

LEGEND MINING LIMITEDASX Symbol: **LEG**

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Managing DirectorMr Derek Waterfield
Executive Director Technical

PROJECTS**Cameroon:** Iron Ore, Gold**Fraser Range:** Nickel, Copper
Gold**HIGHLIGHTS**

- **Deadline extended to accommodate satisfaction of remaining Conditions Precedent in Cameroon Sale Agreement.**
- **Seven of nine conditions satisfied with the outstanding matters well advanced.**
- **Fraser Range tenement covering 356km² granted and detailed aeromagnetic survey completed.**

OVERVIEW

The support that Legend management has received and continues to receive from the Cameroon government and Jindal to satisfy all Conditions Precedent required under the Sale Agreement has been unwavering. The process to satisfy the outstanding Conditions Precedent has been the cause of the need to seek the extension to the deadline rather than any other factor. Now that all the government and regulatory Conditions Precedent have been met, Legend can progress to finalising the outstanding matters relating to the consents and agreement of Camina and the local Cameroonian shareholders. Legend expects the 60 day extension to the deadline to more than adequately accommodate all contingencies.

Meanwhile the new Fraser Range tenement has been granted. Legend took advantage of an opportunity to save costs and fly an aeromagnetic survey whilst a crew was in the area during the March quarter. Results of this survey are now being analysed along with a review of successful exploration methodologies in the Fraser Range to enable considered exploration strategies for this project.

1. CAMEROON PROJECT SALE AGREEMENT

Legend Mining Limited (“**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 (the “**Project**”) in the Republic of Cameroon (the “**Transaction**”).

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 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. Subsequent negotiations to satisfy and/or waive certain Conditions Precedent (“**CP**”) have resulted in the A\$12 million payment being split into A\$6 million payable upon completion (subject to working capital adjustments) and the remaining A\$6 million 12 calendar months later. This reschedule does not compromise the future activities and direction of Legend as outlined in Clause 1.7 of the Explanatory Memorandum contained in the Notice of General Meeting held on 24 December 2013.

Pursuant to the SSDAA, the Deadline for the satisfaction of the CP was 150 days. Legend and Jindal have agreed to extend the Deadline by up to 60 days from 19 April 2014 to enable the satisfaction of the outstanding CP as detailed below.

Summary of the Status of CP Satisfaction

CP Currently Satisfied and/or waived

- Approval of Legend shareholders in an ordinary meeting, as required by ASX Listing Rule 11.2;
- The directors of Legend who hold shares in Legend certifying that they have voted those shares in favour of the Transaction;
- Approval from the Cameroon Minister of Mines for transfer of the controlling interest in the Project to Jindal;
- Confirmation from the Cameroon Minister of Mines 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 307km² area adjoining EP144 currently held by Camina (granted on 7 February 2014);
- 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. This CP has been waived by both parties;
- Approval of the Reserve Bank of India permitting payment by Jindal of the Transaction consideration in foreign exchange. This CP has been waived by Jindal.

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.

