



HALF YEAR REPORT

30 JUNE 2014

ACN 060 966 145

CONTENTS

	Page
Company Directory	1
Directors' Report	2
Consolidated Statement of Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Cash Flows	5
Consolidated Statement of Changes in Equity	6
Notes to the Financial Statements	7
Directors' Declaration	15
Declaration of Auditor Independence	16
Independent Auditor's Review Report	17

Web

www.legendmining.com.au

Email

legend@legendmining.com.au

ASX Codes

LEG – ordinary shares

COMPANY DIRECTORY

Directors

Michael William Atkins (Non-Executive Chairman)
Mark William Wilson (Managing Director)
Derek William Waterfield (Executive Director –
Technical)

Company Secretary

Dennis Wilkins

Registered Office

Level 1
8 Kings Park Road
PO Box 626
WEST PERTH, WA 6005

Telephone: (08) 9212 0600
Facsimile: (08) 9212 0611

Bankers

National Australia Bank
1232 Hay Street
WEST PERTH, WA 6005

Auditors

Ernst & Young
11 Mounts Bay Road
PERTH, WA 6000

Home Exchange

Australian Securities Exchange Ltd
2 The Esplanade
PERTH WA 6000

Share Registry

Advanced Share Registry Services
150 Stirling Highway
NEDLANDS, WA 6009

Telephone: (08) 9389 8033
Facsimile: (08) 9389 7871

Lawyers

Hilary Macdonald
Suite 23, 18 Stirling Highway
NEDLANDS WA 6009

DIRECTORS' REPORT

The Directors submit their report for the half-year ended 30 June 2014.

DIRECTORS

The names and details of the Company's directors during the financial period and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Michael Atkins (Chairman, Non-Executive Director)

Mark Wilson (Managing Director)

Derek Waterfield (Executive Director – Technical)

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities during the period of the entities within the consolidated entity were exploration for iron ore and gold deposits.

RESULTS OF OPERATIONS

The loss of the consolidated entity for the half-year after tax and non-controlling interests was \$557,218 (2013: \$26,494,792), which includes an impairment charge against the group's deferred exploration assets of \$1,144,664 (2013: \$25,667,889).

REVIEW OF OPERATIONS

Legend successfully progressed the sale of the Cameroon Project to a point where completion occurred after period end (refer Notes 8 and 15). The Company also acquired an interest in exploration tenements in the Fraser Range District of Western Australia and has commenced early stage exploration activities.

AUDITOR'S INDEPENDENCE

The Auditor's Independence Declaration under S307C of the *Corporations Act 2001* has been received from Ernst & Young, the Company's auditor, and is available for review on page 16.

SIGNED in accordance with a Resolution of the Directors on behalf of the Board



M Wilson
Managing Director

Dated this 11 September 2014

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	Notes	CONSOLIDATED	
		30 June 2014	30 June 2013
		\$	\$
Finance revenue	3(a)	65,174	176,224
Other income	3(b)	-	30,000
Net gain/(loss) on revaluation of financial assets held for trading	3(e)	1,420,550	(445,850)
Other expenses	3(d)	(15,812)	(18,260)
Corporate expenses		(903,285)	(900,639)
Impairment of deferred exploration assets		(1,144,664)	(25,667,889)
Net (loss)/profit before income tax expense		(578,037)	(26,826,414)
Income tax benefit/(expense)		20,819	331,622
(Loss)/profit for the period		(557,218)	(26,494,792)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Movement in foreign currency translation reserve		(850,469)	4,294,564
<i>Items that will not be reclassified to profit or loss</i>			
Non-controlling interest in foreign currency translation reserve		(94,496)	477,173
Other comprehensive (expense)/income for the period		(944,965)	4,771,737
Total comprehensive (expense)/income for the period		(1,502,183)	(21,723,055)
(Loss)/profit for the period attributable to:			
Members of Legend Mining Limited		(444,431)	(23,928,003)
Non-controlling interest		(112,787)	(2,566,789)
		(557,218)	(26,494,792)
Total comprehensive (expense)/income attributable to:			
Members of Legend Mining Limited		(1,294,900)	(19,633,439)
Non-controlling interest		(207,283)	(2,089,616)
		(1,502,183)	(21,723,055)
(LOSS)/PROFIT PER SHARE (cents per share)			
Basic (loss)/profit for the period attributable to ordinary equity holders of the parent	4	(0.0226)	(1.2186)
Diluted (loss)/profit for the period attributable to ordinary equity holders of the parent	4	(0.0226)	(1.2186)

