

LEGEND MINING LIMITEDASX 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 Director

Mr Derek Waterfield
Executive Director Technical

PROJECTS

Rockford - Fraser Range:
Nickel-Copper, Gold

HIGHLIGHTS

- **Rockford Project acquisition completed in the Fraser Range district**
- **Ground EM surveying commenced over three areas targeting interpreted mafic/ultramafic intrusives**
- **\$3M payment received for Cameroon Project sale**
- **Treasury of circa \$10.8M plus \$3M receivable in December 2016 earning 4% pa from September 2015**

OVERVIEW

The quarter just past has been a very productive period for the company with the announcement, approval and completion of the transaction with the Creasy Group to acquire a 70% interest in a 2,530km² contiguous package of tenements in the Fraser Range. These tenements are also contiguous with Legend's existing tenements covering 409km² giving a total land holding of 2,939km², essentially north of and straddling the Trans Australian railway line. First ground EM surveys have also commenced.

With the transaction came a package of high quality gravity, aeromagnetic and aircore drilling data. When coupled with the treasury position of circa \$10.8M, Legend is now in quite a unique space of being a greenfields exploration company, with a treasury to match its project requirements in arguably the best exploration address in Western Australia, if not Australia.

A more comprehensive technical discussion follows in the body of this report.

1. ROCKFORD PROJECT – (Fraser Range District) Nickel-Copper, Gold

The Tenement Sale and Exploration Joint Venture Agreement with the Creasy Group over the Rockford Project, originally announced to the ASX on 2 July 2015, was settled on 23 September 2015.

Legend now controls a 2,939km² land package comprising eight contiguous granted exploration licences located in the highly prospective Fraser Range district of Western Australia (Figure 1). Importantly, the package covers a strike length of 100km over a regional gravity high “ridge” associated with dense mafic/ultramafic intrusive rocks of the Fraser Zone, within the larger Albany-Fraser Orogen. The Nova-Bollinger deposit, which lies within the Fraser Zone, is situated on a similar tenor gravity ridge to that of the Rockford Project, see Figure 1.

Exploration is targeting Nova style nickel-copper and Tropicana style structurally controlled gold mineralisation.

