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Drilling & Surveying at Rockford – Portfolio Stock (coverage initiated @ \$0.011 in Sep 2015)

Legend Mining (ASX: LEG, Share Price: \$0.011, Market Cap: \$22m) has undergone a significant transformation over recent years, following the successful sale of its Cameroon metal assets to India's Jindal Group in 2015 for \$17.5m. The company has now refocused its exploration and appraisal activity, in conjunction with prospector Mark Creasy, on its priority Fraser Range nickel acreage in Western Australia.

Legend has provided a couple of important recent updates with respect to exploration activity on its Rockford Project – firstly, encouraging diamond drilling results from its maiden program that have intersected sulphides – and secondly, the commencement of an extensive EM survey to test new targets.



Market Significance

Although not necessarily reflected in any significant boost in Legend's share price performance, the maiden diamond drilling results are highly significant. The two initial holes have successfully intersected the three conductors at Area D that had previously been identified by sophisticated surveying techniques. The occurrence of minor disseminated pyrrhotite/chalcopyrite/pentlandite within a gabbro host rock is considered highly significant, as it is known regionally a favourable host lithology for nickel-copper mineralisation. We will await further follow-up exploration activity with great interest.

Announcements' Detail – Rockford Project Update

In our previous coverage during March/April, we'd outlined the company's maiden RC drilling program at its Rockford Project within the Fraser Range district of Western Australia.

The work was significant as it provided valuable geological information specific to Area D and supported Legend's view that the Rockford project is highly prospective for Ni-Cu mineralisation associated with mafic/ultramafic intrusive bodies.

As a follow up to these positive RC results, Legend recently undertook a two-hole diamond drilling program within Area D, targeting three conductors (D6, D7 and D8) that were previously identified by high-powered moving and fixed loop electromagnetic surveys (MLTEM and FLTEM). Down-hole electromagnetic surveying (DHTEM) was also completed on both holes, confirming that the drilling had intersected the source of all three conductors.

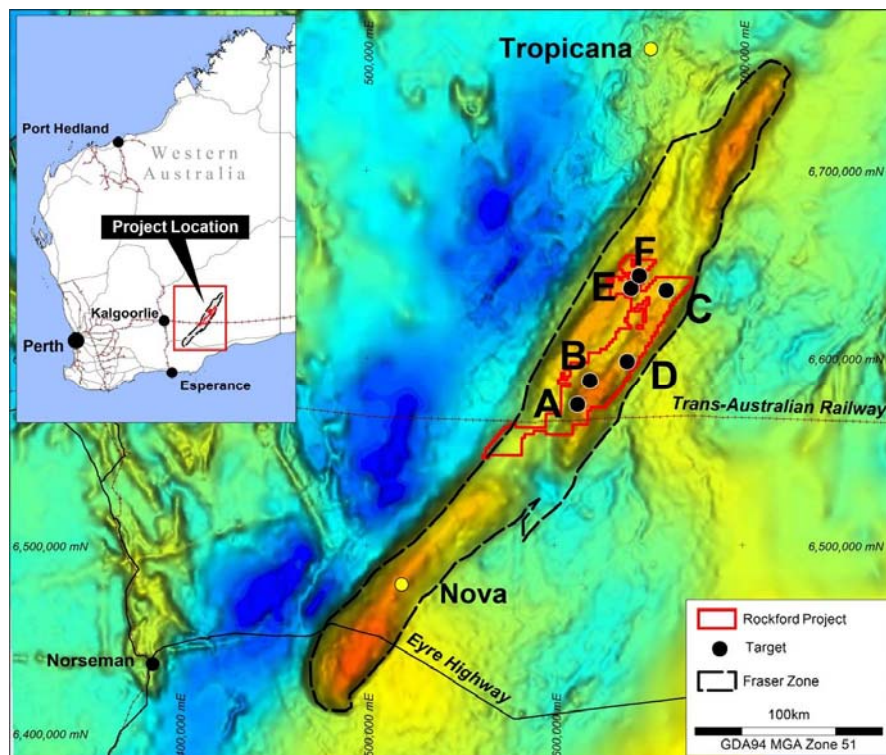


Figure 1: Rockford Project Location

Hold RKDD002 was drilled to a depth of 717.7m with the aim of testing Conductors D7 and D8. The drill-hole intersected a sequence including an upper and lower gabbro, mafic to felsic granulite and metasediment with several intervals containing significant sulphides.

