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Legend Mining – First Conductors Identified at Rockford Project, Fraser Range – Portfolio Stock

Legend Mining (ASX: LEG, Share Price: \$0.009, Market Cap: \$18m) has undergone a significant transformation, completing the sale of its Cameroon assets to India's Jindal Steel and Power. The attractive \$17.5m sale terms comprised both a sizeable upfront cash payment, along with subsequent staged cash payments, allowing it to focus on its priority Fraser Range exploration targets in WA.

Legend Mining has advised that recent moving-loop electromagnetic (MLEM) surveying at Area D has identified five conductors of varying character, size and depth at its Rockford Project in the Fraser Range district of Western Australia, with RC drilling of these targets to follow during H1 2016.



Market Significance

Legend's Fraser Range exploration deal with Mark Creasy represents a potential company-making transaction with one of the 'legends' of the Australian exploration scene, who has enjoyed enormous regional success with Sirius Resources. The acreage 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 retains cash reserves of \$10.8m (with a further +\$3m due in December 2016), which will fund aggressive activity.

Announcement Detail – Initial Targets at Rockford Project

Legend Mining has advised that it has already identified conductors at its Rockford Project, despite being on the ground for less than three months. To date, five conductors have been identified at Area D where there are high conductivities of 9,000-17,000S associated with the three large and relatively shallow bedrock conductors.

Area D has a discrete 1.5km x 1km gravity high (4mgal) with an associated magnetic signature suggestive of a structural fold closure or intrusive feature. Legend says a total of 11 high powered (~200amp) MLEM lines spaced 150m - 300m apart were completed, identifying five highly-to-moderately conductive bedrock conductors at relatively shallow depth.

Conductors 1, 2 and 3 all have very high conductance levels, which required infill lines utilising lower base frequencies (originally 1 Hz down to 0.5Hz & 0.125Hz) to better define the conductors and allow accurate modelling. Conductor 4 represents a moderate strength, localised (~300x200m) conductor located within the central zone of the gravity high. Conductor 5 is a strong and deeper level bedrock conductor defined along the western margin of the gravity high.

The next steps for Legend at Rockford include MLEM surveying at Areas A, E and F up to the Christmas break, which will continue in 2016 to complete any untested targets. The company's H1 2016 field work will now include RC drill-testing of these conductors, along with regional air-core and further EM work. Details of the follow-up work will be released once final assessment of the 2015 field work is completed early in the New Year.

