

LEGEND MINING LIMITED

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PROJECTS

Fraser Range: Nickel, Copper
Gold

Cameroon: Iron Ore, Gold

HIGHLIGHTS

- **Fraser Range aeromagnetic survey identifies seven priority targets interpreted to relate to intrusive mafic/ultramafic bodies**
- **Ground electromagnetic surveys and aircore drilling programmes planned at Fraser Range**
- **All Conditions Precedent in Cameroon Sale Agreement satisfied**
- **A\$17.5M consideration for Cameroon Sale in three tranches of A\$6M, A\$6M and A\$5.5M.**
- **Cancellation of 800 million Performance Options agreed with Performance Option holders**

OVERVIEW

Legend achieved a significant milestone during the quarter with the satisfaction of all Conditions Precedent in the Cameroon Sale Agreement. This cleared the way for the completion of the sale to occur. Due to the complexity of the settlement process across various jurisdictions it has taken longer to achieve settlement than provided for in the agreement, with settlement now likely to occur on or about 22 July 2014.

The agreement to cancel Performance Options is conditional upon the settlement of the sale occurring and approval by Legend shareholders of payment of A\$1M consideration to the Performance Option holders. The meeting to approve the payment is scheduled for 19 August with the Notice of Meeting out shortly.

Meanwhile, an aeromagnetic survey interpretation over Legend's Fraser Range tenement has identified seven targets requiring further investigation. Exploration programmes are currently being designed and will commence during the September quarter.

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1. FRASER RANGE PROJECT – (100% Legend)

E28/2342

Exploration licence E28/2342 covering 356km² is located 210km northeast of Nova within the Fraser Ranger District and was granted on 20 March 2014, see Figure 1. It is considered prospective for Nova style nickel-copper and Tropicana style structurally controlled gold mineralisation.

