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## JUNE 2012 QUARTERLY REPORT

23 JULY 2012

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### LEGEND MINING LIMITED

ASX 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](mailto:legend@legendmining.com.au)

[www.legendmining.com.au](http://www.legendmining.com.au)

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### CONTACT

Mr Mark Wilson

Managing Director

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### PROJECTS

**Cameroon:** iron ore, gold

### HIGHLIGHTS

- **New track mounted rig commissioned, increased drilling productivity expected in future.**
- **21 holes of 29 hole programme at Plateau completed.**
- **Significant magnetite intercepts encountered and assays from 7 holes awaited.**
- **Final assays from Melombo East Phase 1 drilling reported. Phase 2 programme to commence in September 2012.**
- **Pilbara Project sale completed. Legend now holds 12.5% of Artemis.**
- **Cash and liquids at end of quarter +\$17M.**

### OVERVIEW

The new track mounted rig (see photo page 5) arrived in Cameroon mid June and was immediately mobilised to the Plateau target area. A commissioning team from the South African supplier flew to Cameroon and the last three holes for the quarter were drilled with this rig. It is expected that due to the greater all round capacity of the rig that drilling productivity will increase and deeper drilling will be possible in areas of interest.

Three quarters of the designed programme at Plateau were completed during the quarter with seven holes sent for assay. These assays will be reported once received.

Once the Plateau Phase 1 drilling programme is completed, the rig and crew will be mobilised to Melombo East to carry out Phase 2 drilling at that target. This 20 hole programme is designed to test the grade/thickness continuity identified in the earlier programme.

On the West Australian front, the loose ends of the Mt Gibson and Gidgee Project sales were tidied up and the sale of the Pilbara Project to Artemis Resources Ltd (ASX:ARV) was completed resulting in Legend becoming a 12.5% shareholder in Artemis.

## 1. CAMEROON PROJECT

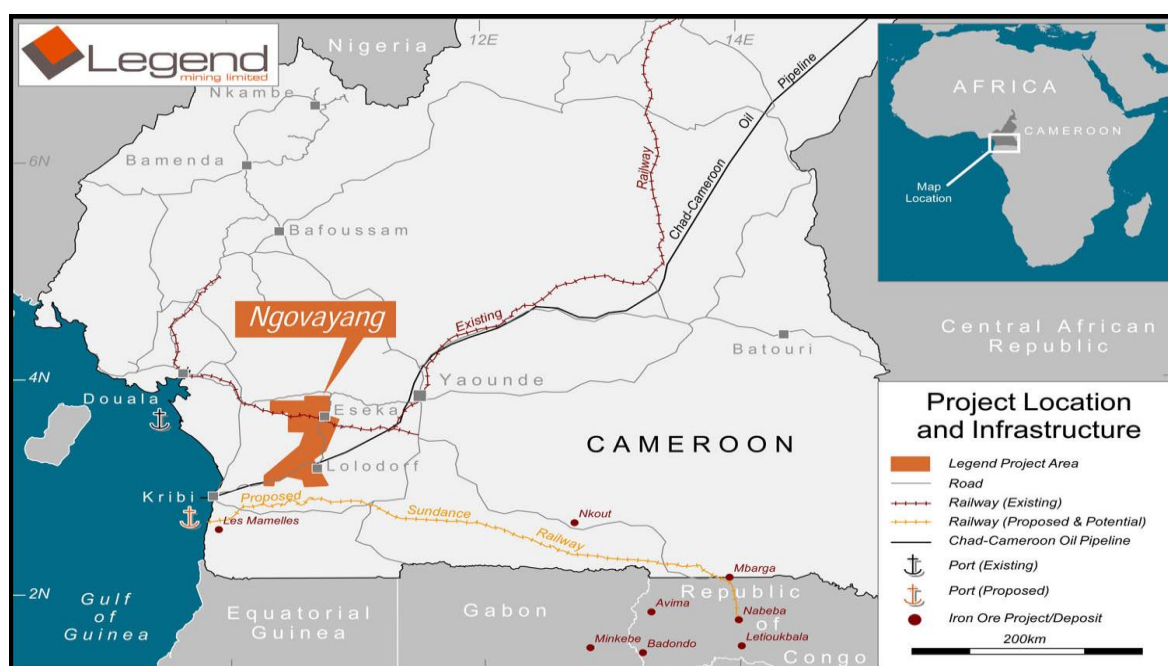
The Cameroon Project comprises three granted exploration permits covering an area of approximately 2,970km<sup>2</sup> and is considered prospective for iron ore and gold, see Figure 1. Magnetite-gneiss ore has been identified as the primary source of iron ore at the project.