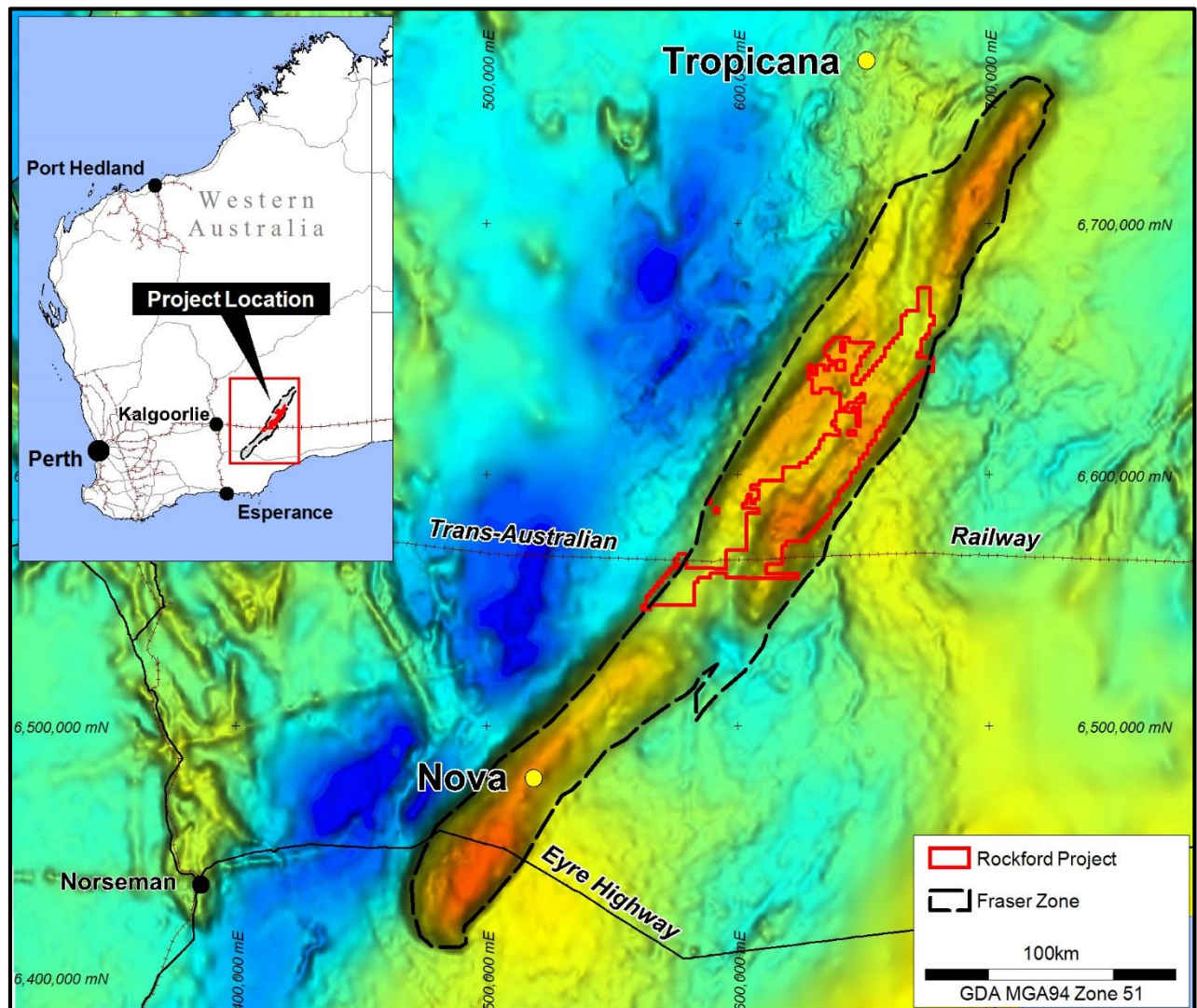


Figure 1: Rockford Project Location on Regional Gravity Image

As part of the Rockford transaction, Legend received an extensive exploration data package from the Creasy Group including:

- Project wide high resolution aeromagnetic data at 50m line spacing,
- Detailed gravity data over an 800m/400m x 100m grid, comprising 35,600 stations,
- Aircore drilling with multi-element analysis of bottom-of-hole samples,
- Detailed petrological descriptions of bottom-of-hole aircore samples,
- Project wide soil and calcrete geochemical sampling over an 800m x 400m grid.

These high quality datasets have proven extremely valuable (and will continue to be so) in the identification of the first areas for follow up exploration. The selection of areas initially involved the interpretation of these individual datasets, then their full integration to assist in the ranking and prioritisation process. The selection has comprised:

- Aeromagnetic data interpretation to provide a regional structural framework,
- Assessment of geological information from aircore drilling,
- Petrological descriptions of bottom-of-hole aircore samples to identify favourable nickel host rocks,
- 3D aeromagnetic inversion modelling to assist in identifying intrusive bodies,
- 3D gravity inversion modelling to assist in identifying intrusive bodies,
- Assessment of the surface geochemical data.

Three priority areas (A, B & C) were identified by this work and follow up programmes designed to test these areas with high power MLEM surveys commenced on 24 September. A brief description of the areas is given below and shown on Figure 2.

Area A

Area A contains two discrete magnetic lows (remanently magnetised features) in the south and a large composite feature with low magnetic response in the north. Previous aircore drilling over these features has demonstrated a close relationship between magnetic “lows” and intrusive mafic/ultramafic bodies. Bottom-of-hole petrology samples identified a range of cumulate textured rocks including; gabbro, norite and gabbro-norite, which are considered favourable nickel host rocks. The MLEM survey is designed to test these magnetic lows and associated intrusives.

Area B

Area B contains two features with low magnetic responses (again remanently magnetised) located within a region of structural complexity. These magnetic “lows”, are associated with broad gravity highs and may represent mafic/ultramafic intrusive bodies, as defined in Area A. The MLEM survey will test the two magnetic lows.

Area C

Area C contains a 10km long intense magnetic feature with associated moderate gravity response. The feature coincides with the hinge zone of a tightly folded sequence, which is bounded by two major regional SW-NE trending structures. The proposed MLEM survey will test both the high and low portion of the magnetic feature.

The ultimate aim of the MLEM surveys is to identify significant bedrock conductors related to mafic/ultramafic intrusives for RC/diamond drill testing.