The occurrence of minor disseminated pyrrhotite/chalcopyrite/pentlandite is considered highly significant - as whilst the tenor is low, the sulphides are hosted within a cumulate textured gabbro, which is a favourable host for nickel-copper mineralisation.

A DHTEM survey of RKDD002 clearly identified strong in-hole and off-hole anomalism centred at 450-475m and 550-600m down-hole. The combination of these two conductive features is considered sufficient to explain the targeted D7 and D8 conductors. Further evaluation of this gabbro unit is required to test for potential larger accumulations of sulphide.

Hole RKDD001 was drilled to a depth of 584m to test Conductor D6, a strong FLTEM conductor. The hole was drilled to intersect a sequence comprising gabbro, ultramafic, mafic to felsic granulite and metasediment.

A strongly-foliated felsic quartz-biotite-garnet granulite with up to 3% pyrrhotite and ~5% graphite was intersected between 291.9-314.5m, coinciding fairly closely with the modelled target depth of 325m. However, this unit was not considered large enough or strong enough to explain the D6 feature and that the source of D6 was deeper in the hole.

Two further units containing approximately 3-5% pyrrhotite and +5% graphite between 448.9-464.6m and 526.6-572.6m, hosted within the mafic-felsic granulite/metasediment sequence, were also intersected. A DHTEM survey clearly defined these two pyrrhotite/graphite-rich intervals as in-hole conductors that fully explain the D6 conductor.

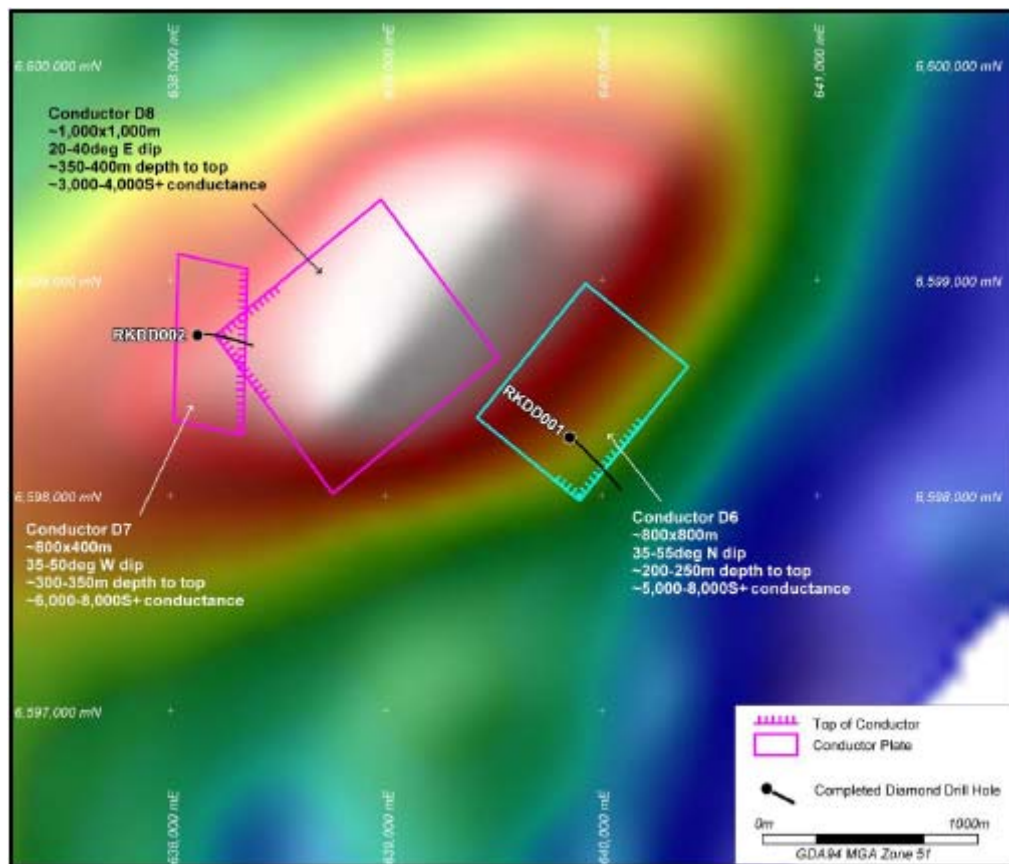


Figure 2: Drill-hole Location with FLTEM Conductor Plates on Residual Gravity

The use of the high-power EM method in all MLTEM, FLTEM and DHTEM surveying commissioned by Legend greatly enhances the chances of detection and resolution of deeper bedrock conductors.