### *Posco MOU*

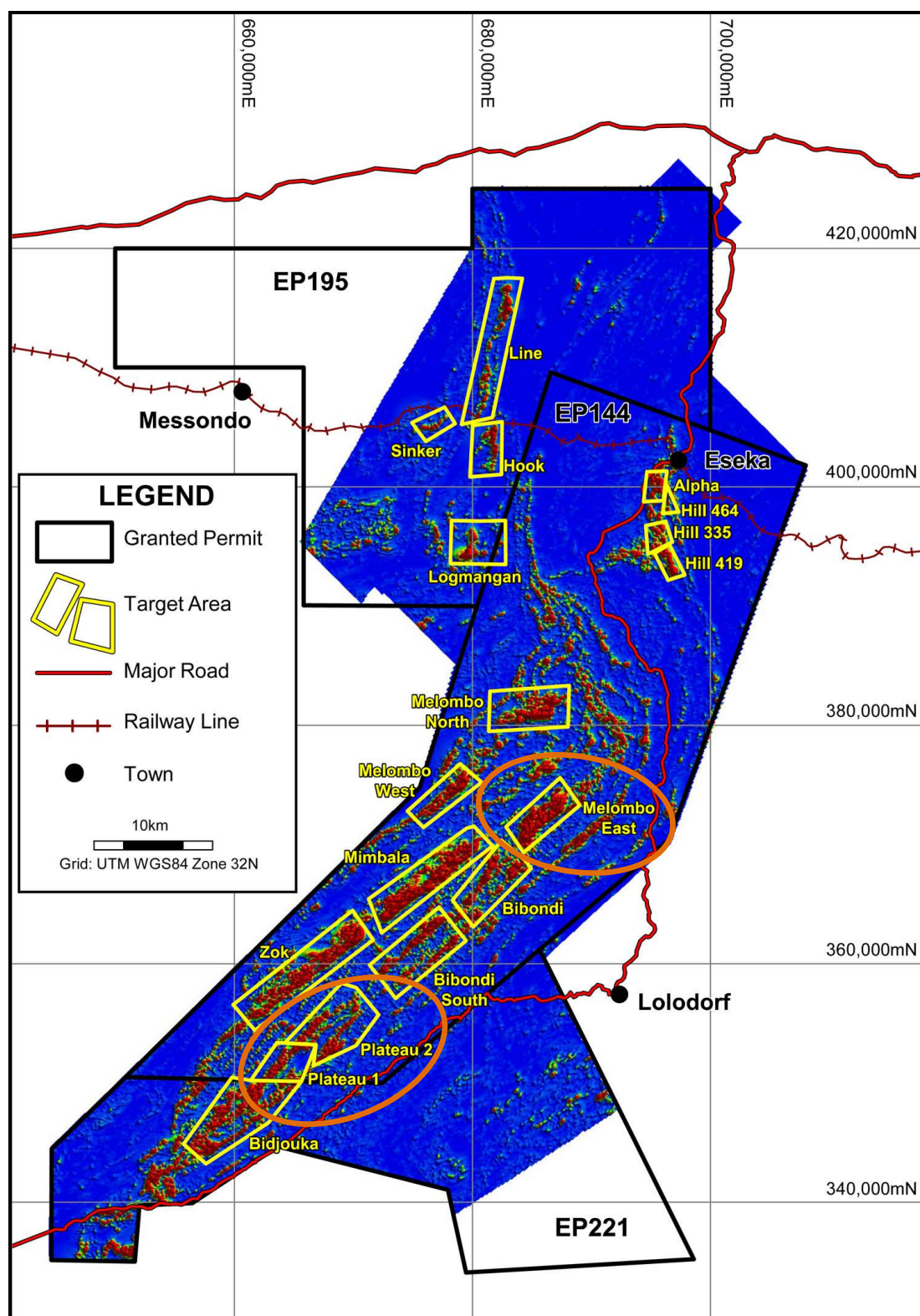
Legend and POSCO Africa (Pty) Ltd (“POSCO”) signed a MOU on 15 February 2012 by which the parties have agreed to use best endeavours and co-operate to negotiate and agree an exploration joint venture in relation to Legend’s Ngovayang iron ore project in Cameroon. These negotiations are continuing with legal advisors from both parties involved in Joint Venture draft documentation.