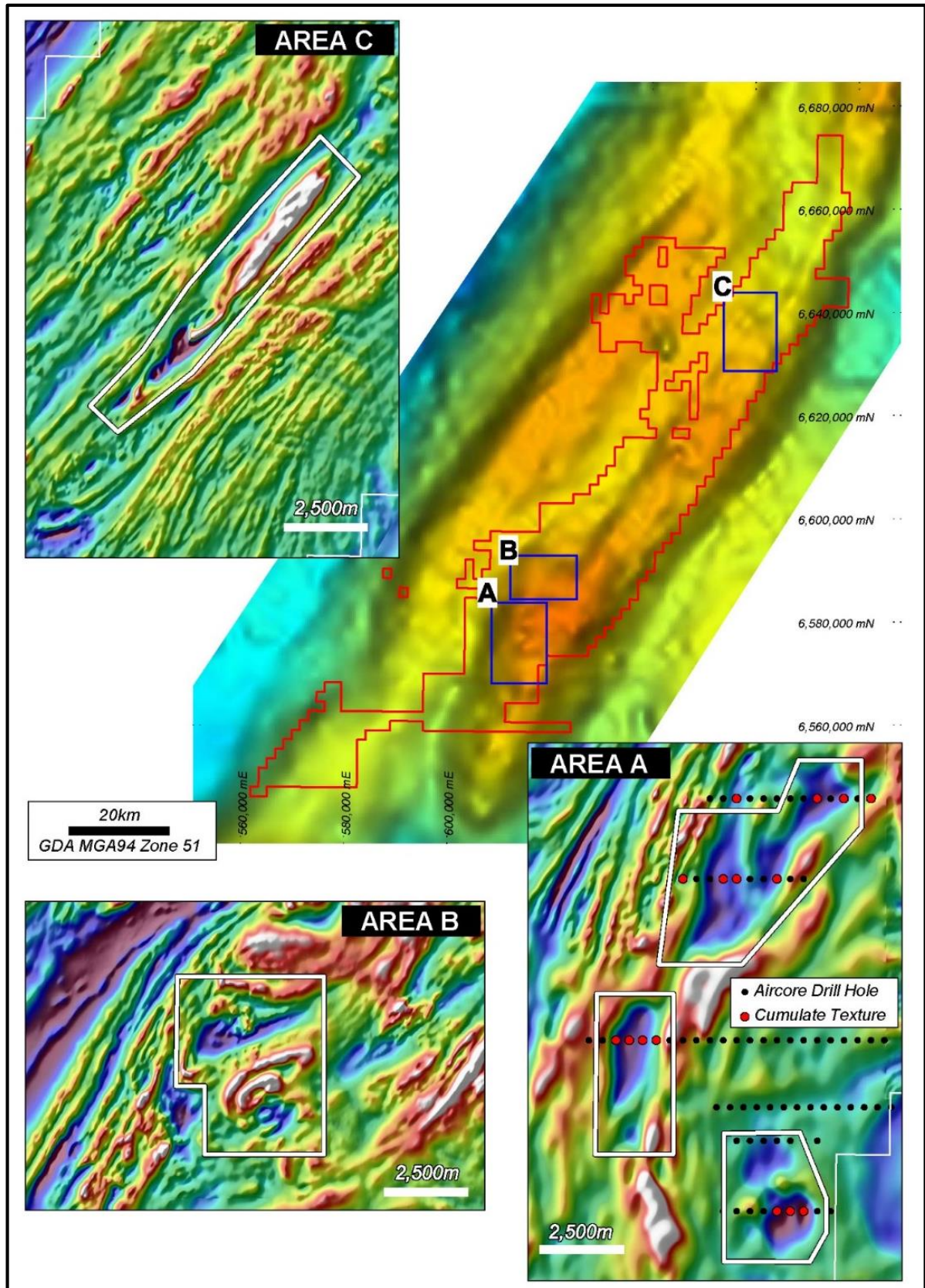


Figure 2: MLEM Target Areas A, B & C over Aeromagnetic Images

Two Fraser Range exploration licence applications ELA28/2530 and ELA28/2531, which were the subject of competing tenement applications and subsequent “objections to grant” were withdrawn during the quarter upon receipt of legal advice.

2. CORPORATE

General Meeting – Approval of Rockford Project Acquisition

A General Meeting was held on 17 September 2015 to approve the acquisition of the Rockford Project and the adoption of a new constitution. All resolutions passed unanimously on a show of hands and the results of the meeting released to the ASX on the same day.

Settlement of the Rockford Project transaction was completed on 24 September 2015. The Key Terms of the Tenement Sale and Exploration Joint Venture Agreement are as follows.

- Legend to acquire 70% interest in tenements (E28/2188-2192, E28/1718 and E28/1727) for:
 - \$2.5M cash payment,
 - 71.5M Legend shares at deemed price of \$0.007 (\$500,500),
 - 150M five year Legend options exercisable at \$0.04.
- Legend to sole fund exploration and free carry Creasy Group’s 30% interest through to the signing of Mining Venture Agreements.

