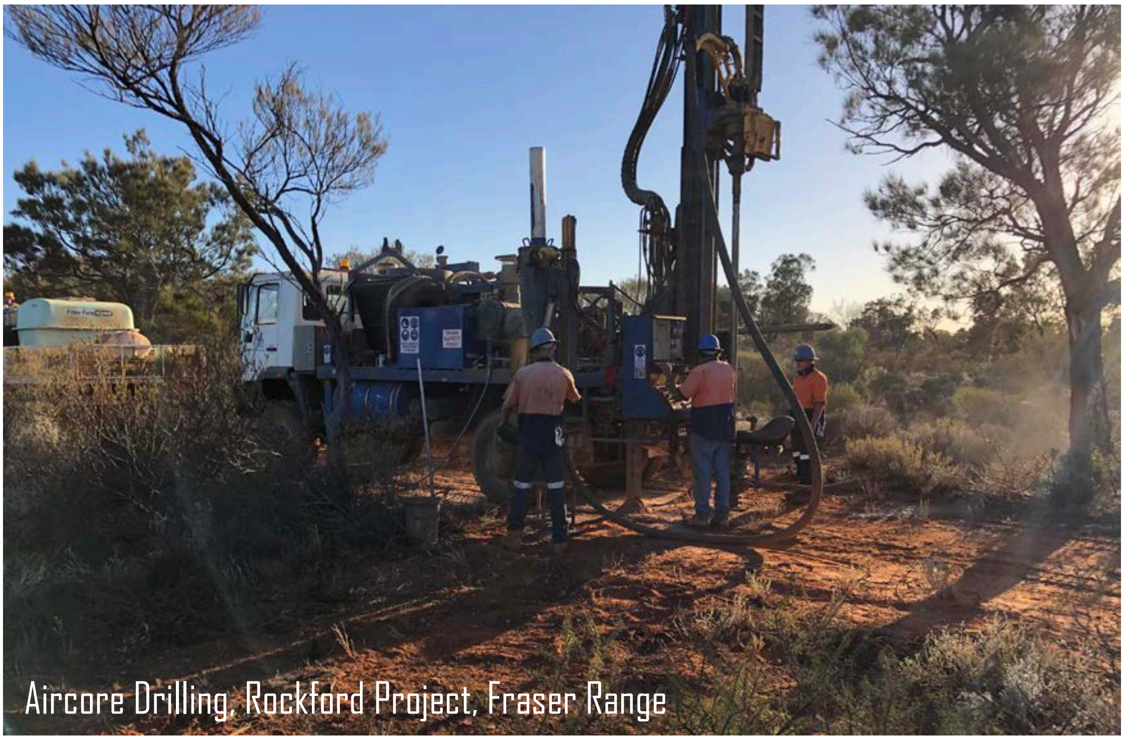
HALF YEAR REPORT

30 JUNE 2019

ASX : LEG

ACN: 060 966 145



Aircore Drilling, Rockford Project, Fraser Range

CONTENTS

COMPANY DIRECTORY

Directors

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

Company Secretary

Anthony Michael Walsh

Registered Office

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

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

Bankers

Australian and New Zealand Banking Group Ltd
1275 Hay Street
WEST PERTH, WA 6005

Auditors

Ernst & Young
11 Mounts Bay Road
PERTH, WA 6000

Home Exchange

Australian Securities Exchange Ltd
Level 40, Central Park
152-158 St George's Terrace
PERTH WA 6000

Share Registry

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS, WA 6009

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

Lawyers

DLA Piper
Level 31, Central Park
152-158 St George's Terrace
PERTH WA 6000

Web

www.legendmining.com.au

Email

legend@legendmining.com.au

ASX Code
LEG – ordinary shares

DIRECTORS' REPORT

The Directors submit their report for the half-year ended 30 June 2019.

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 nickel and copper deposits in Australia.

RESULTS OF OPERATIONS

The loss of the consolidated entity for the half-year after tax was $316,550 (2018: $568,326 loss).

REVIEW OF OPERATIONS

Legend continued with exploration activities on the Rockford Project tenements in the Fraser Range District of Western Australia, which includes ongoing testing and development of innovative geophysical exploration techniques which the Company expects to claim in its R&D Tax Incentive application, and comprises:

- Geophysical review of the advanced Area D prospect involving modelling of innovative electromagnetic survey data and integrating with geological and geochemical information to assist design of follow up diamond drilling programme.
- Detailed aircore drilling at Area D completed over the up dip projection of 14 previously identified electromagnetic conductors to provide geological and geochemical data.
- Infill aircore drilling at Worsley and Crean prospects following up previous anomalous aircore results.
- Continuation of regional aircore drilling programmes over a combination of priority aeromagnetic and gravity targets.