### *Drilling Ongoing*

Diamond drilling continued during the June quarter with a total of 21 holes (DH076-096) completed at the Plateau Prospect. Eighteen of these holes were completed with the man portable rigs, while holes DH094-096 were drilled with Legend’s new track mounted diamond drilling rig which arrived on site on 19 June. This rig has more power and greater depth penetration than the man portable rigs and will be a valuable asset in evaluating the iron potential at depth throughout the Project.



**Figure 1: Cameroon Project Location and Infrastructure**



**FIGURE 2: Ngovayang Project - Target Areas over Aeromagnetic Image  
(Analytical Signal of Total Magnetic Intensity)**

## Melombo East

Assay results from the last seven drill holes from the Phase 1 diamond drilling programme at Melombo East, which comprised 34 holes (DH042-075) for a total of 2,349.25m, were received during the quarter. A summary of the results from the seven drillholes (DH054, 55, 58, 60, 61, 64, 66) are presented in Table 1 below. Full drillhole details and returned assay results for Melombo East are given in Figure 3 and Appendices 1 and 2.

Table 1: Melombo East – Diamond Drillhole Results								
Hole	From	To	Int	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	LOI%
DH054	1.2	32.2	31.0	25.80	44.19	10.24	0.070	4.23
Incl.	20.5	32.2	11.7	32.59	48.27	1.53	0.111	-0.01
DH054	46.1	100.5 EOH	<b>54.4</b>	<b>23.92</b>	50.17	6.41	0.062	0.01
Incl.	58.7	100.5 EOH	<b>41.8</b>	<b>26.78</b>	47.84	5.15	0.069	0.01
DH055	1.2	19.7	18.5	25.22	40.72	13.62	0.064	7.35
	42.0	100.5 EOH	<b>58.5</b>	<b>21.13</b>	52.75	8.02	0.078	0.01
DH058	1.3	10.4	9.1	23.17	35.07	18.74	0.057	11.54
	49.5	96.8	<b>47.3</b>	<b>24.29</b>	51.60	6.36	0.072	-0.01
DH060	42.9	104.9 EOH	<b>62.0</b>	<b>28.71</b>	48.41	4.29	0.084	0.01
DH061	1.3	56.9	<b>55.6</b>	<b>28.96</b>	45.33	6.52	0.078	2.32
DH064	27.0	100.5 EOH	<b>73.5</b>	<b>23.69</b>	48.40	6.70	0.083	0.06
DH066	1.2	77.1 EOH	<b>75.9</b>	<b>33.68</b>	39.70	3.96	0.087	0.77