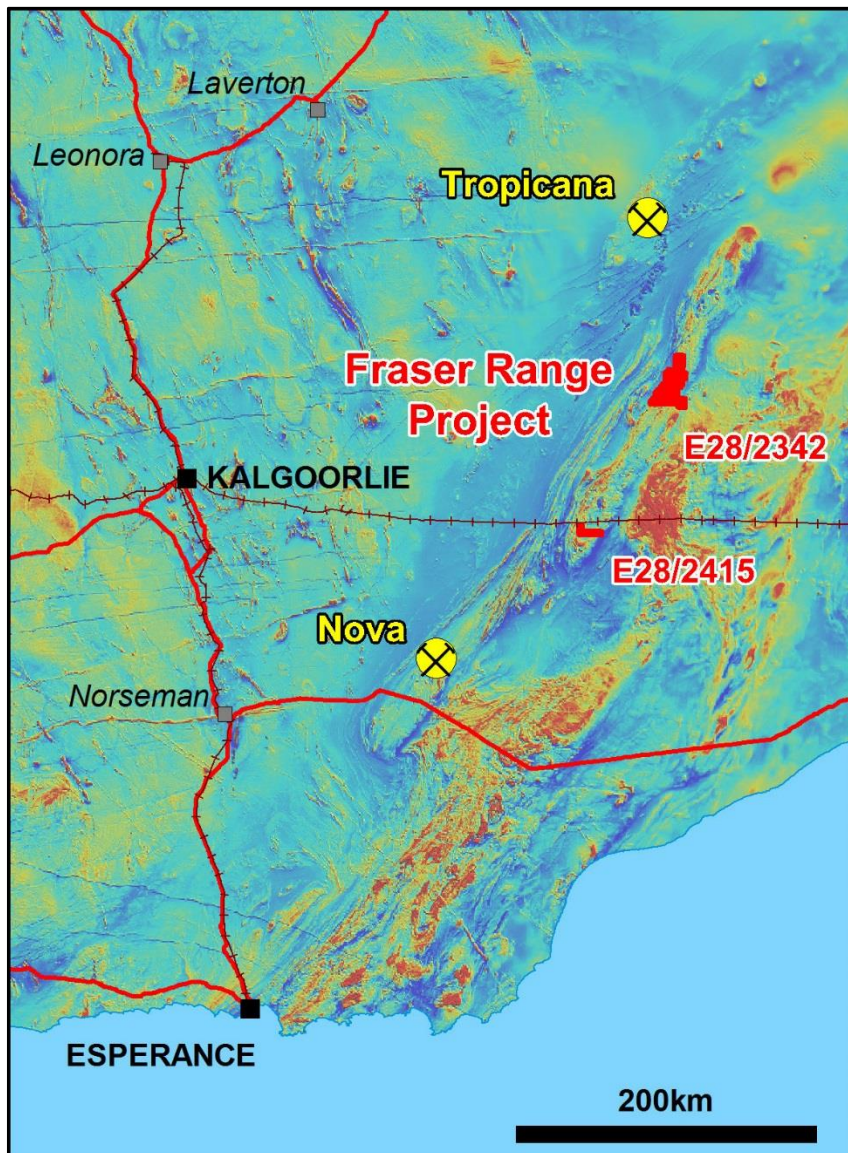


Figure 1: Project Location on Aeromagnetic Image

Following the recent acquisition of detailed aeromagnetic data over E28/2342, Legend commissioned a geophysical consultant to assist with data processing, interpretation and target selection. The main aim of the interpretation was to identify possible mafic/ultramafic intrusive bodies considered favourable hosts for nickel-copper mineralisation similar to the Nova-Bollinger deposit.

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The aeromagnetic interpretation identified seven priority targets which show magnetic characteristics of intrusive mafic/ultramafic bodies, with several targets displaying similarities to that of Sirius' Nova deposit, see Figure 2.

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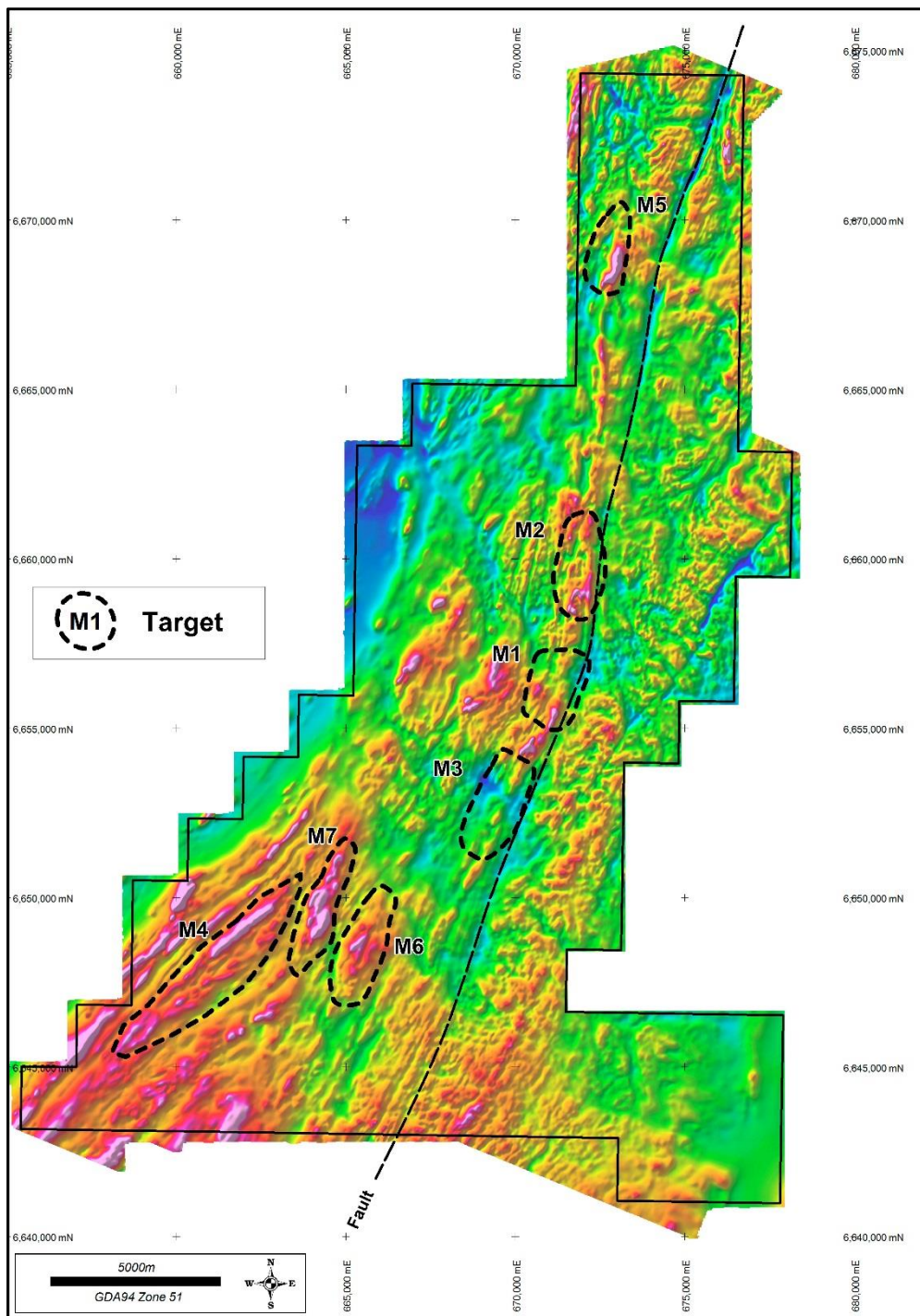