From a surface EM perspective, the high-power method has clearly demonstrated the ability to detect/delineate conductors of moderate to large areal size at >500m depth, as evidenced by the drilling of Conductors D7 and D8 in hole RKDD002. Legend’s results so far suggest that optimised high-power EM surveys over prospective target areas are a primary exploration tool for the detection of significant sulphide ore bodies.

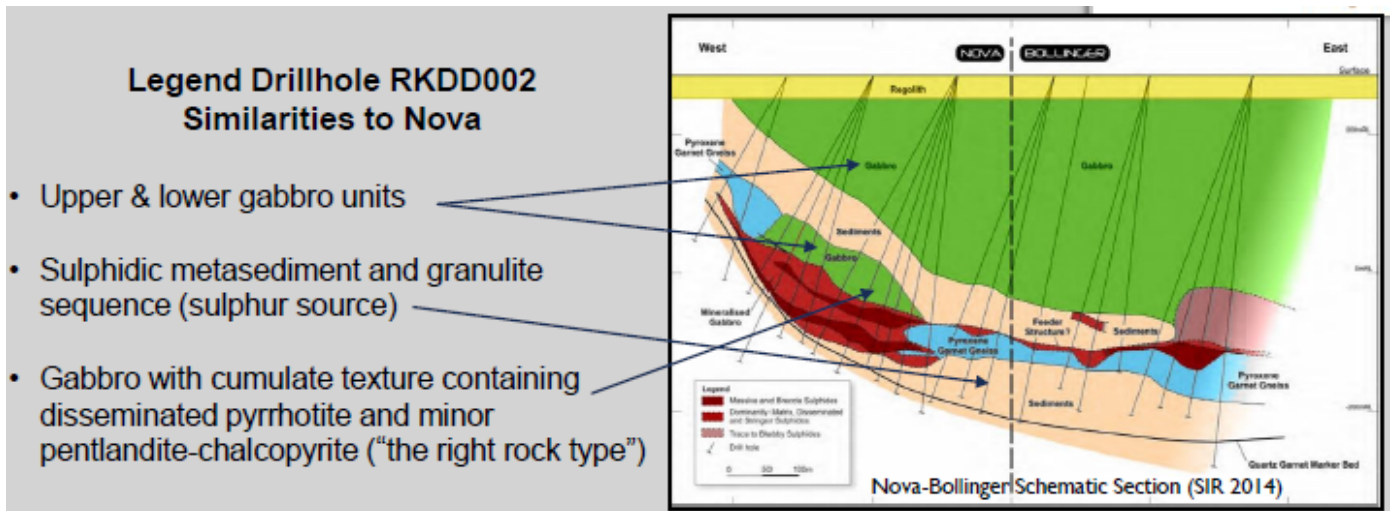


Figure 3: Graphic Comparing Legend’s RKDD002 hole to Nova Discovery

Extensive EM Survey Commences at Rockford

Legend also recently commenced an extensive moving loop electromagnetic (MLTEM) program at Rockford, aimed at testing newly-defined targets for bedrock conductors - which might represent massive nickel-copper mineralisation associated with mafic/ultramafic intrusives similar to the Nova-Bollinger deposit.

Eight areas (Areas G to N) have been selected for MLTEM surveying, based on detailed aeromagnetic/gravity data and from recently gained knowledge from diamond drilling at Area D. Legend has also recently completed a 2,423-station infill gravity survey over the eastern portion of Rockford, which has greatly assisted target selection and prioritisation.

Project Overview

The Rockford Project forms part of an acquisition Legend made with the Creasy Group, which resulted in Legend becoming one of the most dominant players in the Fraser Range. The company acquired an extensive 2,530 sq km exploration package, contiguous with its pre-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. Mark Creasy is currently a 25% stakeholder.

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.