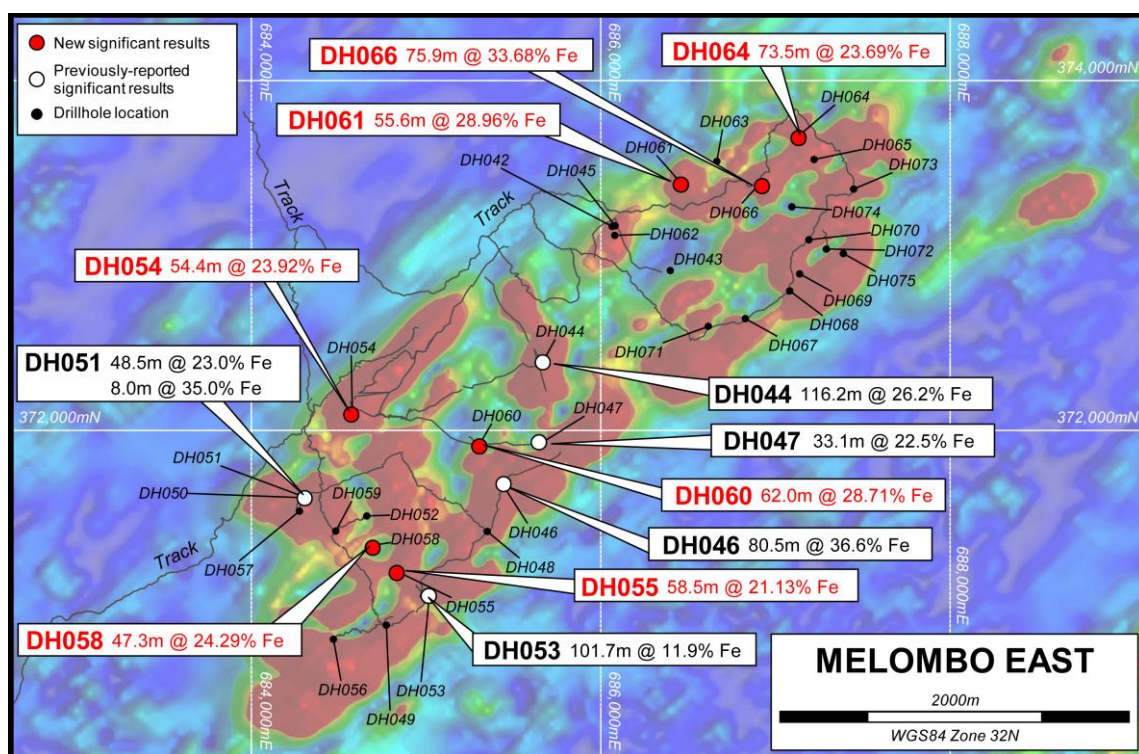
Assay Method Fe, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, P by fusion XRF – OMAC Laboratory, Ireland.

LOI – Loss on Ignition at 1,000°C determined gravimetrically.

These results continue to demonstrate encouraging iron grades (+25% Fe) and thicknesses (+40m) of magnetite gneiss across the prospect. The fact that five of the seven drillholes ended in magnetite gneiss with associated iron grades between 21.1-33.7% Fe, adds to the potential of the prospect.

Importantly, drillholes DH046 and DH060, which are located 200m apart along a NW-SE trending section (perpendicular to the strike of the magnetite gneiss) display good correlation, see Figure 3. DH046 returned 80.5m @ 36.6% Fe from 20m to end of hole, while DH060 returned 62m @ 28.7% Fe from 42.9m to end of hole. This correlation over a minimum width of 200m is also supported by geological mapping and geophysical modelling.





**Figure 3: Melombo East Prospect - Drillhole Locations over Aeromagnetics**

### Phase 2 Drilling Programme

Based on a full geological, geochemical and geophysical review of the 34 hole drilling programme at Melombo East the following Phase 2 programme is proposed to commence in September 2012:

- 40m step out holes N, S, E and W of drillholes DH044, DH046 and DH066 to test grade/thickness continuity.
- Complete drill testing in the northeastern part of the prospect with the new track mounted rig, where previous holes were not completed due to poor ground conditions and man portable rig limitations.