EVENTS AFTER THE BALANCE SHEET DATE

On 9 July 2019, Legend announced that it had signed transformational agreements to raise $9.8M at a 20% premium to the average share price for 2019 (the Placement), and to enter into three new joint ventures (Ponton JVA 2019, Rockford JVA 2019 and Legend/IGO JVA 2019) relating to its Rockford Project in the Fraser Range district of Western Australia.

- The $9.8M Placement to Independence Group NL (IGO) is for 272,222,222 shares @ 3.6cps and 136,111,111 attaching three year options with an exercise price of 7.2 cents per option. The first tranche was completed on 11 July 2019 under Legend's existing 15% placement capacity, while the second tranche is subject to Legend shareholder approval at a meeting which will be held on 27 September 2019. The Placement has resulted in IGO having an 11.9% shareholding in Legend post Tranche 1. IGO will have 14.18% shareholding post Tranche 2.

- Legend has entered into a new JVA ("Ponton JVA 2019") with Creasy Group over tenements E28/1716 and E28/1717 which are contiguous with existing Rockford Project tenure on the western margin of the Fraser Zone within the larger Albany-Fraser Orogen. The tenements cover 709km2 over the prospective western stratigraphic package and contain two advanced Ni-Cu-Co prospects Octagonal and Magnus. Subject to shareholder approval at a meeting which will be held on 27 September 2019 and completion of the Placement, Legend will pay the consideration being 55,555,555 Legend shares at a deemed price of 3.6 cents to Creasy Group, and, upon completion of Bankable Feasibility Study and Decision to Mine, Legend will pay a further 277,777,775 Legend shares at a deemed price of 3.6 cents to the Creasy Group.

  Pursuant to the Ponton JVA 2019, Legend will sole fund exploration and free carry Creasy's 30% interest through to the signing of Mining Venture Agreements (following completion of Bankable Feasibility Study and Decision to Mine) and complete a 2,000m diamond drill hole into AMT target at Octagonal within first 12 months of Ponton JVA 2019.

- Legend, IGO and Creasy has entered into a new JVA ("Rockford JVA 2019") over two Rockford North tenements E28/2190 and E28/2191 whereby IGO will have a 60% interest, management rights and responsibilities, and Creasy and Legend will have free carried interests over 30% and 10% respectively.

- Legend and IGO have entered into a new JVA ("Legend/IGO JVA 2019") on 9 July 2019 over three Legend 100% owned tenements E28/2675-2677, whereby IGO will have a 70% interest, management rights and responsibilities, and Legend will have a free carried 30% interest.

For further details, see Legend announcement dated 9 July 2019 entitled "Legend Signs Transformational Agreements with Independence Group NL and Creasy Group".

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 17.

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

M.W.

M Wilson
Managing Director

Dated this 28th day of August 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2019

		CONSOLIDATED	
		30 Jun 2019	**30 Jun 2018**
	Notes	**$**	**$**
Finance revenue	3(a)	91,545	119,687
Net (loss)/gain on revaluation of financial assets held for trading		19,655	(90,713)
Employee benefits expense	3(b)	(143,835)	(247,304)
Other expenses	3(c)	(1,276)	(19,806)
Corporate expenses		(282,639)	(330,190)
Net loss before income tax expense		(316,550)	(568,326)
Income tax benefit		-	-
Loss for the period attributable to Owners of Legend Mining Limited		**(316,550)**	**(568,326)**
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to Owners of Legend Mining Limited		**(316,550)**	**(568,326)**
LOSS PER SHARE (cents per share)			
Basic loss for the period attributable to ordinary equity holders of the parent	4	(0.0155)	(0.0278)
Diluted loss for the period attributable to ordinary equity holders of the parent	4	(0.0155)	(0.0278)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Notes	CONSOLIDATED As at 30 Jun 2019 $	As at 31 Dec 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	6	1,625,336	3,323,829
Receivables	7	7,910	64,012
Other financial assets	8	136,934	117,279
Total Current Assets		1,770,180	3,505,120
Non-current Assets			
Other financial assets	8	5,775	5,775
Property, plant and equipment	9	101,549	109,099
Right-of-use asset		139,078	-
Deferred exploration assets	10	11,243,722	10,012,564
Total Non-Current Assets		11,490,124	10,127,438
TOTAL ASSETS		13,260,304	13,632,558
LIABILITIES			
Current Liabilities			
Trade and other payables	11	79,593	288,483
Provisions		173,190	164,498
Lease liability		83,179	-
Total Current Liabilities		335,962	452,981
Non-current Liabilities			
Provisions		102,841	97,425
Lease liability		55,899	-
Total Non-Current Liabilities		158,740	97,425
TOTAL LIABILITIES		494,702	550,406
NET ASSETS		12,765,602	13,082,152
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	12	60,711,242	60,711,242
Share option premium reserve		23,268,278	23,268,278
Accumulated losses		(71,213,918)	(70,897,368)
TOTAL EQUITY		12,765,602	13,082,152

