

LEGEND MINING LIMITED

ASX Symbol: **LEG**

ABN 22 060 966 145

Level 1, 8 Kings Park Road
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

Fraser Range: Nickel, Copper
Gold

HIGHLIGHTS

- **Legend to sell Cameroon Iron Project for \$17.5M.**
- **Sale of Cameroon Iron Project expected to be finalised during first quarter of 2014.**
- **Shareholder approval for sale of Project received at Legend General Meeting on 24 December 2013.**
- **Detailed aeromagnetic survey over Fraser Range exploration licence application commissioned.**

OVERVIEW

Legend announced the sale of the Cameroon Project to a subsidiary of Jindal Power and Steel Limited (“Jindal”) on 20 November 2013. The sale is scheduled to settle by mid April 2014 and is subject to several Conditions Precedent.

The process of satisfying the Conditions Precedent is well underway with Legend Shareholder Approval for the transaction being obtained at a General Meeting held on 24 December 2013. All applications for the necessary regulatory approvals from Cameroon Authorities were lodged in December 2013 and current indications are that they are progressing as required by the sale conditions. Legend believes that the sale could be settled in the first quarter of 2014.

Meanwhile a comprehensive review is underway of potential future projects for the company with numerous projects reviewed in 2013.

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1. CAMEROON PROJECT SALE AGREEMENT

Legend Mining Limited (ASX: LEG) ("**Legend**") announced to the ASX on 20 November 2013 that it had entered into a Share Sale and Debt Assignment Agreement ("**SSDAA**") with a wholly-owned subsidiary of Jindal Steel and Power Limited ("**Jindal**") for the sale of Legend's 90% interest in Camina SA ("**Camina**"),¹ the holding company of the Ngovayang project ("**Ngovayang Project**" or the "**Project**") in the Republic of Cameroon (the "**Transaction**").

Pursuant to the SSDAA, Legend shall receive cash consideration of:

- A\$12.0 million upon completion of the Transaction (subject to working capital adjustments) ("**Tranche 1**"); and
- A\$5.5 million within 10 business days of the execution of a Mining Convention between Jindal and the Government of Cameroon ("**Tranche 2**").

Completion of the Transaction is subject to certain conditions, including Legend shareholder approval. These, plus additional details of the Transaction terms, are described further below.

Summary of Transaction Terms

Consideration

Under the SSDAA, Jindal will acquire 100% of the shares of Legend Iron Limited ("**Legend Iron BVI**") and the intercompany loans provided by Legend to Camina, for cash consideration of A\$12.0 million payable upon completion (subject to working capital adjustments), and a further A\$5.5 million payable within 10 business days of the execution of a Mining Convention between Jindal and the Government of Cameroon.

Transaction Conditions

The Transaction is conditional upon the following being obtained:

- Approval of Legend shareholders in an ordinary meeting, as required by ASX Listing Rule 11.2;
- Approval of the Reserve Bank of India permitting payment by Jindal of the Transaction consideration in foreign exchange;
- The directors of Legend who hold shares in Legend certifying that they have voted those shares in favour of the Transaction;
- Certain written approvals and confirmations in Cameroon, including:
 - Approval for transfer of the controlling interest in the Project to Jindal;
 - Confirmation that the exploration permits comprising the Project are able to be renewed 4 times for 2 years each;
 - Issuance of an exploration permit to Camina over a 307 km² area adjoining EP144 currently held by Camina (applied for on 31 May 2013); and
 - Confirmation from the Minister of Finance (or other relevant authority) that no tax is required to be deposited with any government agency as a result of consummation of the Transaction.

¹ To be implemented via the sale of 100% of Legend's wholly-owned British Virgin Islands subsidiary, Legend Iron Limited, and transfer of intercompany debts, to Jindal.

- Written consent of Camina, the minority shareholders of Camina (who collectively hold 10% of Camina) and certain other parties (collectively the “**Camina Minority Shareholders**”) to the novation to Jindal of Legend’s rights and obligations under the Share Sale Agreement by which Legend acquired its 90% shareholding in Camina in 2010 (“**Camina SSA**”). The primary such obligation is Legend’s obligation to fund 100% of the Project’s development costs up to completion of a Bankable Feasibility Study, which gives rise to a free carry of the minority shareholders to this point; and
- The Camina Minority Shareholders, along with Legend, Legend Iron BVI and Camina, executing an amendment to the Camina SSA removing the restriction on future assignment and transfers of the shares in Legend Iron BVI by Jindal.

If these conditions are not satisfied on or before 150 days following execution of the SSDAA (the “**Deadline**”), the Transaction can be terminated by either party. The Deadline may be extended by agreement between the parties, or automatically extended in the two circumstances described below:

- If Legend or one of its subsidiaries commits a breach of certain covenants (“**Covenants**”) governing the conduct of Legend and its subsidiaries in the period between executing the SSDAA and completion, and the relevant Legend company subsequently remedies the breach within the timeframe allowed, the Deadline shall be extended by the time taken for that remedy; and
- If Legend receives a competing proposal which it determines is or is reasonably likely to result in a superior proposal, and Jindal exercises its “Matching Right” (as described under the Deal Protection regime described below), the Deadline shall be extended by the period commencing on Legend first advising Jindal of the competing proposal and ending on expiration of the period within which Jindal may exercise its Matching Right.

Other Terms

The parties to the SSDAA are subject to a customary warranty and limitation of liability regime. In addition, for the period ending on the earlier of the completion date or 180 days from execution of the SSDAA, Jindal is prevented from acquiring Legend shares (or securities convertible into Legend shares) that would give Jindal a shareholding of more than 9% in Legend (“**Standstill**”). The Standstill will fall away if a third party announces a takeover bid for Legend, or an intention to acquire an interest in more than 50% of Legend, or the Project (directly or indirectly).

Comprehensive details of the transaction were published in the Notice of Meeting (released to the ASX on 26 November 2013) for the General Meeting of Legend Shareholders held on 24 December 2013.

2. LEGEND GENERAL MEETING

The resolution to approve the sale of the Company’s interest in the Ngovayang Project to Jindal Mining and Exploration Limited was passed unanimously at Legend’s General Meeting on 24 December.

3. PROJECT GENERATION

Fraser Range ELA28/2342

Legend has commissioned an aeromagnetic survey over tenement application ELA28/2342 aimed at identifying possible mafic/ultramafic intrusives as well as providing valuable structural information. This tenement lies within the Fraser Range District of Western Australia and is considered prospective for Nova-style nickel-copper and Tropicana-style structurally controlled gold mineralisation.

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