**New track mounted rig in factory prior to departure to site**

## Plateau

A total of 21 diamond drillholes (DH076-096) for a total of 1,512.76m were completed during the quarter at the Plateau Prospect, see Table 2 and Figure 4 for drillhole details. The drilling was testing a 2.5km portion of a regional 10km linear aeromagnetic feature associated with outcropping magnetite gneiss displaying a NE-SW strike and 40°-60° NW dip.

Hole ID	Easting	Northing	Dip/Azimuth	Final Depth
DH0076	665287	353390	-90/000	100.44
DH0077	665370	353318	-90/000	100.15
DH0078	665616	353903	-90/000	73.39
DH0079	665681	353845	-90/000	86.10
DH0080	665742	353778	-90/000	68.90
DH0081	665830	353713	-90/000	30.21*
DH0082	665920	353641	-90/000	68.65
DH0083	665818	353713	-90/000	30.20*
DH0084	665606	353130	-90/000	32.89*
DH0085	666225	354175	-90/000	76.45
DH0086	665524	353190	-90/000	100.44
DH0087	666150	354248	-90/000	93.40
DH0088	665430	353251	-90/000	100.34
DH0089	665069	352791	-90/000	70.44
DH0090	666059	354302	-90/000	86.58
DH0091	665996	354363	-90/000	29.95*
DH0092	664993	352860	-90/000	90.76
DH0093	664913	352919	-90/000	28.61*
DH0094	666675	354561	-90/000	48.15*
DH0095	666601	354634	-90/000	95.28
DH0096	666525	354702	-90/000	101.43
<b>Total</b>				<b>1,512.76</b>

\* Drillhole abandoned due to poor ground conditions and rig limitations.

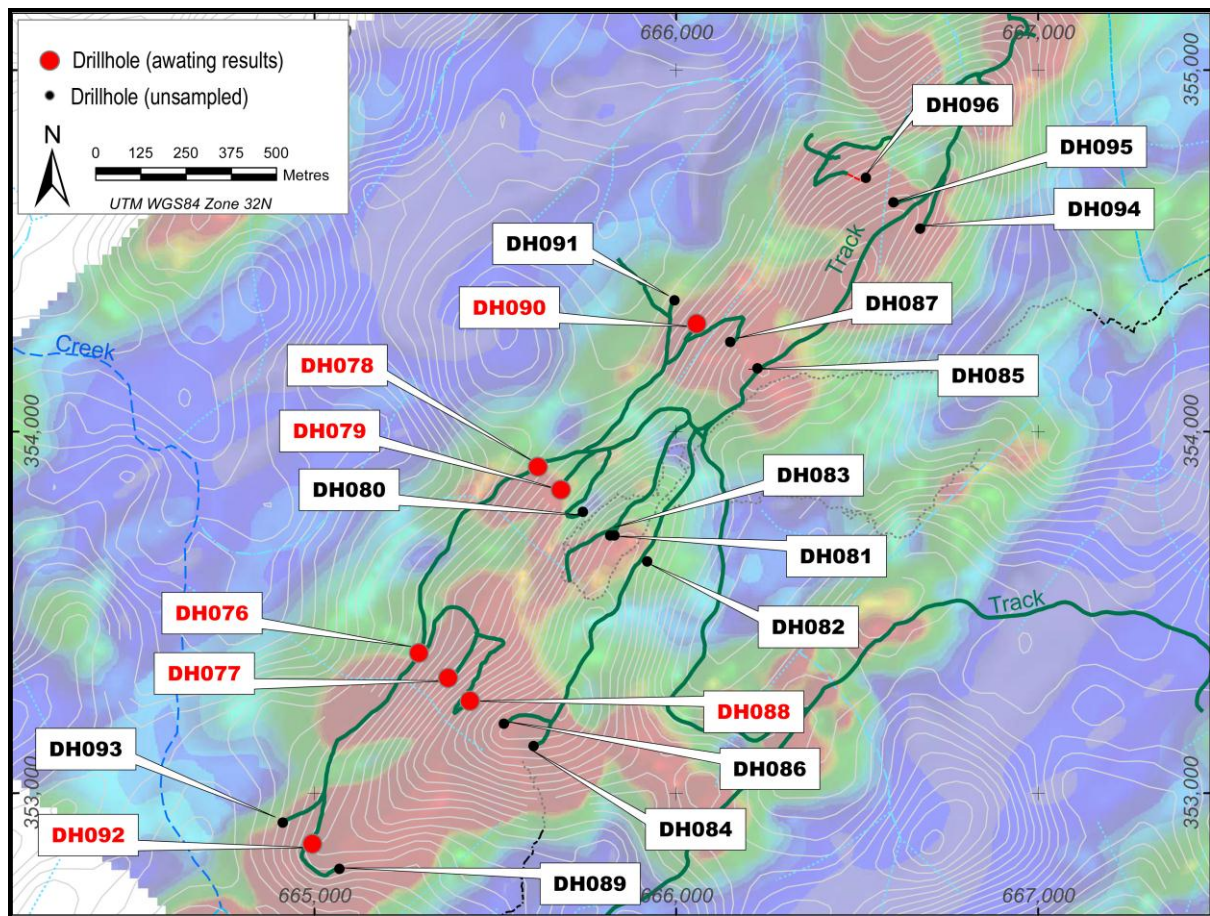
Drillholes DH076-DH093 utilised an Ingetrol man portable diamond drilling rig – HQ and NQ core sizes.

