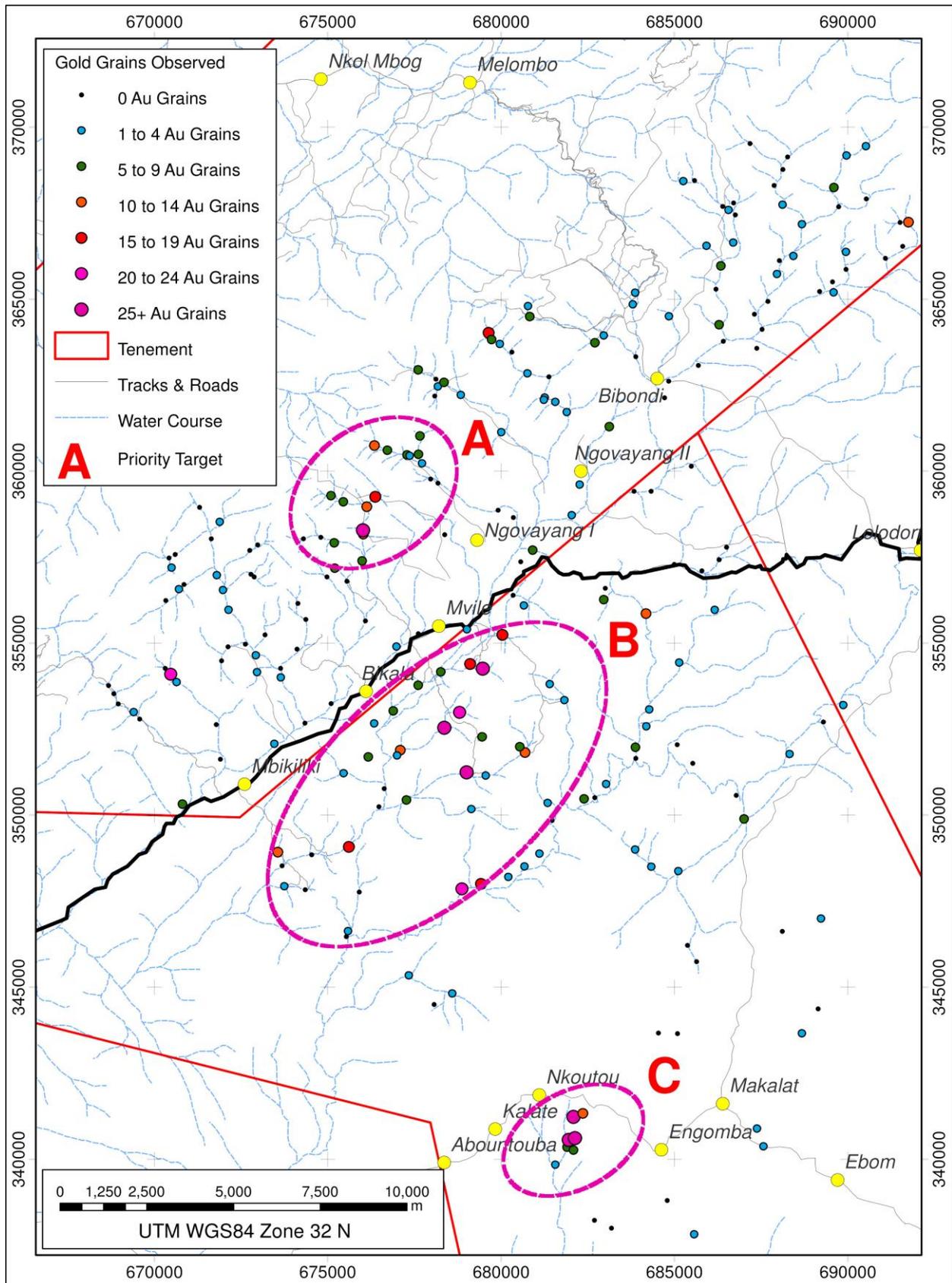


Figure 2: Pan concentrate locations – Number of gold grains and priority targets

Figure 2 shows the location of the 231 pan concentrate samples with the number of gold grains observed in the samples. Twenty five of the 62 samples taken from the priority areas contained more than 10 grains of gold, while a maximum of 137 gold grains was observed in a sample. The gold grains observed under the binocular microscope ranged in size from 0.1 to 2.4mm, with grain shapes predominantly angular to sub-rounded, see Photo 1. The angular to sub-rounded grain shape suggests that the grains have not been transported far and may be proximal to the gold source.

