

Cashed-up Legend on lookout for flagship project

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EXPLORER Legend Mining is to boost its coffers by \$12 million to more than \$20m and is on the hunt for new projects in Australia after deciding to cash in its chips with its Ngovayang iron ore project in Cameroon.

The cash injection comes from Legend selling its 90 per cent stake in Ngovayang to India's Jindal steel and power group for \$12m upfront, with another \$5.5m to come should Jindal reach a mining agreement with the Cameroon government at a later stage for the project.

Legend managing director Mark Wilson said the decision to move on from Cameroon comes as market sentiment towards companies developing West African iron ore projects has collapsed in the past 12-24 months.

Legend itself was trading at 1c a share yesterday, valuing the Perth-based group at \$19.6m. That is less than the \$21.8m in cash and liquids it will hold on completion of the first stage of the deal with Jindal.

Mr Wilson said shares in Legend's ASX-listed peers had fallen by an average of 68 per cent over the past 24 months, and that the state of global financial markets had "put the further develop-

ment of the project beyond the reach of an exploration company like Legend".

He said as Ngovayang still did not have a stock-exchange compliant resource behind it, and because of the lack of support for juniors taking on big ticket projects, continuing with the project would have amounted to "whistling Dixie".

He said the deal with Jindal represented the "best available opportunity for Legend to recover value from its investment in the project, and that the advantages of the transaction outweighed its disadvantages".

Legend, owned 25 per cent by millionaire mining prospector

Mark Creasy, sold to Jindal only after first convincing itself that the long promoted gold potential of the Ngovayang magnetite deposit was not likely to amount to much. It is now on the hunt for a replacement flagship project, with something in its home state the preference.

Mr Wilson said there was a "glory box" of new opportunities that a cashed-up Legend would now investigate.

They included projects that cash-starved junior explorers were unable to advance, or projects being shaken loose from the big mining companies which have been slashing their exploration budgets.