CP Remaining to be Satisfied

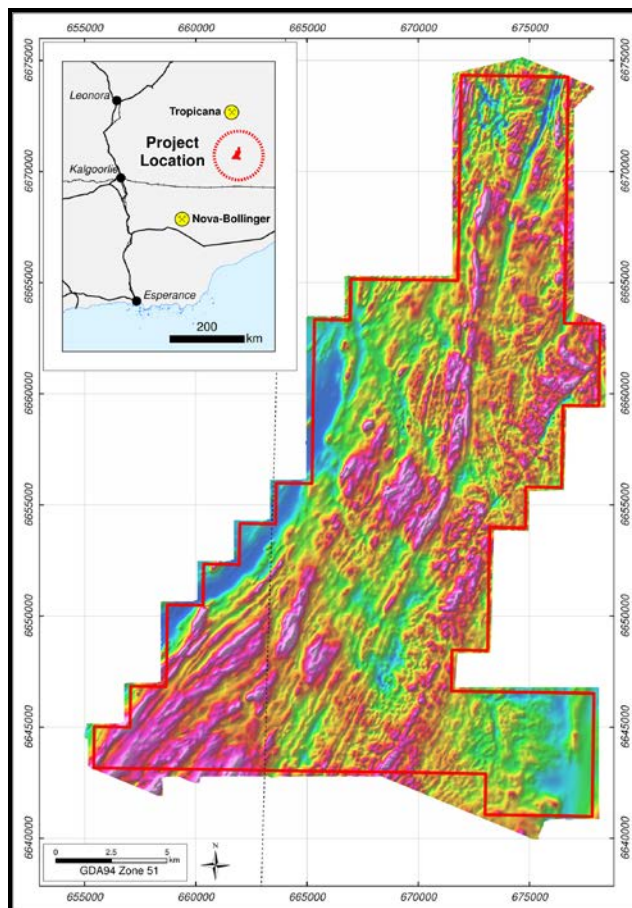
- Written consent of Camina, the minority shareholders of Camina (who collectively hold 10% of Camina) and certain other parties (collectively the “**Camina Minority Shareholders**”) to the novation to Jindal of Legend’s rights and obligations under the Share Sale Agreement by which Legend acquired its 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;
- 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.

2. PROJECT GENERATION

Fraser Range E28/2342

Exploration licence E28/2342 covering 356km² in the Fraser Range District of Western Australia was granted on 20 March 2014 and is considered prospective for Nova-style nickel-copper and Tropicana-style structurally controlled gold mineralisation.

Legend has recently completed a detailed 50m line spaced aeromagnetic/radiometric survey over the entire tenement area aimed at identifying possible mafic/ultramafic intrusives as well as providing valuable structural information, see Figure 1. The integration of this high quality data with regional geochemical results will be undertaken to identify areas for follow-up exploration.



**Figure 1:
E28/2342 Location
and Aeromagnetic
Image (RTP)**

Appendix 1: Tenement Schedule as at 31 March 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%	
EP195	Messondo, Cameroon	90%	N/A	90%	
EP221	Ngoyang 2, Cameroon	90%	N/A	90%	
EP307	Ngoyang 3, Cameroon	0%	90%	90%	
E28/2342	Fraser Range, Western Australia	0%	100%	100%	
ELA28/2408	Fraser Range, Western Australia	0%	N/A	0%	In ballot– competing applications
ELA28/2409	Fraser Range, Western Australia	0%	N/A	0%	
ELA28/2415	Fraser Range, Western Australia	0%	N/A	0%	

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

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 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Legend Mining Limited

ABN

22 060 966 145

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(296)	(296)
(b) development	-	-
(c) production	-	-
(d) administration	(473)	(473)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	42	42
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refunded/(paid)	22	22
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(705)	(705)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(4)	(4)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(4)	(4)
1.13 Total operating and investing cash flows (carried forward)	(709)	(709)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(709)	(709)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(709)	(709)
1.20	Cash at beginning of quarter/year to date	4,652	4,652
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	3,943*	3,943*

* Excludes value of listed investments at cost of \$3,605

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	169
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
N/A
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	300
4.2	Development	-
4.3	Production	-
4.4	Administration	400
Total		700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	443	652
5.2	Deposits at call	3,500	4,000
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		3,943	4,652
Shares held in Artemis Resources Limited, Nemex Resources Limited, Pilbara Minerals Limited and Sirius Resources NL at cost		3,605	3,605
Total: cash, security deposits and other liquid assets held at cost at end of quarter		7,548	8,257

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Nil	Nil	Nil	Nil
6.2	Interests in mining tenements and petroleum tenements acquired or increased	E28/2342	<u>WA - Fraser Range</u> Granted	0%	100%
		EP307	<u>Cameroon</u> Granted	0%	90%

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,962,850,801	1,962,850,801		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	9,000,000 800,000,000 191,250,000 199,750,000 14,400,000 30,000,000	- - - - - -	<i>Exercise price</i> 5.3 cents Nil 4.0 cents 4.0 cents 6.0 cents	<i>Expiry date</i> 16 December 2014 4 February 2015 4 February 2015 4 February 2015 4 February 2015 21 December 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 30 April 2014

Print name: **Dennis Wilkins**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.