

**LEGEND MINING LIMITED**ASX Symbol: **LEG**

ABN 22 060 966 145

Level 1, 8 Kings Park Road

West Perth

Western Australia 6005

PO Box 626

West Perth

Western Australia 6872

Phone: +61 8 9212 0600

Facsimile: +61 8 9212 0611

Email:

legend@legendmining.com.au

Website:

**www.legendmining.com.au****CONTACT**Mr Mark Wilson  
Managing DirectorMr Derek Waterfield  
Executive Director Technical**PROJECTS****Fraser Range:** Nickel, Copper  
Gold**HIGHLIGHTS**

- **Fraser Range ground electromagnetic survey over seven interpreted intrusive mafic/ultramafic bodies commenced and is ongoing**
- **\$6M cash received as Tranche 1 relating to sale of Cameroon Project. Tranche 2 (\$6M) due in July-August 2015**
- **Cancellation of 800 million Performance Options associated with the Cameroon Project finalised**

**OVERVIEW**

This quarter has marked the completion of the sale of the Cameroon Iron Ore Project to Jindal Steel and Power. The receipt of \$6M (Tranche 1) on 5 August coupled with the cessation of the obligation to fund Camina has put Legend in a very secure position financially. The second \$6M (Tranche 2) is due for payment in July/August 2015 and is unconditional.

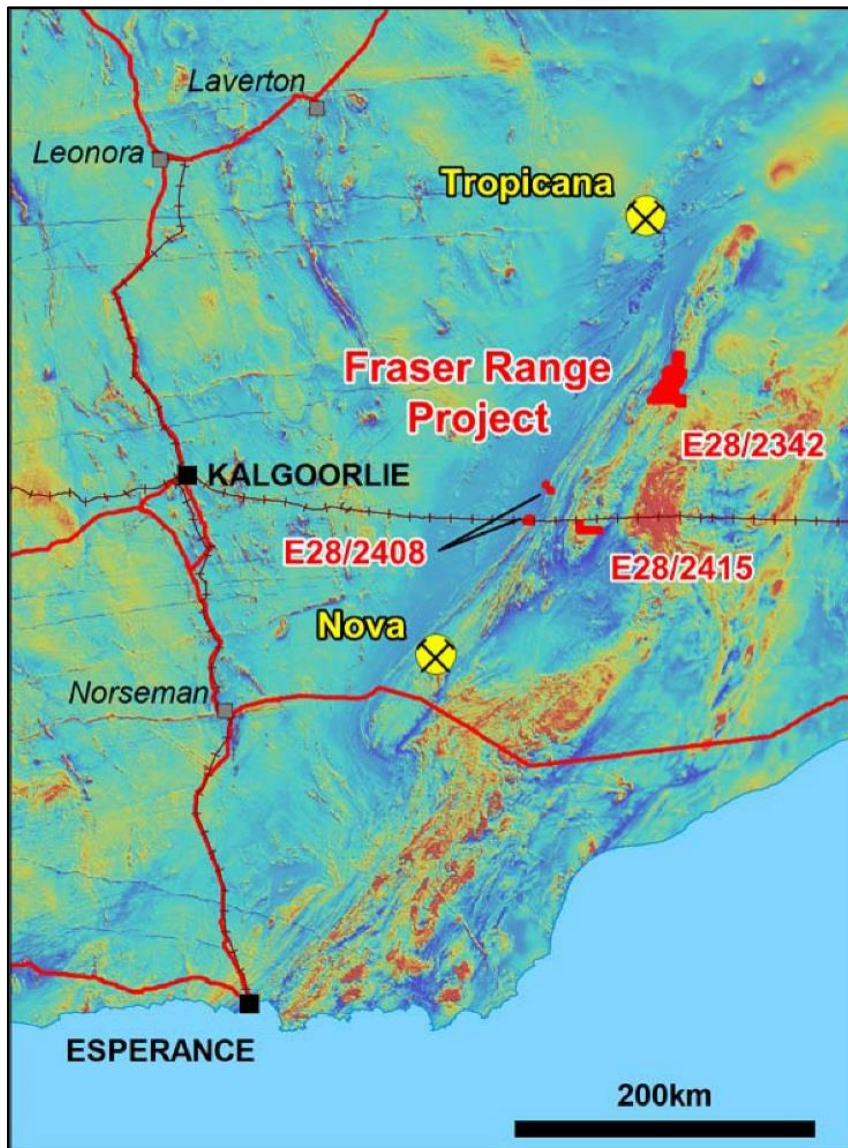
The shareholders vote on 19 August approving the payment of \$1M consideration to cancel the 800M Performance Options and the subsequent cancellation on 28 August 2014 tidied Legend's share structure which the Board sees as removing an impediment to corporate activity.

Commencement of the ground electromagnetic (EM) survey on our Fraser Range tenement marks our first on ground exploration activity in Western Australia for five years.

