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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.

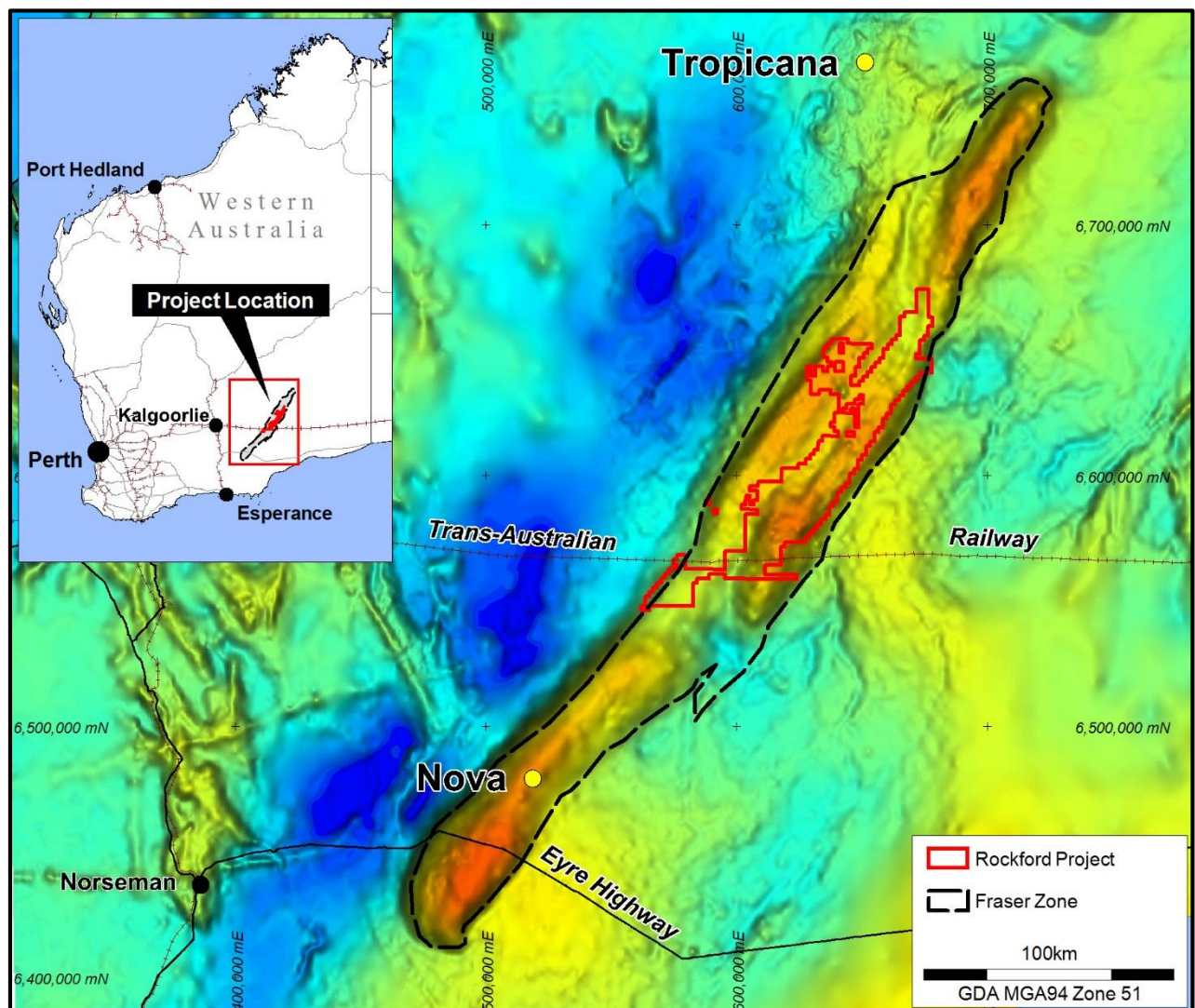


Figure 1: Rockford Project Location on Regional Gravity Image

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.