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Notes	CONSOLIDATED	
		As at	As at
		30 June 2014	31 December 2013
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,153,407	4,652,135
Trade & other receivables		5,904	32,480
Other financial assets	7	5,147,600	3,727,050
		<u>8,306,911</u>	<u>8,411,665</u>
Assets of disposal group classified as held for sale	8	12,560,938	14,076,514
Total Current Assets		<u>20,867,849</u>	<u>22,488,179</u>
Non-current Assets			
Other financial assets	7	50,000	50,000
Property, plant & equipment	9	57,127	62,624
Deferred exploration assets	10	120,126	66,979
Total Non-current Assets		<u>227,253</u>	<u>179,603</u>
TOTAL ASSETS		<u>21,095,102</u>	<u>22,667,782</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	11	89,390	166,920
Provisions		118,767	103,498
Total Current Liabilities		<u>208,157</u>	<u>270,418</u>
Non-current Liabilities			
Provisions		46,372	42,788
Total Non-Current Liabilities		<u>46,372</u>	<u>42,788</u>
TOTAL LIABILITIES		<u>254,529</u>	<u>313,206</u>
NET ASSETS		<u>20,840,573</u>	<u>22,354,576</u>
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	12	59,807,070	59,818,890
Reserves		22,417,578	22,417,578
Reserves attributable to disposal group classified as held for sale		2,647,058	3,497,527
Accumulated losses		(63,088,449)	(62,644,018)
Total parent entity interest		<u>21,783,257</u>	<u>23,089,977</u>
Non-controlling interests		(942,684)	(735,401)
TOTAL EQUITY		<u>20,840,573</u>	<u>22,354,576</u>

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

	CONSOLIDATED	
	30 June 2014	30 June 2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	30,000
Payments to suppliers and employees	(966,596)	(902,994)
Interest received	78,745	126,075
Income taxes refunded/(paid)	22,003	(1,203,513)
Net cash flows used in operating activities	(865,848)	(1,950,432)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant & equipment	(10,315)	(20,781)
Payments for exploration & evaluation	(622,251)	(1,583,804)
Payment for term deposit	-	(5,000,000)
Net cash flows used in investing activities	(632,566)	(6,604,585)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for share buy-back	-	(42,389)
Net cash flows used in financing activities	-	(42,389)
Net decrease in cash and cash equivalents	(1,498,414)	(8,597,406)
Cash and cash equivalents at the beginning of period	4,652,135	9,958,535
Effects of exchange rate movements on cash and cash equivalents	(314)	79,760
Cash and cash equivalents at end of period	3,153,407	1,440,889

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

Consolidated	Issued Capital \$	Foreign Currency Translation Reserve \$	Share Option Premium Reserve \$	Accumulated Losses \$	Non- Controlling Interests \$	Total Equity \$
At 1 January 2014	59,818,890	3,497,527	22,417,578	(62,644,018)	(735,401)	22,354,576
Loss for the period	-	-	-	(444,431)	(112,787)	(557,218)
Other comprehensive income/(expense)	-	(850,469)	-	-	(94,496)	(944,965)
Total comprehensive income/(expense) for the period	-	(850,469)	-	(444,431)	(207,283)	(1,502,183)
Cost of issue of share capital	(11,820)	-	-	-	-	(11,820)
At 30 June 2014	<u>59,807,070</u>	<u>2,647,058</u>	<u>22,417,578</u>	<u>(63,088,449)</u>	<u>(942,684)</u>	<u>20,840,573</u>
At 1 January 2013	59,860,159	(4,519,280)	22,417,578	(27,914,463)	2,056,782	51,900,776
Loss for the period	-	-	-	(23,928,003)	(2,566,789)	(26,494,792)
Other comprehensive income/(expense)	-	4,294,564	-	-	477,173	4,771,737
Total comprehensive income/(expense) for the period	-	4,294,564	-	(23,928,003)	(2,089,616)	(21,723,055)
Share buy-back	(14,952)	-	-	-	-	(14,952)
Cost of issue of share capital	(14,497)	-	-	-	-	(14,497)
At 30 June 2013	<u>59,830,710</u>	<u>(224,716)</u>	<u>22,417,578</u>	<u>(51,842,466)</u>	<u>(32,834)</u>	<u>30,148,272</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

NOTE 1: CORPORATE INFORMATION

The financial report of Legend Mining Limited (the Company) for the half-year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 11 September 2014.