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2019

	CONSOLIDATED	
	30 Jun 2019 $	30 Jun 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(590,015)	(679,566)
Interest received	98,247	145,725
Net cash flows used in operating activities	(491,768)	(533,841)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(4,200)	-
Payments for exploration and evaluation	(1,202,525)	(846,751)
Receipt of research and development tax incentive grant	-	1,303,462
Net cash flows (used in)/from investing activities	(1,206,725)	456,711
Net decrease in cash and cash equivalents	(1,698,493)	(77,130)
Cash and cash equivalents at the beginning of period	3,323,829	4,469,964
Cash and cash equivalents at end of period	1,625,336	4,392,834

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2019

Consolidated	Issued Capital $	Share Option Premium Reserve $	Accumulated Losses $	Total Equity $
At 1 January 2019	60,711,242	23,268,278	(70,897,368)	13,082,152
Loss for the period	-	-	(316,550)	(316,550)
Total comprehensive loss for the period	-	-	(316,550)	(316,550)
At 30 June 2019	60,711,242	23,268,278	(71,213,918)	12,765,602
At 1 January 2018	60,711,242	23,268,278	(69,629,766)	14,349,754
Loss for the period	-	-	(568,326)	(568,326)
Total comprehensive loss for the period	-	-	(568,326)	(568,326)
At 30 June 2018	60,711,242	23,268,278	(70,198,092)	13,781,428

The accompanying notes form part of these financial statements

NOTE 1: CORPORATE INFORMATION

The financial report of Legend Mining Limited (the Company) for the half-year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 28 August 2019.

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 nickel and copper deposits in Australia.

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 2018.

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 2019 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 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, 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) New Standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Except for AASB 16 'Leases', the adoption of other new or amended Standards did not have any material impact on the disclosure or the amounts recognised in the Group's consolidated financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

AASB 16 Leases

The application date of AASB 16 for the Group was 1 January 2019. The key features of AASB 16 are as follows:

Lessee accounting

- Lessees are required to recognise assets and liabilities for all leases except when entities elect to apply the short-term or low-value recognition exemptions A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.
- Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.
- AASB 16 contains disclosure requirements for lessees.

The Group has adopted AASB 16 using the modified retrospective method, recognising right of use assets equivalent to the lease liability at transition. The Group has elected to use the transition practical expedient allowed for lease contracts for which the lease terms ends within 12 months as of the date of initial application. The Group has elected to apply the standard to contracts that were previously identified as leases applying AASB 117 and AASB Interpretation 4. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying AASB 117 and AASB Interpretation 4.

A lease liability and corresponding right of use asset with a value of $178,332 was recognised as at 1 January 2019 in relation to premises leased by the Group. The Group has applied the hindsight practical expedient in determining this balance where contracts contained options to extend the lease.

Summary of new accounting policy

Set out below are the new accounting policies of the Group upon adoption of AASB 16:

Right-of-use asset
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and associated restoration provisions. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (between one and two years). Right-of-use assets are subject to impairment

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below $5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(c) 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.

NOTE 3: REVENUE AND EXPENSES

	CONSOLIDATED	
	30 Jun 2019	**30 Jun 2018**
	$	**$**
Revenues and expenses from continuing operations		
a) Finance Revenue		
Bank interest received and receivable	31,545	59,687
Interest on Jindal receivable (refer note 7(a))	60,000	60,000
	91,545	119,687
b) Employee Benefits Expense		
Salaries and On costs	143,835	247,304
	143,835	247,304
c) Other Expenses		
Depreciation	15,050	19,806
Less depreciation capitalised to exploration	(13,774)	-
	1,276	19,806

NOTE 4: EARNINGS/(LOSS) PER SHARE

	CONSOLIDATED	
	30 Jun 2019 $	30 Jun 2018 $
(a) Earnings used in the calculation of basic earnings/(loss)per share Net loss attributable to ordinary equity holders of Legend Mining Limited	(316,550)	(568,326)
(b) Weighted average number of shares on issue during the financial period used in the calculation of basic earnings/(loss) per share	2,044,350,801	2,044,350,801
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings/(loss) per share	2,044,350,801	2,044,350,801

(c) Information on the classification of options

For the half year ended 30 June 2019, all options on issue were antidilutive as the various exercise prices were all greater than the average market price of the Company's shares during the year. This has resulted in the diluted earnings per share being the same as the basic earnings per share. These options could potentially dilute basic earnings per share in the future. The number of anti-dilutive potentially issuable ordinary shares at 30 June 2019 is 238,000,000 (30 June 2018: 238,000,000).