Figure 2: Interpreted Targets over Aeromagnetic Image (Total Magnetic Intensity)

The targets were selected based on several factors including; high magnetic intensity, magnetic character/signature, and the relation to regional and localised structures. Descriptions of the individual targets are summarised below in Table 1.

Table 1: Description of Interpreted Aeromagnetic Targets	
Target	Description
M1	<ul style="list-style-type: none"> • Located in flexure of major shear/fault structure, (NNE-SSW to N-S trend). • Magnetic destruction within high magnetic corridor, related to NW-SE cross-cutting structures.
M2	<ul style="list-style-type: none"> • High magnetic signature – interpreted intrusive feature. • Within same structural corridor as Target M1, north of flexure.
M3	<ul style="list-style-type: none"> • Extensive magnetic destruction within high magnetic corridor, related to a series of NW-SE cross-cutting structures. • Within same structural corridor as Target M1, south of flexure.
M4	<ul style="list-style-type: none"> • Large (7km) complex, highly magnetic feature indicative of intrusive. • Associated with multiple splays off major shear/fault zone.
M5	<ul style="list-style-type: none"> • Strong discrete magnetic body - interpreted intrusive feature. • Northern extension of magnetic structural corridor, hosting Targets M1-M3.
M6	<ul style="list-style-type: none"> • Relatively discrete, high magnetic signature – interpreted as intrusive. • Associated with splays off major shear/fault zone.
M7	<ul style="list-style-type: none"> • Elongate 4km feature with high magnetic signature – interpreted as intrusive. • Different orientation to regional trend – related to splays off major shear/fault zone.

The aeromagnetic data also defined a major regional shear corridor (with flexure) in the centre of the licence, which has a NNE-SSW trend in the south and a N-S trend in the north, see Figure 2. This feature marks the boundary between a package dominated by linear magnetic units to the west and units with a “gneissic” signature to the east. This corridor is considered an important regional structural position with the potential to host significant mafic/ultramafic intrusions. Localised zones of magnetic destruction along this corridor (targets M1 & M3) coincide with cross cutting faults and mark sites of increased fluid flow and possible mineralisation.

Future Programmes

Exploration programmes to follow up these seven priority targets are currently being designed and will involve a combination of ground electromagnetic (“EM”) surveys and follow up aircore drilling.

- Ground EM Surveys – aimed specifically at identifying bedrock conductors.
- Aircore Drilling – provide geochemical data over identified EM conductors.

It is envisaged that the ground EM surveys will commence within 6-8 weeks. Based on the results of these surveys, aircore drill testing of all conductors will be undertaken subject to the necessary statutory clearances.

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New Fraser Range Tenement ELA28/2415

Legend submitted three exploration licence applications in the Fraser Range District to the Department of Minerals and Petroleum (“DMP”) in December 2013. Due to competing applications from numerous exploration companies the DMP placed the applications into a ballot. Two of the three tenements have subsequently been determined via ballots, with the third to be drawn on 18 July 2014.

Legend was successful in one of the ballots with respect to ELA28/2415, which is located 90km southwest of E28/2342 and covers an area of 32km², see Figure 1. The application is still to clear all statutory requirements and not expected to be granted for 4-5 months, with exploration to commence shortly thereafter.

2. CORPORATE

Cameroon Sale Agreement

As announced to the ASX on 17 June 2014, Legend satisfied all Conditions Precedent (“CP”) regarding the sale of its Ngovayang Iron Project in Cameroon, West Africa, with completion of the contract scheduled to take place in July 2014. Under the terms of the sale, Legend will receive a total of A\$17.5M in three tranches as outlined below:

- Tranche 1 - A\$6M at completion (July 2014)
- Tranche 2 - A\$6M in July 2015
- Tranche 3 - A\$5.5M payment following execution of a Mining Convention between Jindal and the Cameroon Government

Legend previously 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”), the holding company of the Ngovayang Project in the Republic of Cameroon.