Legend Mining Limited is a company incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are exploration for iron ore, gold and base metal deposits.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Legend Mining Limited for the year ended 31 December 2013.

It is also recommended that the half-year financial report be considered together with any public announcements made by Legend Mining Limited and its controlled entities during the half-year ended 30 June 2014 in accordance with the continuance disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The half-year financial report is a general-purpose condensed financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. The half-year financial report has been prepared on a historical cost basis except for certain financial instruments and the assets of the disposal group classified as held for sale, which have been measured at fair value.

The half-year financial report is presented in Australian dollars and all values are expressed as whole dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discreet reporting period.

(b) Adoption of new and revised Accounting Standards

The Company has adopted all new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current period as listed below:

- AASB 1031 Materiality;
- AASB 1048 Interpretation of Standards;
- AASB CF 2013-1 Amendments to the Australian Conceptual Framework and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments;
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements;
- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132);

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets; and
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting.

These standards have introduced new disclosures for the interim report but did not have a material effect on the entity's accounting policies or any of the amounts recognised in the financial statements.

The Group has not elected to early adopt any other new Standards or amendments that are issued but not yet effective.

(c) Significant accounting policies

The half-year financial report has been prepared using the same accounting policies as used in the annual financial statements for the year ended 31 December 2013.

(d) Estimates

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

NOTE 3: REVENUE AND EXPENSES

	CONSOLIDATED	
	30 June 2014	30 June 2013
	\$	\$
Revenues and expenses from continuing operations		
a) Finance Revenue		
Bank interest received and receivable	65,174	176,224
b) Other Income		
Sundry income	-	30,000
c) Employee Benefits Expense		
Salaries & On costs	454,771	399,069
Other employee benefits	8,021	8,176
d) Other Expenses		
Depreciation	8,650	18,260
Loss on disposal of property, plant and equipment	7,162	-
e) Net Gain/(Loss) on Revaluation of Investments		
Fair value revaluation on Nemex Resources Limited shares	11,550	(56,100)
Fair value revaluation on Pilbara Minerals Limited shares	14,000	(29,750)
Fair value revaluation on Artemis Resources Limited shares	(60,000)	120,000
Fair value revaluation on Sirius Resources Limited shares	1,455,000	(480,000)

NOTE 4: LOSS PER SHARE

	CONSOLIDATED	
	30 June 2014	30 June 2013
	\$	\$
(a) Earnings used in the calculation of basic loss per share		
Net loss from continuing operations attributable to ordinary equity holders of Legend Mining Limited	(444,431)	(23,928,003)
(b) Weighted average number of shares on issue during the financial period used in the calculation of basic loss per share		
Weighted average number of ordinary shares on issue used in the calculation of diluted loss per share	1,962,850,801	1,963,565,213

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

NOTE 5: SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports that are used by the chief operating decision maker ("CODM") in order to allocate resources to the segment and to assess its performance. The CODM of the Group is the Board of Directors.

The Group has identified its operating segments based on the internal reports that are provided to the CODM on a regular basis. The Group has two reportable operating segments being Australia and Africa, and conducts exploration and evaluation activities in Africa.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of this financial report.

	Australia		West Africa		Total	
	June 2014	June 2013	June 2014	June 2013	June 2014	June 2013
	\$	\$	\$	\$	\$	\$
Segment Income	1,485,724	206,224	-	-	1,485,724	206,224
Segment Result	570,656	(826,903)	(1,127,874)	(25,667,889)	(557,218)	(26,494,792)
Segment Assets	8,492,138	10,093,996	12,602,964	20,286,450	21,095,102	30,380,446
Segment Liabilities	(224,207)	(228,433)	(30,322)	(3,741)	(254,529)	(232,174)

Segment revenues and expenses are those directly attributable to the segments and include those expenses incurred by head office where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash and cash equivalents, receivables, property, plant and equipment, investments in listed entities and capitalised exploration. Segment liabilities consist principally of payables, employee benefits, accrued expenses and provisions.