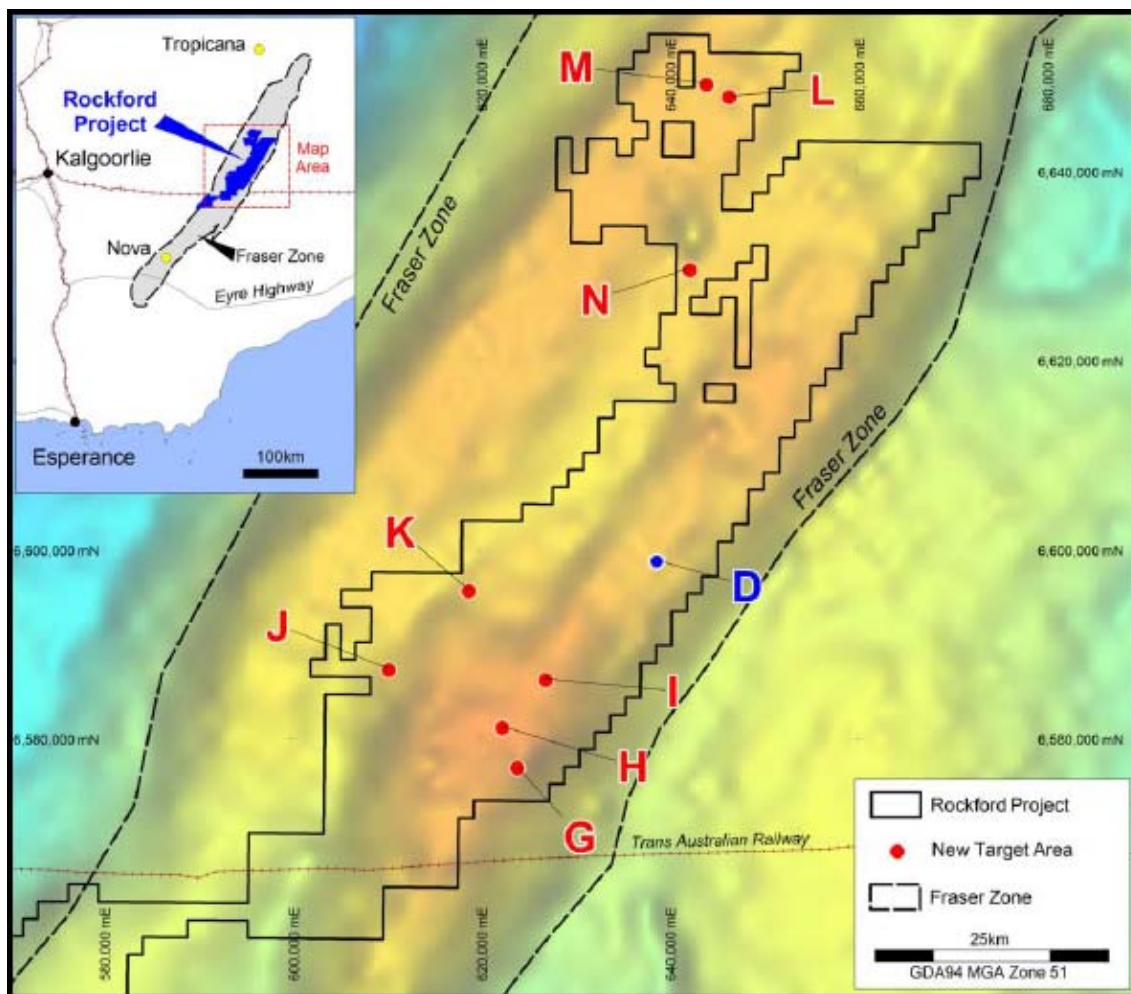


Figure 4: Regional Gravity Target Areas at Rockford

Summary

We initially acquired Legend Mining at a price around \$0.011 during September 2015.

Legend Mining's robust financial status as a result of the opportune sale of its Cameroon assets has left it well-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 overall market awareness and investor focus. Legend retains a committed exploration team that can add significant value to its Fraser Range asset base.

Market interest in the Fraser Range province had eased somewhat over the past couple of years, as a result of the lack of follow-up exploration success following the initial Nova-Bollinger discoveries by Sirius Exploration. This however probably says more about the relative quality of many of the exploration plays that cynically joined the 'Fraser Range' club overnight - and in typical fashion overpromised and under-delivered.

Legend Mining however is one of the best-credentialled Fraser Range exposures. It remains well-funded with cash and liquid assets of \$9.1 million, with a further \$3 million receivable in December 2016. We look forward to the results of EM surveying over the eight targets at Rockford and follow-up work on the conductors drilled during the maiden diamond program. Legend Mining will remain firmly held within our Portfolio.

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