Drillholes DH094-DH096 utilised a new track mounted rig – HQ and NQ core sizes.

Co-ordinates: Universal Transverse Mercator WGS84, Zone 32, Northern Hemisphere.

The drilling was conducted along five NW-SE trending traverses spaced 500-600m apart with holes every 100m along the traverses, see Figure 4. The drill pattern was designed to provide information regarding the continuity of the mapped magnetite gneiss unit, both along strike and down dip.





**Figure 4: Plateau Prospect - Drillhole Locations over Aeromagnetics**

A generalised stratigraphic sequence has been observed on all five traverses and comprises (from top to bottom); magnetite gneiss, overlying garnet gneiss with magnetite gneiss bands of varying thickness, and a footwall unit of silicified quartz-biotite gneiss. The drilling has also confirmed the moderate NW dip of the package and demonstrated relatively good correlation between holes on section.

Significant downhole thicknesses of magnetite bearing gneiss ranging from 54.2m to 100.4m were intersected in seven of the 21 holes, see Table 3. The second most southerly traverse showed the best continuity/correlation with the following magnetite gneiss thicknesses from consecutive drillholes; DH076 (81.6m), DH077 (84.2m), DH088 (100.4m), DH086 (54.2m) and DH084 (32.9m incomplete).

The central traverse also showed good continuity between drillholes including; DH079 (77.2m), DH080 (48.2m), DH083 (30.2m – incomplete) and DH081 (27.2m – incomplete).

Drillholes DH076-079, 088, 090 and 092 have been sampled in their entirety over nominal 4m composite intervals and submitted for the standard iron ore suite of elements. Results from assays will be released once they are received.