NOTE 6: CASH AND EQUIVALENTS

	Consolidated	
	30 June 2014	31 December 2013
	\$	\$
Cash at bank and in hand	1,153,407	652,135
Term deposits	2,000,000	4,000,000
Total cash and cash equivalents	3,153,407	4,652,135

NOTE 7: OTHER FINANCIAL ASSETS

	Consolidated	
	30 June 2014	31 December 2013
	\$	\$
Current		
Shares in Sirius Resources Limited at market value	4,860,000	3,405,000
Shares in Pilbara Minerals Limited at market value	35,000	21,000
Shares in Nemex Resources Limited at market value	72,600	61,050
Shares in Artemis Resources Limited at market value	180,000	240,000
	5,147,600	3,727,050
Non-current		
Performance and other bonds (a)	50,000	50,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

NOTE 7: OTHER FINANCIAL ASSETS (cont'd)

The equity investments are all classified as held for trading. The market value of all equity investments represent the fair value based on quoted prices on active markets (ASX) as at the reporting date without any deduction for transaction costs. These investments are classified as Level 1 financial instruments. There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of these financial instruments, or changes in its classification as a result of a change in the purpose or use of these assets.

(a) Bank deposit held as security for credit cards. At 30 June 2014 this deposit is held on a 6 month term deposit with an interest rate of 3.7% per annum (31 December 2013, 6 months at 3.75%pa).

NOTE 8: DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

Consolidated

	30 June 2014	31 December 2013
	\$	\$
Assets – at fair value less costs to sell		
Prepayments	19,263	48,944
Inventory	2,577	11,164
Property, plant and equipment	619,486	842,304
Deferred exploration assets (i)	11,919,612	13,174,102
	12,560,938	14,076,514
Reserves attributable to disposal group classified as held for sale		
Foreign currency translation reserve	2,647,058	3,497,527

On 20 November 2013 Legend announced that it had entered into a Share Sale and Debt Assignment Agreement (“Agreement”) for the sale of Legend’s 90% interest in Camina SA, the holding company of the Ngovayang Project in the Republic of Cameroon (the “Transaction”). The sale is to be implemented by the sale of 100% of Legend’s wholly-owned British Virgin Islands subsidiary, Legend Iron Limited (“Company”), and transfer of intercompany debts by Legend Cameroon Pty Ltd (“Seller”) to Jindal Mining & Exploration Limited (“Purchaser”).

Pursuant to the Agreement, Legend shall receive cash consideration of:

- \$6 million upon completion of the Transaction;
- \$6 million twelve months after completion; and
- \$5.5 million within 10 business days of the execution of a Mining Convention between the purchaser and the Government of Cameroon.

The fair value of the disposal group, classified as level 3 in the fair value hierarchy, has been determined by reference to the estimated fair value of the consideration receivable. In determining fair value, the first tranche of \$6 million has been valued at its face value given the expected short term maturity thereof. The second tranche of \$6 million is due to be received on 22 July 2015 and has been discounted at 8% over this period.

The contingent consideration of \$5.5 million is dependent upon the execution of a mining convention between the purchaser and the government of Cameroon. Given the probability and time risk of the mining convention being executed, the directors have taken a conservative view and assigned a nil fair value to the contingent consideration.

Completion occurred on 22 July 2014 and the first tranche of \$6 million was received on 5 August 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014**

NOTE 8: DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (cont'd)

Note:

- (i) The carrying value of the Group's projects in West Africa were reviewed, and impairment of \$1,127,874 recognised during the current period, in light of the sale agreement entered into. The carrying value has been determined by reference to the fair value of the proceeds to be received in accordance with the sale agreement.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment \$
Consolidated	
At 31 December 2013	
Cost	250,488
Accumulated depreciation	(187,864)
Net carrying amount	62,624
Half-Year Ended 30 June 2014	
Opening net carrying amount	62,624
Additions	10,315
Disposals	(7,162)
Depreciation expense	(8,650)
Closing net carrying amount	57,127
At 30 June 2014	
Cost	129,237
Accumulated depreciation	(72,110)
Net carrying amount	57,127