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 a total cash consideration of \$17.5M with A\$6 million payable upon completion (subject to working capital adjustments), A\$6 million 12 calendar months later, 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.

Cancellation of Performance Options

As announced to the ASX on 17 June 2014, Legend reached agreement with Performance Option holders to cancel 800 million Performance Options in the company for the consideration of A\$1M. The Performance Options were issued as part consideration for the purchase of the Ngovayang Iron Project in Cameroon.

The cancellation and payment of the consideration is conditional upon;

- 1 100% of Performance Option holders agreeing to the offer (this condition has been satisfied),

- 2 Completion of the SSDAA with Jindal Steel and Power (this condition has been satisfied, see ASX announcement dated 17 June 2014 for details),
- 3 Legend shareholder approval being obtained under ASX Listing Rule 6.23.2. (a General Meeting to consider this matter is scheduled for 19 August, with the Notice of Meeting to be despatched to shareholders shortly).

Legend Annual General Meeting

Legend held its Annual General Meeting on 30 May 2014 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 Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Derek Waterfield, a Member of the Australian Institute of Geoscientists and a full time employee of Legend Mining Limited. Mr Waterfield has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Waterfield consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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

For more information:

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**Appendix 1: Legend Mining Limited - Fraser Range Project
JORC Code Edition 2012: Table 1**

Section 1: Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • Not applicable, as no geochemical sampling or drilling was undertaken or referred to in the report.
<i>Drilling techniques</i>	
<i>Drill sample recovery</i>	
<i>Logging</i>	
<i>Sub-sampling techniques and sample preparation</i>	
<i>Quality of assay data and laboratory tests</i>	
<i>Verification of sampling and assaying</i>	
<i>Location of data points</i>	
<i>Data spacing and distribution</i>	
<i>Orientation of data in relation to geological structure</i>	
<i>Sample security</i>	
<i>Audits or reviews</i>	

Section 2: Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • E28/2342 is owned 100% by Legend Mining Ltd. It is located 320km ENE of Kalgoorlie on vacant crown land. • The tenement was granted for a period of 5 years and expires on 19 March 2019. • There is no Native Title Claim over the tenement.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • Not applicable, not referred to.
<i>Geology</i>	<ul style="list-style-type: none"> • The primary target is Nova style nickel-copper mineralisation hosted in high grade mafic granulites within the Fraser Complex. • A secondary target is Tropicana style structurally controlled gold mineralisation.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • Not applicable, not referred to.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • Not applicable, not referred to.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • Not applicable, not referred to.
<i>Diagrams</i>	<ul style="list-style-type: none"> • An appropriate aeromagnetic image of total magnetic intensity has been included in the body of the report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • Not applicable, not referred to.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • A fixed wing aeromagnetic/radiometric survey was completed over the entire tenement area of E28/2342 in February 2014 by UTS Geophysics Pty Ltd. The survey comprised 8,660 line km of data, with a WNW-ESE line orientation at 50m spacing and a nominal sensor height of 25m.
<i>Further work</i>	<ul style="list-style-type: none"> • Follow up of identified targets with ground EM surveys and aircore drilling is proposed. • Targets for follow up exploration are shown on Figure 2 within the report.

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Appendix 2: Tenement Schedule as at 30 June 2014

Mining Tenements

Tenement Reference	Location	Interest at beginning of Quarter	Acquired / Disposed	Interest at end of Quarter	Comments
EP144	Ngoyang, Cameroon	90%	N/A	90%	Granted
EP195	Messondo, Cameroon	90%	N/A	90%	Granted
EP221	Ngoyang 2, Cameroon	90%	N/A	90%	Granted
EP307	Ngoyang 3, Cameroon	90%	N/A	90%	Granted
E28/2342	Fraser Range, Western Australia	100%	N/A	100%	Granted
ELA28/2408	Fraser Range, Western Australia	0%	N/A	0%	In ballot– competing applications
ELA28/2415	Fraser Range, Western Australia	0%	Acquired	100%	Application

Farm-In or Farm-Out Arrangements

Tenement Reference	Location	Interest at beginning of Quarter	Acquired / Disposed	Interest at end of Quarter	Comments
None	N/A	N/A	N/A	N/A	N/A

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