Table 3: Plateau - Logged Magnetite Bearing Gneiss Intervals				
Hole	From	To	Int	Description
DH076	0	81.6	<b>81.6</b>	Signif. intersection of magnetite gneiss
DH077	16	100.2 EOH	<b>84.2</b>	Signif. intersection of magnetite gneiss
DH078	12.1 32.6 68.9	20.6 51.4 73.4 EOH	8.5 18.8 4.5	Three intervals of magnetite gneiss 41% of hole contains magnetite gneiss
DH079	0	77.2	<b>77.2</b>	Signif. intersection of magnetite gneiss
DH080	0	48.2	48.2	Top 50% of hole contains magnetite bearing gneiss
DH081	0	27.2	27.2	Hole not completed; 85% magnetite gneiss
DH082	48.3	68.7 EOH	20.4	Bottom 20% contains magnetite bearing gneiss
DH083	0	30.2	30.2	Hole not completed – all magnetite gneiss
DH084	0	32.9	32.9	Hole not completed – all magnetite gneiss
DH085	0	49	49	Top 50% of hole contains magnetite bearing gneiss
DH086	0	54.2	<b>54.2</b>	Top 45% of hole contains magnetite bearing gneiss
DH087	18.5	58.9	40.4	40% of hole contains magnetite bearing gneiss
DH088	0	100.4 EOH	<b>100.4</b>	Signif. intersection of magnetite gneiss
DH089	0 29.2	13.7 57.7	13.7 28.5	Two intervals of qtz-magnetite gneiss 55% of hole contains magnetite bearing gneiss
DH090	0	78.8	<b>78.8</b>	Signif. intersection of magnetite bearing gneiss
DH091	-	-	-	Hole not completed – no magnetite gneiss
DH092	0 70.5	60.5 90.8 EOH	<b>60.5</b> 20.3	Signif. intersection of magnetite bearing gneiss Bands of qtz-magnetite gneiss
DH093	0	4.6	4.6	Hole not completed – 15% magnetite gneiss
DH094	23.8	31.6	7.8	Hole not completed – 20% magnetite gneiss
DH095	35.1	73.5	38.4	45% of hole contains magnetite bearing gneiss
DH096	45.1	65.3	20.2	20% of hole contains magnetite bearing gneiss

Note: Intersections are downhole widths and not necessarily true thicknesses.  
 Drillholes not completed due to poor ground conditions and rig limitations.  
 Assessment of all results will determine if not completed holes are redrilled.

Eight holes from the Plateau Phase 1 drill programme are yet to be completed and will be followed-up by a full assessment of the geological information and drill results over the prospect. The track mounted rig will then move to Melombo East and commence the Phase 2 infill drilling programme.

## Regional Geological Mapping

Following the discovery of extensive magnetite gneiss outcrop in the Plateau area, a programme of regional geological mapping was undertaken along strike to the southwest and northeast. Preliminary mapping is guided by the aeromagnetic data and has been completed over the Bidjouka, Bibondi South and Bidondi prospect areas, see Figure 2 for locations. Additional field reconnaissance has commenced over the Mimbala and Zok prospects, which are situated on the northwestern side of the Ngovayang massif paralleling the Bidjouka-Plateau-Bidondi trend.



## 2. MT GIBSON PROJECT

Legend and Extension Hill Pty Ltd finalised all outstanding matters relating to the storm damage incurred at the site in February 2012. The \$250,000 withheld from Legend at settlement on 13 March was paid in May 2012.

A milestone payment of 10 million Legend shares was made to Oroya Mining Limited in May 2012, being a deferred contingent consideration arising from the September 2005 sale agreement between Legend and Oroya for the sale of the Mt Gibson Project assets.

## 3. PILBARA PROJECT

Legend confirmed the sale of Pilbara project to Artemis Resources Ltd ("Artemis") (ASX:ARV) was completed on 26 June 2012. The sale consideration was 60 million fully paid ordinary Artemis shares (giving Legend approximately 12.5% of the issued capital of Artemis) and a cash payment of \$200,000 for reimbursement of expenses. The Pilbara Project comprised tenements wholly owned by Legend and Legend's wholly owned subsidiary Armada Mining Limited.

## 4. GIDGEE PROJECT

On 3 May 2007 Legend announced the sale of the Gidgee Gold Project which included contingent consideration of \$5,000,000 payable by Apex Gold Pty Ltd to Legend once a production milestone of 250,000oz of gold production from the Gidgee Gold Project tenements was reached. The contingency was never satisfied.