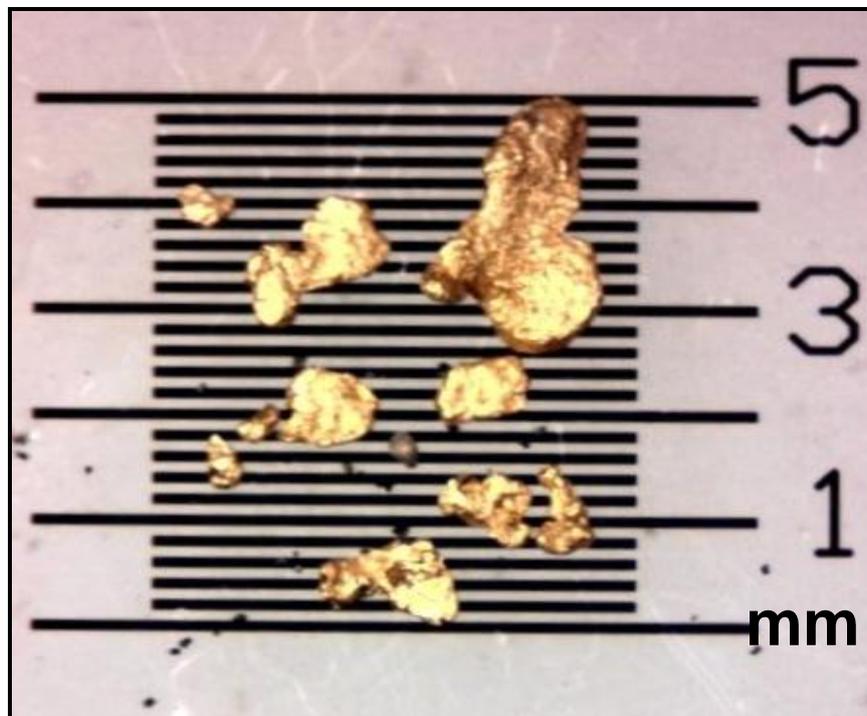


Photo 1: Close up of gold grains, note largest grain 2.4mm - Sample no. 587674

Sampling Methodology

At each sample location, multiple sites within the active portion of the stream were identified and approximately 15-20kg of material from each site was collected and panned down to a heavy mineral concentrate of 5-50g, see Photos 2 & 3. An in-field observation of the multiple pan concentrate samples was then undertaken and the presence (or absence) and number of gold grains in the “best” sample recorded. A second more detailed count of all samples with greater than 10 gold grains was then undertaken in the field office using a high powered binocular microscope.



Photo 2: Field crew panning stream sediment samples



Photo 3: Gold grains in heavy mineral pan concentrate - Sample no. 587674

As well as a pan concentrate sample, at each sample site a 10kg bulk sample was collected and sieved into a “fine” -2mm fraction and a “coarse” +2mm to -6mm fraction. These sieved samples comprised 1 to 5kg of material, and have been submitted for gold analysis along with a multi-element suite. All assay results from the sieved fractions (462 samples) are expected shortly. These results will be used in conjunction with the pan concentrate data to assist with the assessment of the origin of the gold and help define and prioritise the follow up work programme.

Follow-up Programme

Systematic follow-up of all anomalous results will involve a combination of:

- Additional stream sediment sampling to better define anomalous streams,
- Geological mapping of streams and anomalous catchments,
- Soil and rockchip sampling.

Melombo East – Metallurgical Testwork

Following the completion of Phase 1 drilling at Melombo East and a comprehensive review of the results by Golder Associates, drillcore samples of the mineralised section from three drillholes (DH044, 058, 061) were submitted to Amdel for metallurgical testwork, see Figure 3.