The company continues to actively review new project opportunities.

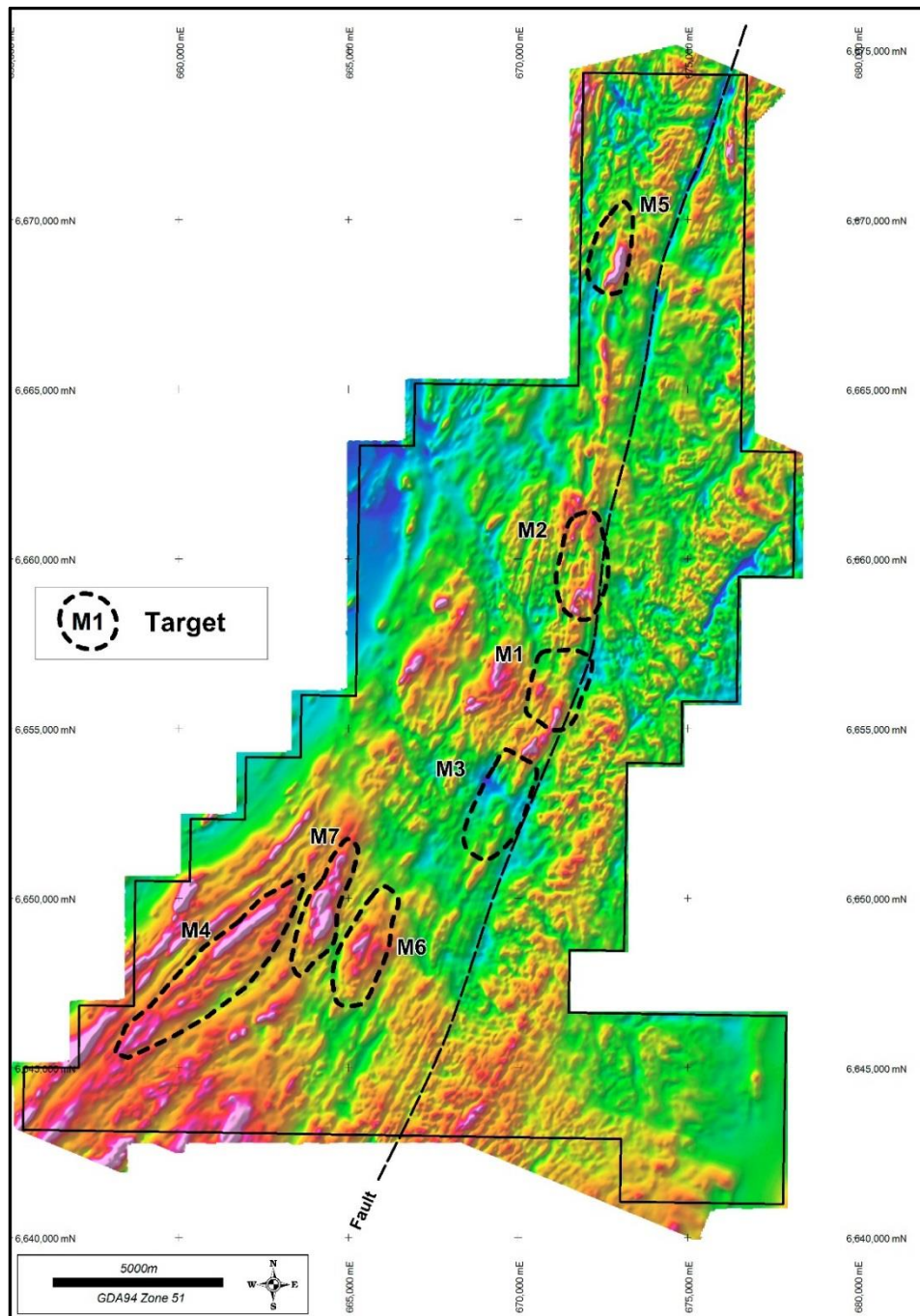
## 1. FRASER RANGE PROJECT – (100% Legend)

The Fraser Range Project covers 409km<sup>2</sup>, comprising one granted exploration licence (E28/2342) and two exploration licence applications (E28/2408 and E28/2415). Tenement E28/2342 is located 220km northeast of Nova and 100km south of Tropicana in the Fraser Range District, see Figure 1. It is considered prospective for Nova style nickel-copper and Tropicana style structurally controlled gold mineralisation.



**Figure 1: Project Location on Regional Aeromagnetic Image**

Legend recently completed an interpretation of detailed aeromagnetic data over E28/2342, identifying seven priority targets showing magnetic characteristics of intrusive mafic/ultramafic bodies, see Figure 2. The targets were selected based on several factors including; high magnetic intensity, magnetic character/signature, and the relation to regional and localised structures. Several of these targets display similarities to that of Sirius' Nova deposit.