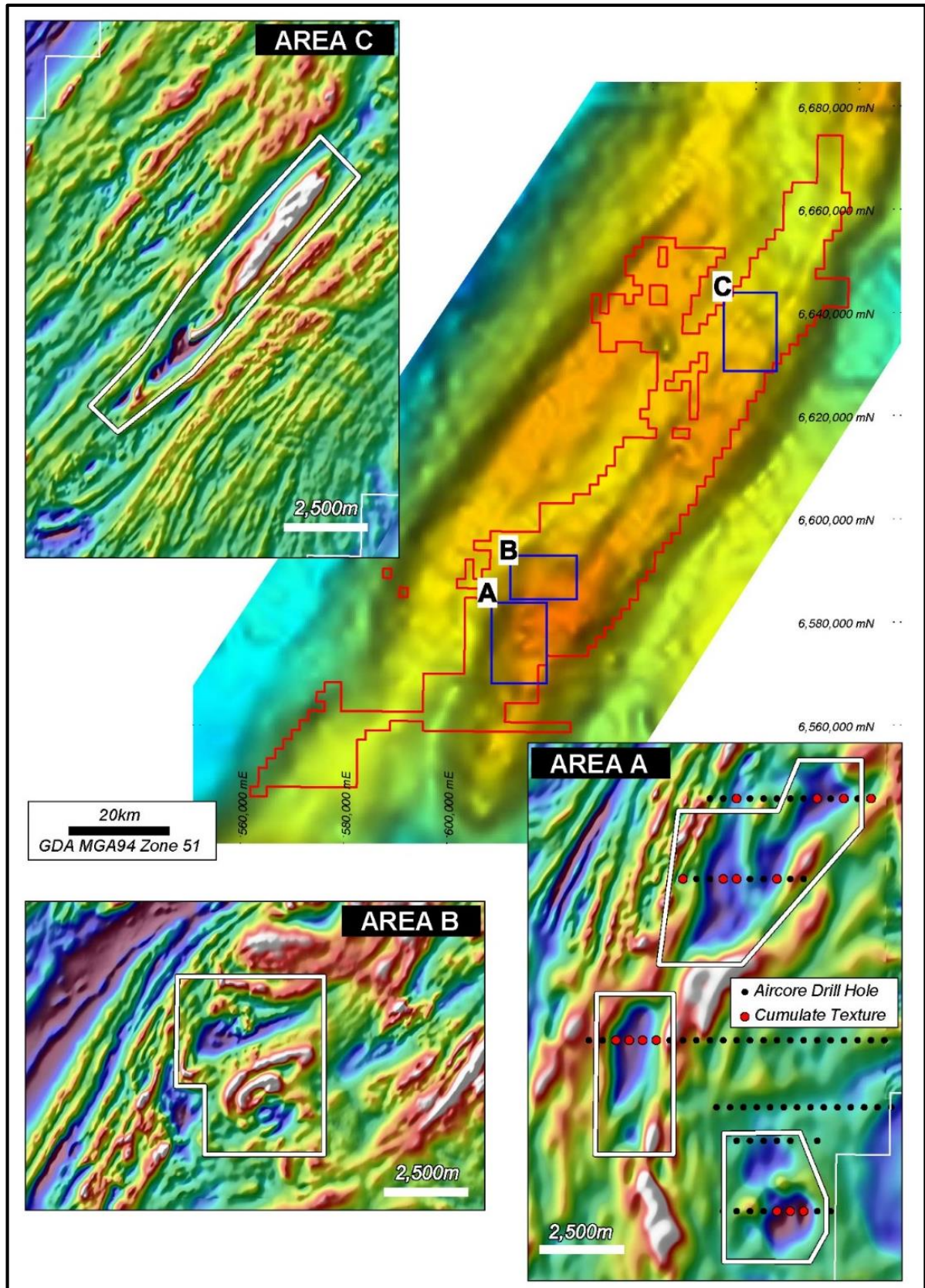


Figure 2: MLEM Target Areas A, B & C over Aeromagnetic Images

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:

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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 |