As part of the sale of the Gidgee Gold Project by Apex to Panoramic Gold Pty Ltd which completed on 1 June 2012, Legend received \$750,000 cash in lieu of the contingent consideration payment.

## 5. CORPORATE

Legend held its Annual General Meeting on 16 May 2012 with all resolutions passed unanimously on a show of hands. The results of the meeting were released to the ASX on the same day.

### **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 consultant to 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.*

## APPENDIX 1: Full Details of Diamond Drilling Programme - Melombo East Prospect

Hole ID	Easting	Northing	Dip/Azimuth	Final Depth
DH042	686065	373167	-60/135	16.5*
DH043	686398	372915	-90/000	96.0
DH044	685676	372406	-90/000	150.0
DH045	686082	373171	-90/000	30.0*
DH046	685435	371695	-90/000	100.4
DH047	685664	371930	-90/000	84.0
DH048	685351	371421	-90/000	100.4
DH049	684773	370886	-90/000	100.6
DH050	684313	371615	-90/000	15.2*
DH051	684305	371618	-90/000	100.0
DH052	684660	371511	-90/000	89.1
DH053	685020	371068	-90/000	101.6
DH054	684578	372111	-90/000	100.5
DH055	684834	371194	-90/000	100.5
DH056	684470	370806	-90/000	100.5
DH057	684276	371538	-90/000	101.3
DH058	684683	371342	-90/000	102.0
DH059	684482	371424	-90/000	30.2*
DH060	685301	371914	-90/000	104.9
DH061	686455	373419	-90/000	77.3
DH062	686081	373115	-90/000	89.2
DH063	686664	373539	-90/000	30.2*
DH064	687128	373680	-90/000	100.5
DH065	687221	373550	-90/000	25.7*
DH066	686919	373420	-90/000	77.1*
DH067	686827	372640	-90/000	69.0
DH068	687082	372798	-90/000	22.7*
DH069	687140	372896	-90/000	30.2*
DH070	687188	373095	-90/000	20.4*
DH071	686620	372589	-90/000	30.2*
DH072	687288	373033	-90/000	30.2*
DH073	687454	373376	-90/000	30.0*
DH074	687095	373274	-90/000	65.4
DH075	687385	373012	-90/000	27.2*
<b>Total</b>				<b>2,349</b>

\* Drillhole abandoned due to poor ground conditions and rig limitations.

Drilling utilised an Ingetrol man portable diamond drilling rig – HQ and NQ core sizes.

Co-ordinates: Universal Transverse Mercator WGS84, Zone 32, Northern Hemisphere.

## APPENDIX 2: Complete Reported Diamond Drillhole Assays - Melombo East Prospect

Hole	From	To	Int	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	LOI%
DH044	33.8	150.0 EOH	116.2	26.2	48.9	5.4	0.092	0.04
Incl.	70.9	150.0 EOH	79.1	29.7	48.1	3.7	0.096	0.01
DH046	20.0	100.5 EOH	80.5	36.6	44.6	0.2	0.103	0.04
DH047	0	33.1	33.1	22.5	30.4	23.4	0.049	13.10
DH051	0	48.5	48.5	23.0	47.7	10.1	0.054	1.45
DH051	92.0	100.0 EOH	8.0	35.0	44.4	1.8	0.101	-1.37
DH053	0	101.7	101.7	11.9	46.8	16.0	0.052	2.15
Incl.	0	11.8	11.8	20.2	16.4	29.1	0.084	17.88
DH054	1.2	32.2	31.0	25.80	44.19	10.24	0.070	4.23
Incl.	20.5	32.2	11.7	32.59	48.27	1.53	0.111	-0.01
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Assay Method Fe, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, P by fusion XRF – OMAC Laboratory, Ireland.  
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