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 one reportable segment being exploration and evaluation activities in Australia.

NOTE 6: CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	30 Jun 2019 $	31 Dec 2018 $
Cash at bank and in hand	325,336	323,829
Term deposits	1,300,000	3,000,000
Total cash and cash equivalents	1,625,336	3,323,829

NOTE 7: TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	30 Jun 2019 $	31 Dec 2018 $
Current		
Other receivables **(b)**	7,910	64,012
	7,910	64,012
Non-current		
Receivable from Jindal Mining and Exploration Limited **(a)**	3,005,000	3,005,000
Provision for Jindal receivables	(3,005,000)	(3,005,000)
	-	-

NOTE 7: TRADE AND OTHER RECEIVABLES (Cont)

Terms and conditions relating to the above financial instruments:

(a) On 4 January 2017, the Company announced that it had received a request from Jindal Steel and Power (Mauritius) Limited ("Jindal") to consider a further deferral of the payment of the final amount of $3 million owing to Legend from the sale of the Cameroon Iron Ore project. At that time, Legend agreed to this request in principle, and expected to report to the ASX as soon as an agreement of new payment terms was reached.

On 6 May 2019, Legend and Jindal agreed to a payment schedule for the final amount of $3 million owing to Legend from the sale of the Cameroon Iron Ore project. Payments of $250,000 per month will be paid commencing 31 October 2019 until 31 August 2020 (11 payments) with the final payment of $250,000 on 15 October 2020, totalling $3 million in full. Since January 2017, Jindal has continued to pay the 4% interest due on the $3 million owing to Legend each quarter including the June 2019 interest payment. No payments have been received to date of the principal amount lent to Jindal. The provision has not been adjusted in the absence of further evidence of recoverability.

(b) Other receivables are interest accruals on Term Deposits.

NOTE 8: OTHER FINANCIAL ASSETS

	CONSOLIDATED	
	30 Jun 2019 $	31 Dec 2018 $
Current		
Share in S2 Resources Limited - at fair value	86,934	67,279
Security Bond (a)	50,000	50,000
	136,934	117,279
Non-current		
Rental property bond (b)	5,775	5,775

The equity investments are all classified as financial assets at fair value through profit and loss. 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) Security Bond - bank deposit held as security for credit cards. At 30 June 2019, this deposit is held on term deposit for 5 months and 29 days with an interest rate of 2% per annum maturing on 23 December 2019.

(b) Rental Property Bond – this bond relates to a rental property in Kalgoorlie WA. No interest is received on this bond.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED	
	30 Jun 2019	31 Dec 2019
	$	$
Cost	332,226	324,726
Accumulated depreciation	(230,677)	(215,627)
Net carrying amount	101,549	109,099

Movement	6 Months Ended 30 Jun 2019	6 Months Ended 30 Jun 2018
	$	$
Opening net carrying amount	109,099	149,039
Additions	7,500	-
Depreciation expense	(15,050)	(19,806)
Closing net carrying amount	101,549	129,233

NOTE 10: DEFERRED EXPLORATION ASSETS

	CONSOLIDATED	
	30 Jun 2019	31 Dec 2018
	$	$
Deferred exploration costs	11,243,722	10,012,564

(a) Deferred exploration and evaluation assets		6 Months Ended 30 Jun 2019	6 Months Ended 30 Jun 2018
		$	$
At 1 January, at cost		10,012,564	9,676,532
Expenditure incurred during the period		1,231,158	1,089,813
Reimbursement of exploration expenditure - R&D Rebate		-	(1,303,462)
At 30 June, at cost	(i)	11,243,722	9,462,883

Note:

(i) 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 Jun 2019 $	31 Dec 2018 $
Trade payables (i)	59,593	230,845
Other payables and accruals (ii)	20,000	57,638
	79,593	288,483

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 Jun 2019 $	31 Dec 2018 $
Ordinary shares		
Issued and fully paid	63,985,375	63,985,375
Issue costs	(3,274,133)	(3,274,133)
	60,711,242	60,711,242

Movement in ordinary shares on issue	**30 June 2019** **No. of Shares**	**31 Dec 2018** **$**
At 1 January 2019	2,044,350,801	60,711,242
At 30 June 2019	2,044,350,801	60,711,242

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

NOTE 13: SHARE-BASED PAYMENTS

During the 2019 half-year there were no share-based payment transactions.