NOTE 10: DEFERRED EXPLORATION ASSETS

	Consolidated	
	30 June 2014	31 December 2013
	\$	\$
Deferred exploration costs	120,126	66,979
(a) Deferred exploration and evaluation assets	6 Months Ended 30 June 2014	6 Months Ended 30 June 2013
	\$	\$
At 1 January, at cost	66,979	38,904,952
Exchange differences	-	4,583,827
Expenditure incurred during the period	69,937	1,365,564
Expenditure written-off during the period	(i) (16,790)	(25,667,889)
At 30 June, at cost	(ii) 120,126	19,186,454

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

NOTE 10: DEFERRED EXPLORATION ASSETS (cont'd)

Note:

- (i) Deferred exploration assets for the current period relate solely to Australian-based projects, with the Group's West African projects included in the disposal group classified as held for sale (refer note 8). During the 2013 interim period the carrying value of the West African projects were reviewed, and impairment recognised, based on the following:
- Value is anticipated to be recovered through either sale of the projects or exploitation of the projects by the Group;
 - The carrying value has been determined by reference to the estimated fair value of the projects; and
 - The fair value was supported by discussions held with potential partners.
- (ii) The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

NOTE 11: TRADE AND OTHER PAYABLES

Current – unsecured	30 June 2014	31 December 2013
	\$	\$
Trade payables	42,989	122,604
Other payables & accruals	46,401	44,316
	89,390	166,920

Terms and conditions relating to the above financial instruments

- (i) Trade payables are non-interest bearing and normally settled on 30 day terms.
(ii) Other payables are non-interest bearing and normally settled as they fall due.

NOTE 12: CONTRIBUTED EQUITY

	Consolidated and Company	
	30 June 2014	31 December 2013
	\$	\$
Ordinary shares		
Issued and fully paid	63,075,664	63,075,664
Issue costs	(3,268,594)	(3,256,774)
	59,807,070	59,818,890

Movement in ordinary shares on issue 2014

	30 June 2014	30 June 2014
	No of Shares	\$
At 1 January 2014	1,962,850,801	63,075,664
No movement		
At 30 June 2014	1,962,850,801	63,075,664

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2014

NOTE 13: COMMITMENTS

(a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay approximately \$120,000 (2013: \$nil) in the following twelve months in respect of tenement lease rentals and to meet minimum expenditure requirements of the Department of Industry & Resources. These obligations are expected to be fulfilled in the normal course of operations and have not been provided for in the financial report.

(a) Operating Lease commitments

The company has a lease commitment over its office premises located at 8 Kings Park Road, West Perth. The lease is for a period of two years commencing 1 November 2013. The lease commitment is \$68,122 for the first year increased for CPI in the second year.

NOTE 14: CONTINGENT LIABILITIES

There are no contingent liabilities at the reporting date.

NOTE 15: EVENTS AFTER THE BALANCE SHEET DATE

The sale of the Ngovayang Project completed on 22 July 2014, refer to note 8 for details.

During August 2014 Legend cancelled a total of 800 million Performance Options for cash consideration of \$1 million.

No other matters or circumstances have arisen since the end of the half-year to the date of this report which have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

NOTE 16: DIVIDENDS PAID AND PROPOSED

No dividends were paid or proposed this financial period.

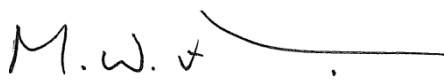
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Legend Mining Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes, of the consolidated entity, are in accordance with the Corporations Act 2001, including;
 - i. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the period ended on that date; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

A handwritten signature in black ink, appearing to read 'M. W. J.', followed by a horizontal line extending to the right.

Mark Wilson
Managing Director

Dated this 11 September 2014



Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Legend Mining Limited

In relation to our review of the financial report of Legend Mining Limited for the half-year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Gavin Buckingham
Partner
11 September 2014

To the members of Legend Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Legend Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Legend Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

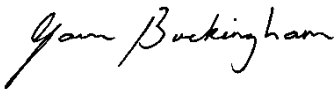
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Legend Mining Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Gavin Buckingham
Partner
Perth
11 September 2014