

OROYA

Mining Limited

ACN 009 146 794

Level 1, 46 Parliament Place, West Perth, WA, 6005
PO Box 1804, West Perth, WA, 6872
Telephone: (08) 9322 8022 Facsimile: (08) 9322 3733
Web: www.oroza.com.au

2 August 2005

Company Announcements Office
Australian Stock Exchange Ltd

OROYA TO SELL MT GIBSON GOLD & BASE METAL PROJECT

Oroya Mining Limited (Oroya) today signed an Agreement under which it will sell the company's wholly-owned Mt Gibson Gold and Base Metal Project (Mt Gibson) to ASX-listed Legend Mining Limited (Legend).

The Agreement brings together under common ownership Mt Gibson and Legend's Gidgee Gold Project (Gidgee). Gidgee is a gold project with a similar mining history to Mt Gibson and is located 350 kilometres to the northeast of Mt Gibson. The principal shareholder of Legend is Perth-based mining investor Mark Creasy.

Legend will acquire all of the issued shares in Oroya's wholly owned subsidiary Moreing Mining Pty Ltd which is the sole proprietor of Mt Gibson Gold Pty Ltd, the owner of the majority of the Mt Gibson project tenements and associated infrastructure. The Agreement also includes adjacent Exploration Licence application E59/1041 which is held by Oroya.

Key Terms

- Oroya to receive a \$250,000 reimbursement of expenses at settlement of the purchase of Mt Gibson.
- \$1.088 million to be released to Oroya by Legend or its nominee replacing the cash backed Unconditional Performance Bonds lodged with the Department of Industry and Resources by Oroya over Mt Gibson.
- 30 million fully paid ordinary shares in the capital of Legend to be issued to Oroya at settlement of the purchase and will be escrowed in two tranches:
 - 15 million shares for 12 months; and
 - 15 million shares for 18 months.
- A 'milestone' issue to Oroya of a further 10 million fully paid shares in the capital of Legend on either: completion of a bankable feasibility study, a decision to mine or the sale of Mt Gibson to a third party.

- The mining tenements are inclusive of the technical data base, accommodation village, gold treatment plant, workshops, offices, bore field, mobile equipment, tools and spare parts on an 'as is' basis.
- Legend will assume Mt Gibson Gold's obligations for the Mt Gibson gold royalty arising from Oroya's original purchase of the Project.
- Oroya will have the exclusive right to retreat the existing Dump Leach at its sole risk and benefit for a period of 1 year.
- The Agreement is conditional on Legend completing due diligence by 2 September 2005 and both Legend and Oroya obtaining any necessary corporate, regulatory or shareholder approvals by 2 October 2005.

Benefits to Oroya

- Oroya will have a significant share holding in Legend and will therefore be set to benefit from exploration and mining success at both Mt Gibson and Gidgee.
- Oroya will be funded to continue exploration of its Roe Hills Nickel Project near Kalgoorlie and the Steiglitz Gold Project near Geelong, Victoria and to generate new resource projects.
- Oroya will be relieved of the cost of care and maintenance, continued exploration and development and the environmental rehabilitation responsibility of Mt Gibson.
- Mt Gibson will be amalgamated with Gidgee under single ownership with strong financial backing capable of undertaking the significant additional exploration and development expenditure required to return these projects to production.
- Oroya may generate cash-flow through the retained right to re-treat the 4 million tonne Dump Leach located at Mt Gibson.

Legend plans to commence immediate exploration at Mt Gibson.

Steve Shedden
Managing Director