NOTE 14: COMMITMENTS

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay approximately $1,357,500 (2018: $2,110,000) in the following twelve months in respect of tenement lease rentals and to meet minimum expenditure requirements of the Department of Mines, Industry Regulation and Safety. These obligations are expected to be fulfilled in the normal course of operations and have not been provided for in the financial report.

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities at the reporting date.

NOTE 16: EVENTS AFTER THE BALANCE SHEET DATE

On 9 July 2019, Legend announced that it had signed transformational agreements to raise $9.8M at a 20% premium to the average share price for 2019 (the Placement), and to enter into three new joint ventures (Ponton JVA 2019, Rockford JVA 2019 and Legend/IGO JVA 2019) relating to its Rockford Project in the Fraser Range district of Western Australia.

- The $9.8M Placement to Independence Group NL (IGO) is for 272,222,222 shares @ 3.6cps and 136,111,111 attaching three year options with an exercise price of 7.2 cents per option. The first tranche was completed on 11 July 2019 under Legend's existing 15% placement capacity, while the second tranche is subject to Legend shareholder approval at a meeting which will be held on 27 September 2019. The Placement has resulted in IGO having an 11.9% shareholding in Legend post Tranche 1. IGO will have 14.18% shareholding post Tranche 2.

NOTE 16: EVENTS AFTER THE BALANCE SHEET DATE (Cont)

- Legend has entered into a new JVA ("Ponton JVA 2019") with Creasy Group over tenements E28/1716 and E28/1717 which are contiguous with existing Rockford Project tenure on the western margin of the Fraser Zone within the larger Albany-Fraser Orogen. The tenements cover 709km2 over the prospective western stratigraphic package and contain two advanced Ni-Cu-Co prospects Octagonal and Magnus. Subject to shareholder approval at a meeting which will be held on 27 September 2019 and completion of the Placement, Legend will pay the consideration being 55,555,555 Legend shares at deemed price of 3.6 cents to Creasy Group, and, upon completion of Bankable Feasibility Study and Decision to Mine, Legend will pay a further 277,777,775 Legend shares at deemed price of 3.6 cents to the Creasy Group.

  Pursuant to the Ponton JVA 2019, Legend will sole fund exploration and free carry Creasy's 30% interest through to the signing of Mining Venture Agreements (following completion of Bankable Feasibility Study and Decision to Mine) and complete a 2,000m diamond drill hole into AMT target at Octagonal within first 12 months of Ponton JVA 2019.

- Legend, IGO and Creasy has entered into a new JVA ("Rockford JVA 2019") over two Rockford North tenements E28/2190 and E28/2191 whereby IGO will have a 60% interest, management rights and responsibilities, and Creasy and Legend will have free carried interests over 30% and 10% respectively

- Legend and IGO have entered into a new JVA ("Legend/IGO JVA 2019") on 9 July 2019 over three Legend 100% owned tenements E28/2675-2677, whereby IGO will have a 70% interest, management rights and responsibilities, and Legend will have a free carried 30% interest.

For further details, see Legend announcement dated 9 July 2019 entitled "Legend Signs Transformational Agreements with Independence Group NL and Creasy Group".

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 17: DIVIDENDS PAID AND PROPOSED

No dividends were paid or proposed this financial period.

NOTE 18: FAIR VALUES

The carrying amounts of the Group's financial assets and financial liabilities at 30 June 2019 and 31 December 2018 are reasonable approximations of their fair values at those dates.

Management assessed that cash and cash equivalents, trade and other receivables, and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following table provides the fair value measurement hierarchy of the Group's assets measured at fair value:

Asset measured at fair value	**Date of valuation**	**Total**	**Quoted prices in active market (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	Recurring				
Quoted equity investments (note 8)	30-Jun-2019	86,934	86,934	-	-

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of the quoted equity instruments is based on price quotations at the reporting date.

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 2019 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.

M.W.

Mark Wilson
Managing Director

Dated this 28 day of August 2019

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

As lead auditor for the review of Legend Mining Limited for the half-year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Legend Mining Limited and the entities it controlled during the financial period.

Ernst & Young

Darryn Hall
Partner
28 August 2019

RK:DA:LEGEND:004

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

Independent auditor's report to the members of Legend Mining Limited

Report on the half-year financial report

Conclusion

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 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the half-year ended on that date.

b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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 control as the Directors determine is 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, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2019 and its consolidated financial 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 the Group, 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*.

Ernst & Young
Darryn Hall
Partner
Perth
28 August 2019