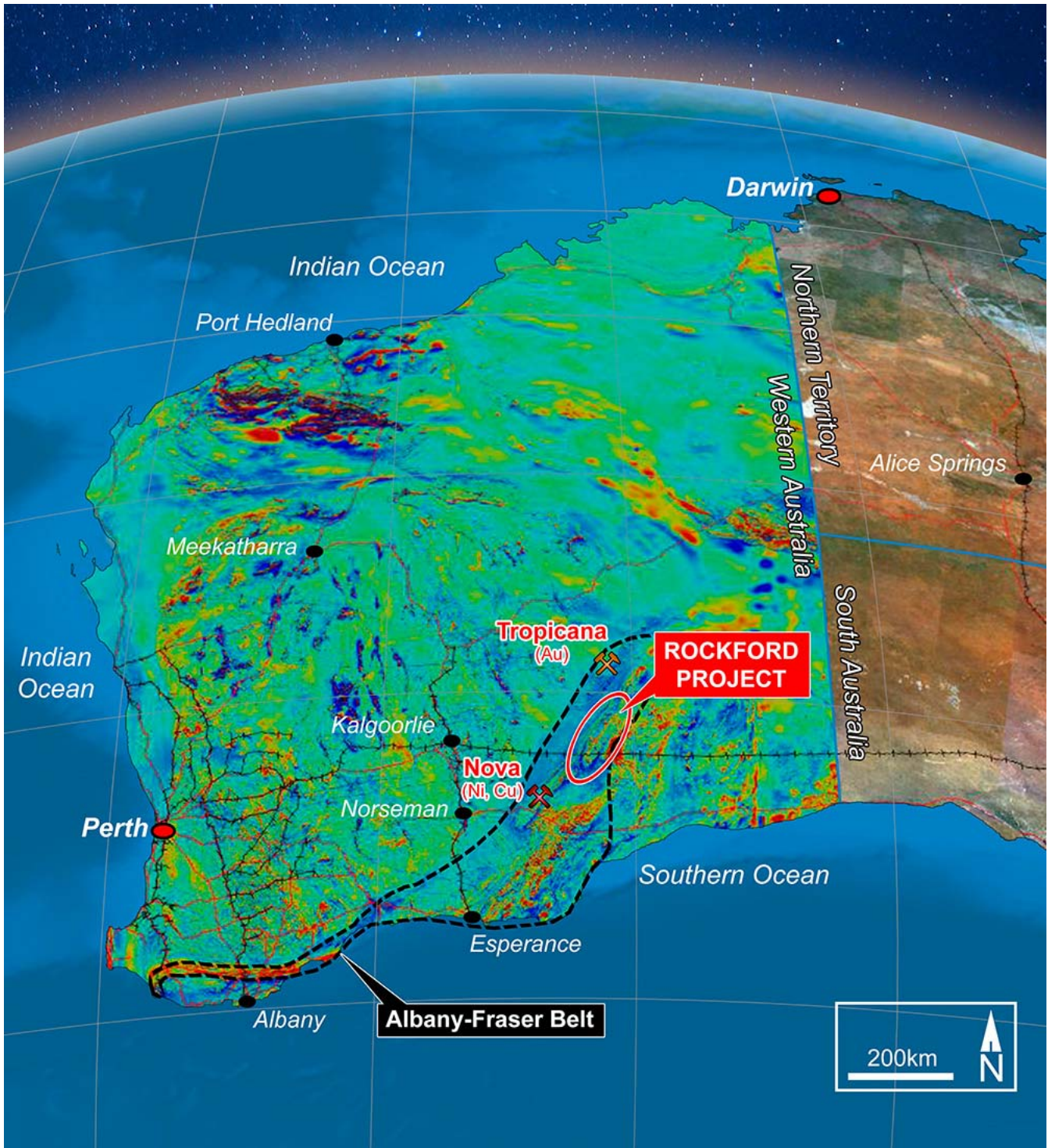
Project Overview

The Rockford Project forms part of an acquisition Legend recently made with the Creasy Group, which resulted in Legend becoming one of the most dominant players in the Fraser Range. Mark Creasy is an existing 25% shareholder in Legend.

Legend received almost unanimous shareholder approval in September for what is a potentially company-transforming transaction with hugely-successful Western Australian exploration identity Mark Creasy. It saw Legend acquire an extensive 2,530 sq km exploration package contiguous with Legend's existing 409 sq km tenement package – taking its overall regional acreage to 2,939 sq km.

Legend will sole-fund exploration and free-carry Creasy Group's 30% interest through to the signing of Mining Venture Agreements. 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 and lie 120km northeast of the world-class, high-grade Nova-Bollinger nickel-copper deposits discovered by Sirius Resources and now owned by Independence Group (ASX: IGO).



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 is well funded with \$7.3 million in cash at the end of September 2015, which does not include investments (market value 26 October 2015 \$3.5 million), and a \$3 million receivable due in December 2016.

Consideration for the transaction comprised:

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

Summary

Legend Mining's strong financial status has left it well-placed to capitalize on opportunities more suited to its size and skill base. The Fraser Range/Mark Creasy deal is just the right opportunity at just the right time in our view in terms of overall market awareness and investor focus. Legend retains a committed exploration team that can add significant value to its Fraser Range asset base and market interest in the Fraser Range province remains high as anticipation grows around the timing and location of the next discovery.

Furthermore, of all the available ASX-listed Fraser Range exploration opportunities, it's fair to say that Legend has probably the lowest profile - but the largest cash balance. The company's market cap of \$18m compares with current cash reserves/assets of \$10.8m, with a further \$3m to be received during December 2016 (and a further potential \$5.5m receivable upon first commercial shipment from Cameroon by Jindal).

Accordingly, Legend will remain firmly held within our Portfolio.

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