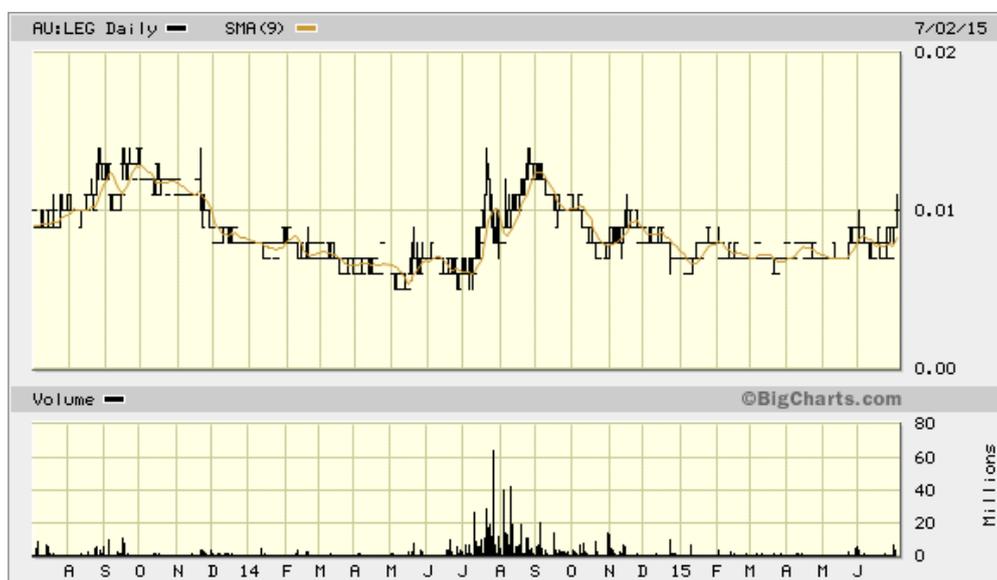


Thursday 2nd July, 2015

Legend Mining – Potentially company-making Fraser Range JV deal – Maintain Spec Buy

Legend Mining (ASX: LEG, Share Price: \$0.01, Market Cap: \$18m) was introduced to our Portfolio during April 2011 and our most recent coverage was in our Daily Bulletin on 5th August 2014. The company had just finalized the sale of its Cameroon assets to India's Jindal Steel and Power. The attractive \$17.5m terms comprised an initial \$6m cash payment, a further \$6m payment by the end of July 2015, and a further \$5.5m in the event of the execution of a Mining Convention between Jindal and the Cameroon Government. Legend's focus is now on its priority Fraser Range exploration targets in WA.

Legend Mining today confirmed its plans to become one of the most dominant players in the Fraser Range after acquiring an extensive 2,530 sq km tenement package from WA resource identity Mark Creasy.



Market Significance

The Fraser Range exploration deal with Mark Creasy represents a potential-company-making transaction for Legend Mining. The package covers 100 km along the spine of a regional gravity high and includes high-quality aeromagnetic and gravity datasets, along with Creasy Group drilling that has already identified prospective nickel host rocks. Following the deal Legend will retain cash reserves of \$10.5m to fund aggressive but focused exploration activity, with a further \$6m to be received by the end of July.

Focus on Fraser Range

Legend Mining on Thursday announced what I consider to be a potentially company-transforming transaction, by establishing itself as one of the dominant players in Western Australia's Fraser Range province. Legend has completed a transaction with hugely successful Western Australian exploration identity Mark Creasy, which will see Legend acquire an extensive 2,530 sq km exploration package.

Legend has acquired a 70% stake in tenements E28/2188-2192, E28/1718 and E28/1727, with consideration comprising:

- o \$2.5 million cash payment;
- o 71.5 million Legend shares at a deemed price of \$0.007 (\$500,500);
- o 150 million five-year Legend options exercisable at \$0.04.

Legend will sole-fund exploration and free-carry Creasy Group's 30% interest through to the signing of Mining Venture Agreements. The acquisition is subject to shareholder approval, which will be sought at a meeting to be held in early September 2015, with documentation including an Independent Expert's Report to be sent to shareholders during August 2015.

The tenement package encompasses 100 km of strike length along a regional gravity high, that's associated with dense mafic/ultramafic intrusive rocks of the Fraser Zone, within the larger Albany-Fraser Orogen. The new tenements straddle the southern boundary of Legend's existing granted tenements.

Technical Significance

After chatting today on the phone with Legend Mining MD, Mark Wilson, in Perth, it's clear that the Creasy deal was a long time in the planning. The deal is a fabulous one and gives legend access to high quality exploration acreage, 120km northeast of Sirius Resources' (ASX: SIR) Nova-Bollinger nickel-copper deposit.

Legend originally identified the prospectivity of the new tenements following assessment of regional aeromagnetic and gravity survey data, along with extensive publically-available datasets encompassing the entire Fraser Range district. The acquisition also includes high-quality aeromagnetic and gravity datasets, with Creasy Group drilling having already identified prospective nickel host rocks.

Legend maintains strong cash reserves of \$10.5m post-acquisition to fund exploration activity, with a further \$6m to be received during July as a second installment from Jindal following the Cameroon project sale last year.

Mark Creasy is an existing 25% shareholder in Legend, whilst Legend maintains 1.5 million shares in Sirius Resources (worth around \$5.2m).

Summary

Legend Mining's strong financial status left it superbly placed to capitalize on opportunities more suited to its size and skill base. The Fraser Range/Mark Creasy deal is the right opportunity at just the right time in terms of market awareness. Legend retains a committed exploration team that can add significant value to its Fraser Range asset base. Furthermore, of all the Fraser Range exploration opportunities, Legend is probably the lowest profile (but with the biggest cash balance!).

The company's market cap is \$18m, with current cash reserves/assets of \$10.5m, with a further \$6m to be received by the end of July (and a further potential \$5.5m upon a decision to mine in Cameroon by Jindal). Accordingly, we maintain our Speculative Buy recommendation on Legend Mining around \$0.01 for those investors without existing exposure.

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