Independence Group NL – Sirius Resources NL; Acquisition/Demerger

Court approval for the Schemes of Arrangement regarding the acquisition of Sirius by Independence, and the demerger of Sirius’ Polar Bear and Scandinavian assets into new company S2R was given on 9 September 2015. As a result of these transactions, Legend’s previous holding of 1.5M Sirius shares is now as follows:

- 990K IGO shares after conversion of 1.5M SIR shares (0.66 IGO shares per SIR share)
- Received \$780K cash (\$0.52 per SIR share)
- Received \$24,750 IGO dividend on 15 October 2015 (\$0.025 per IGO share)
- Received 750K shares in new company S2R (1 S2R share for 2 SIR shares)

Cameroon Project Sale

During the quarter, Legend received a \$3M cash payment (15 September) as per the rescheduled debt payment with Jindal Steel and Power announced to the ASX on 28 July 2015. A summary of the total A\$17.5M consideration under the sale agreement is given below:

- A\$6M received at completion 5 August 2014
- A\$3M received 15 September 2015
- A\$3M payable on or before 15 December 2016, with interest of 4% payable quarterly in arrears on this \$3M amount from 15 September 2015
- A\$5.5M to be paid upon the first commercial shipment of iron ore from the Project.

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 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 2015

Mining Tenements

Tenement Reference	Location	Interest at beginning of Quarter	Acquired / Disposed	Interest at end of Quarter	Comments
E28/1718	Fraser Range, Western Australia	0%	Acquired	70%	70:30 JV
E28/1727	Fraser Range, Western Australia	0%	Acquired	70%	70:30 JV
E28/2188	Fraser Range, Western Australia	0%	Acquired	70%	70:30 JV
E28/2189	Fraser Range, Western Australia	0%	Acquired	70%	70:30 JV
E28/2190	Fraser Range, Western Australia	0%	Acquired	70%	70:30 JV
E28/2191	Fraser Range, Western Australia	0%	Acquired	70%	70:30 JV
E28/2192	Fraser Range, Western Australia	0%	Acquired	70%	70:30 JV
E28/2342	Fraser Range, Western Australia	100%	N/A	100%	Granted
ELA28/2408	Fraser Range, Western Australia	100%	N/A	100%	Application
ELA28/2415	Fraser Range, Western Australia	100%	N/A	100%	Application
ELA28/2530	Fraser Range, Western Australia	100%	Disposed	0%	Withdrawn
ELA28/2531	Fraser Range, Western Australia	100%	Disposed	0%	Withdrawn

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 2015

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	(162)	(439)
(b) development	-	-
(c) production	-	-
(d) administration	(384)	(970)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	48	144
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refunded/(paid)	-	-
1.7 Other (provide details if material)	-	91
Net Operating Cash Flows	(498)	(1,174)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(2,500)	(2,500)
(b) equity investments	-	(1,979)
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	780	3,051
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) Proceeds on sale of subsidiaries that held the Cameroon project	3,000	3,000
Net investing cash flows	1,280	1,572
1.13 Total operating and investing cash flows (carried forward)	782	398

+ 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)	782	398
	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	782	398
1.20	Cash at beginning of quarter/year to date	6,553	6,937
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	7,335 ^{*#}	7,335 ^{*#}

* Excludes value of investments at cost of \$2,458,000 (market value 26 October 2015 \$3,502,000).

Does not include \$3M receivable due in December 2016.

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	197
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

During the quarter the Company issued 71,500,000 ordinary shares and 150,000,000 options (exercise price 4.0 cents, expiring 23 September 2020) as part consideration for the acquisition of tenements.

- 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	1,000
4.2	Development	-
4.3	Production	-
4.4	Administration	300
Total		1,300

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	1,335	1,553
5.2 Deposits at call	6,000	5,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,335	6,553
Shares held in Artemis Resources Limited, Nemex Resources Limited, Independence Group NL and S2 Resources Limited at cost	2,458	3,255
Total: cash, security deposits and other liquid assets held at cost at end of quarter	9,793	9,808

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			
6.2	E28/1718	JV - Ponton Minerals Pty Ltd (30%)	Nil	70%
	E28/1727	JV - Ponton Minerals Pty Ltd (30%)	Nil	70%
	E28/2188	JV - Rockford Metals Pty Ltd (30%)	Nil	70%
	E28/2189	JV - Rockford Metals Pty Ltd (30%)	Nil	70%
	E28/2190	JV - Rockford Metals Pty Ltd (30%)	Nil	70%
	E28/2191	JV - Rockford Metals Pty Ltd (30%)	Nil	70%
	E28/2192	JV - Rockford Metals Pty Ltd (30%)	Nil	70%

+ 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	2,034,350,801	2,034,350,801		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	71,500,000	71,500,000		
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)	30,000,000	-	Exercise price 6.0 cents	Expiry date 21 December 2015
	150,000,000	-	4.0 cents	23 September 2020
7.8 Issued during quarter	150,000,000	-	4.0 cents	23 September 2020
7.9 Exercised during quarter				
7.10 Expired/cancelled 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: 28 October 2015

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.