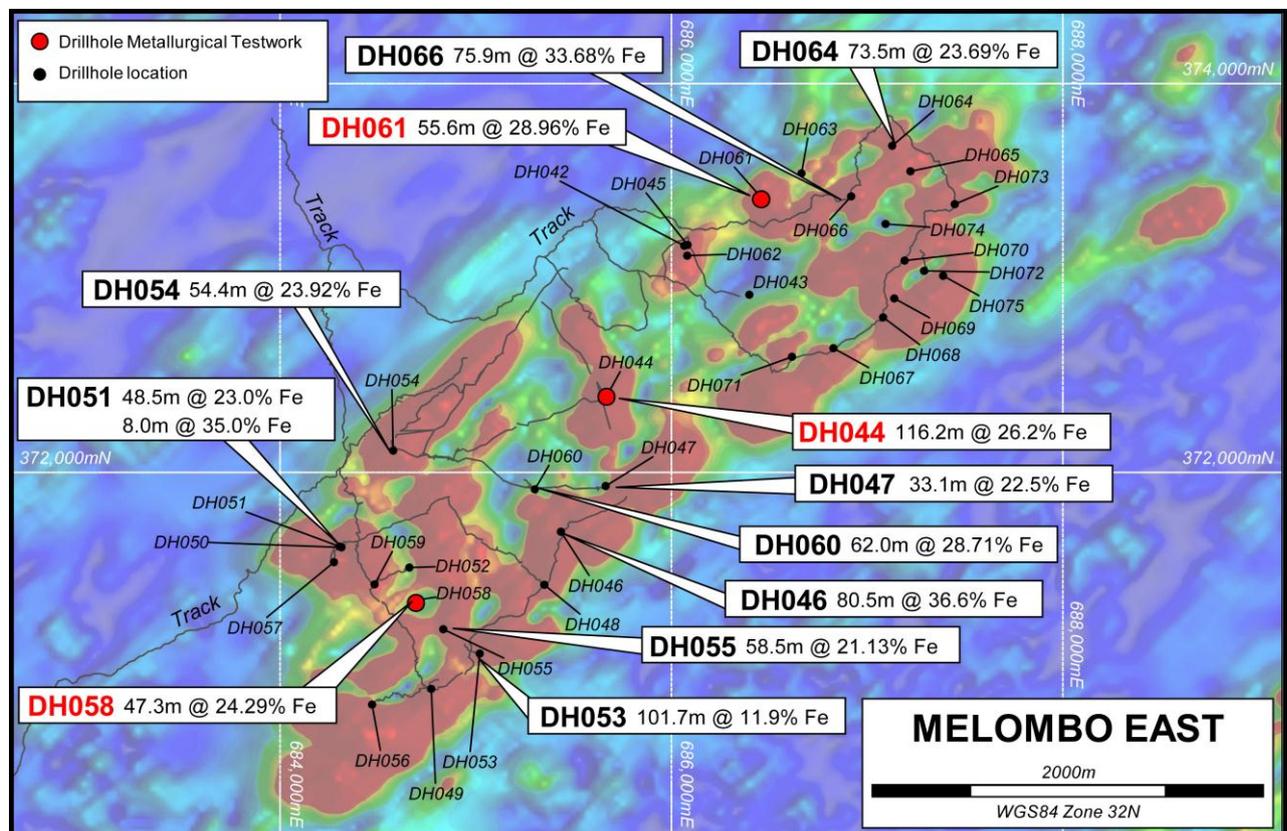


Figure 3: Melombo East - Metallurgical testwork drillholes over aeromagnetics

The drillholes are considered representative of the magnetite mineralisation observed at Melombo East and were selected based on a combination of iron grade, intersection thickness and location within the prospect. The testwork will provide information on the optimum grind size for the magnetite and Davis Tube Recovery (DTR) analyses, which can be included in future optimisation studies. Results from this testwork are expected in late February.

2. CORPORATE

Share Buy-Back

A total of 26,673,876 shares were purchased under the share buy-back during the December 2012 quarter. The total consideration for these purchases was \$482,770.51.

Director Share Purchases

Mr Michael Atkins, Chairman (3 million) and Mr Mark Wilson, Managing Director (10 million) purchased a total of 13 million Legend shares in on market transactions on 19 November 2012.

New Board Appointment

Mr Derek Waterfield was appointed to the board of the company on 1 November 2012 as Executive Director–Technical. His first priority is project generation and/or acquisition in Western Australia.

Competent Persons Statements

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

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

For more information:

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

Mr Derek Waterfield
Executive Director - Technical
Ph: (08) 9212 0600