

OROYA

Mining Limited

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29 September 2005

Company Announcements Office
Australian Stock Exchange Ltd

OROYA SIGNS AGREEMENT FOR SALE OF MT GIBSON PROJECT ASSETS

Oroya Mining Ltd (Oroya) and its subsidiary Mt Gibson Gold Pty Ltd have today signed the Agreement with Legend Mining Limited (Legend) for the sale of the Mt Gibson Gold Project assets to Gibson Metals Pty Ltd (Gibson Metals) a wholly owned subsidiary of Legend. Legend has completed its technical, legal and tax due diligence on the project and settlement will take place following Ministerial consent to the transfer of the project tenements and regulatory consent for the Tribute Agreement relating to Oroya's right to re-treat the existing Dump Leach.

The original Terms Sheet announced to ASX on 2 August 2005 was amended by mutual agreement between Legend and Oroya in the Sale Agreement to provide for the transfer of the Mt Gibson Project tenements, mining information and infrastructure directly to Gibson Metals. The original Terms sheet provided for Legend to acquire all of the issued shares in Oroya's wholly owned subsidiary Moreing Mining Limited which is the sole proprietor of Mt Gibson Gold Pty Ltd, the owner of the Mt Gibson project tenements.

Key Terms

- Oroya to receive a \$250,000 reimbursement of expenses at settlement.
- \$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 the Mt Gibson Gold Project.
- 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 Gold Project to a third party.
- The acquisition is inclusive of the mining tenements, 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 Pty Ltd's obligations for the Mt Gibson gold royalty arising from Oroya's original purchase of the Project.
- Oroya will have the exclusive right to re-treat the existing Dump Leach at its sole risk and benefit for a period of 1 year.

Benefits to Oroya

Oroya will have a significant shareholding in Legend and will therefore benefit from Legend's exploration and mining success at Mt Gibson and their other projects, including the Gidgee gold project.

Oroya will be funded to continue exploration of its Roe Hills Nickel Project near Kalgoorlie and the Steiglitz Gold Project near Geelong in 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.

Oroya may generate cash-flow through the retained right to re-treat the 4 million tonne Dump Leach located at Mt Gibson.

Ken Lim
Chairman