**Figure 2: Interpreted Targets over Aeromagnetic Image (Total Magnetic Intensity)**

An extensive moving loop electromagnetic (MLEM) survey aimed at identifying conductors associated with the seven priority targets has commenced, and is ongoing. Two of the seven targets have been completed to date, with no bedrock conductors identified. Thick vegetation and access difficulties have significantly slowed the survey’s progress, with the survey expected to take a further 30 days to complete.

Appropriate follow-up programmes including drill testing, will be designed to test any conductors identified by the MLEM survey, subject to the necessary statutory clearances.

### ***New Fraser Range Tenement ELA28/2408***

Legend was successful in a tenement ballot during the quarter with respect to ELA28/2408, which is located 90km southwest of E28/2342 and covers an area of 21km<sup>2</sup>, see Figure 1. The application is still to clear all statutory requirements and not expected to be granted for 4-5 months, with exploration to commence shortly thereafter.

## **2. CORPORATE**

### ***Cameroon Sale Agreement***

As announced to the ASX on 5 August 2014, Legend completed the Cameroon Project Sale with the receipt of the \$6M Tranche 1 payment. Legend will receive a total of \$17.5M in three tranches as outlined below:

- Tranche 1 \$6M at completion (received)
- Tranche 2 \$6M in July/August 2015
- Tranche 3 \$5.5M payment following execution of a Mining Convention between Jindal and the Cameroon Government

### ***Cancellation of Performance Options***

Legend shareholder approval to cancel 800 million Performance Options in the company for the consideration of \$1M was obtained at a company General Meeting held on 19 August 2014. The Performance Options were originally issued as part consideration for the purchase of the Ngovayang Iron Project in Cameroon and were formally cancelled on 28 August 2014.

### ***Competent Person Statement***

*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](http://www.legendmining.com.au) for further information and announcements.

#### **For more information:**

Mr Mark Wilson  
Managing Director  
Ph: (08) 9212 0600

Mr Derek Waterfield  
Executive Director - Technical  
Ph: (08) 9212 0600

## Appendix 1: Tenement Schedule as at 30 September 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	0%	All tenements sold to Jindal Steel & Power 5/08/2014
EP195	Messondo, Cameroon	90%	N/A	0%	
EP221	Ngoyang 2, Cameroon	90%	N/A	0%	
EP307	Ngoyang 3, Cameroon	90%	N/A	0%	
E28/2342	Fraser Range, Western Australia	100%	N/A	100%	Granted
ELA28/2408	Fraser Range, Western Australia	0%	Acquired	100%	Application
ELA28/2415	Fraser Range, Western Australia	100%	N/A	100%	Application

### 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

## 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")

30 September 2014

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(166)	(788)
(b) development	-	-
(c) production	-	-
(d) administration	(485)	(1,452)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	15	93
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refunded/(paid)	-	22
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(636)</b>	<b>(2,125)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(10)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	58	58
(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 proceeds on sale of subsidiaries that held the Cameroon project	5,775	5,775
<b>Net investing cash flows</b>	<b>5,833</b>	<b>5,823</b>
1.13 Total operating and investing cash flows (carried forward)	5,197	3,698

+ 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)	5,197	3,698
	<b>Cash flows related to financing activities</b>		
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) Payments on cancellation of performance options	(1,000)	(1,000)
	<b>Net financing cash flows</b>	(1,000)	(1,000)
	<b>Net increase (decrease) in cash held</b>	4,197	2,698
1.20	Cash at beginning of quarter/year to date	3,153	4,652
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	7,350* <sup>#</sup>	7,350* <sup>#</sup>

\* Excludes value of listed investments at cost of \$3,255 (market value 30 September 2014 \$4,846).

# Does not include \$6M receivable due in July/August 2015.

**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	170
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

+ See chapter 19 for defined terms.

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

3.2 Credit standby arrangements	Nil	Nil
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**Estimated cash outflows for next quarter**

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

**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	350	1,153
5.2 Deposits at call	7,000	2,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>7,350</b>	<b>3,153</b>
Shares held in Artemis Resources Limited, Nemex Resources Limited, Pilbara Minerals Limited and Sirius Resources NL at cost	3,255	3,605
<b>Total: cash, security deposits and other liquid assets held at cost at end of quarter</b>	<b>10,605</b>	<b>6,758</b>

**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	Cameroon EP144	Granted Tenement	90%	0%
	EP195	Granted Tenement	90%	0%
	EP221	Granted Tenement	90%	0%
	EP307	Granted Tenement	90%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	WA E28/2408	Tenement Application	0%	100%

+ 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 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	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 <b>+Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)	9,000,000 191,250,000 199,750,000 14,400,000 30,000,000	- - - - -	<i>Exercise price</i> 5.3 cents 4.0 cents 4.0 cents 5.0 cents 6.0 cents	<i>Expiry date</i> 16 December 2014 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/cancelled during quarter	800,000,000	-	Nil	4 February 2015
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (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: 13 October 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.