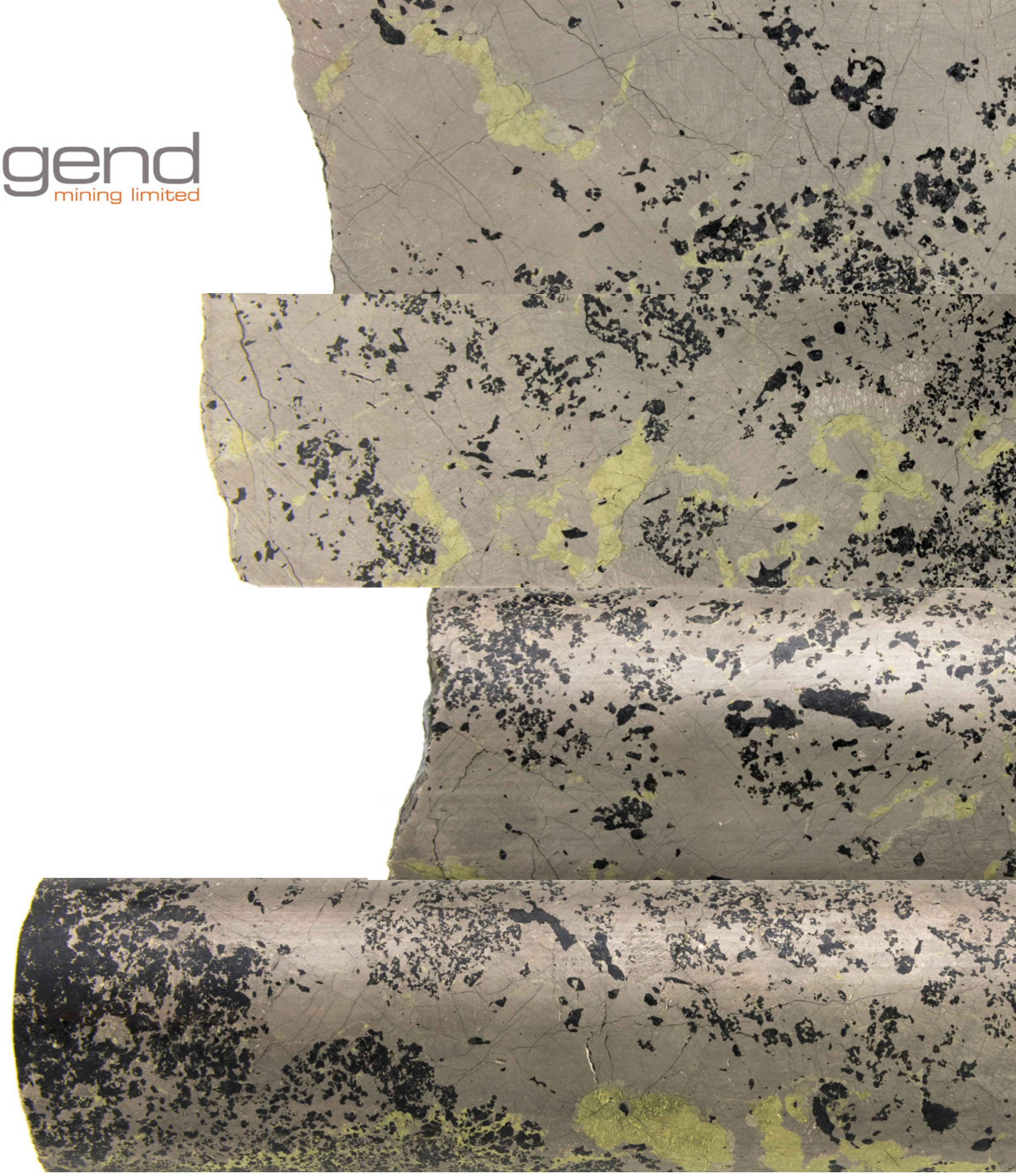

2019 ANNUAL REPORT

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Derek William Waterfield (Executive Director-Technical)

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CHAIRMAN'S REPORT

The 2019 year commenced with anticipation of diamond drilling of the Mawson Prospect (formerly Area D) at our Rockford Project in the Fraser Range. We were confident that we had done the lead up work to the highest scientific and geological standard which underscored our belief that we had a real prospect of new discovery in the Fraser Range.

This optimism was well founded as in December 2019 we were pleased to report the outstanding results of the diamond drilling at Mawson returning a 70.15m intersection @ 0.52% Ni, 0.36% Cu, 0.03% Co including a highly significant interval of 14.9m @ 1.07% Ni, 0.75% Cu, 0.06% Co. Importantly this mineralisation starts at the relatively shallow depth of 76 metres from surface, and contains a combination of massive, semi-massive, net-textured, vein and disseminated three phase sulphides.

These assays and the subsequent structural observations have confirmed the drillhole is a new discovery for Legend, and is within a large mineralised system.

It was also significant that in July 2019 we signed transformational agreements with IGO and Creasy Group to raise $9.8M at a 20% premium to the average share price for 2019, and to enter into three new joint ventures relating to the Rockford Project. The significance of these agreements should not be underestimated, as we now have in our Company access to the combined Fraser Range 'intellectual property' of Legend, the Creasy Group and IGO, plus the financial capacity to prosecute our exploration strategy.

It should be noted that, as exciting as the Mawson prospect is, Legend has a strategically important 3,088 km^2 project area including advanced prospects at Shackleton, Worsley, Crean, Octagonal and Magnus.

The 2020 field season, which is scheduled to commence in March 2020, promises to be a very exciting time for Legend shareholders.

I would like to take this opportunity to thank our Executive team, led by Mark Wilson, Derek Waterfield and Tony Walsh, for the professional job they have done to patiently and systematically work to consistently high standards to bring about this discovery at Mawson. In addition, I acknowledge the professionalism that the team has demonstrated in dealing with complex corporate actions, including the IGO/Creasy deal and the negotiated resolution of the Jindal Steel and Power receivable, all largely done with our in-house team and without external advisors.

I also acknowledge the support and encouragement of our major shareholder Mark Creasy and his technical team, along with all our contractors for the work they have done to assist in bringing about such a great result.
Your Board thanks you the shareholders for your continuing support and we look forward to an exciting year ahead. You have demonstrated extraordinary alignment to our corporate direction and for that we thank you.

Michael Atkins
Chairman
18 March 2020

ROCKFORD PROJECT – Fraser Range District

(Nickel-Copper, Copper-Zinc-Silver, Gold)

The Rockford Project is located in the highly prospective Fraser Range district of Western Australia and covers a total area of 3,088km^2 (see Figures 1 & 2). Exploration is primarily focussed on Nova-Bollinger style nickel-copper, along with volcanogenic massive sulphide (VMS) style zinc-copper-silver and Tropicana style structurally controlled gold mineralisation.

The Rockford Project comprises 14 contiguous granted exploration licences with a detailed breakdown of ownership, area and manager given below:

- Legend (100%) 238km^2;
- Legend (70%)/Creasy Group (30%) Three JVs covering 2,192km^2 with Legend manager;
- IGO (60%)/Creasy Group (30%)/Legend (10% free carry) JV covering 634km^2 with IGO manager;
- IGO (70%)/Legend (30% free carry) JV covering 24km^2 with IGO manager.

The Rockford Project 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 and the Silver Knight nickel-copper discovery, both located within the Fraser Zone, are situated on a similar tenor gravity ridge to that of the Rockford Project.

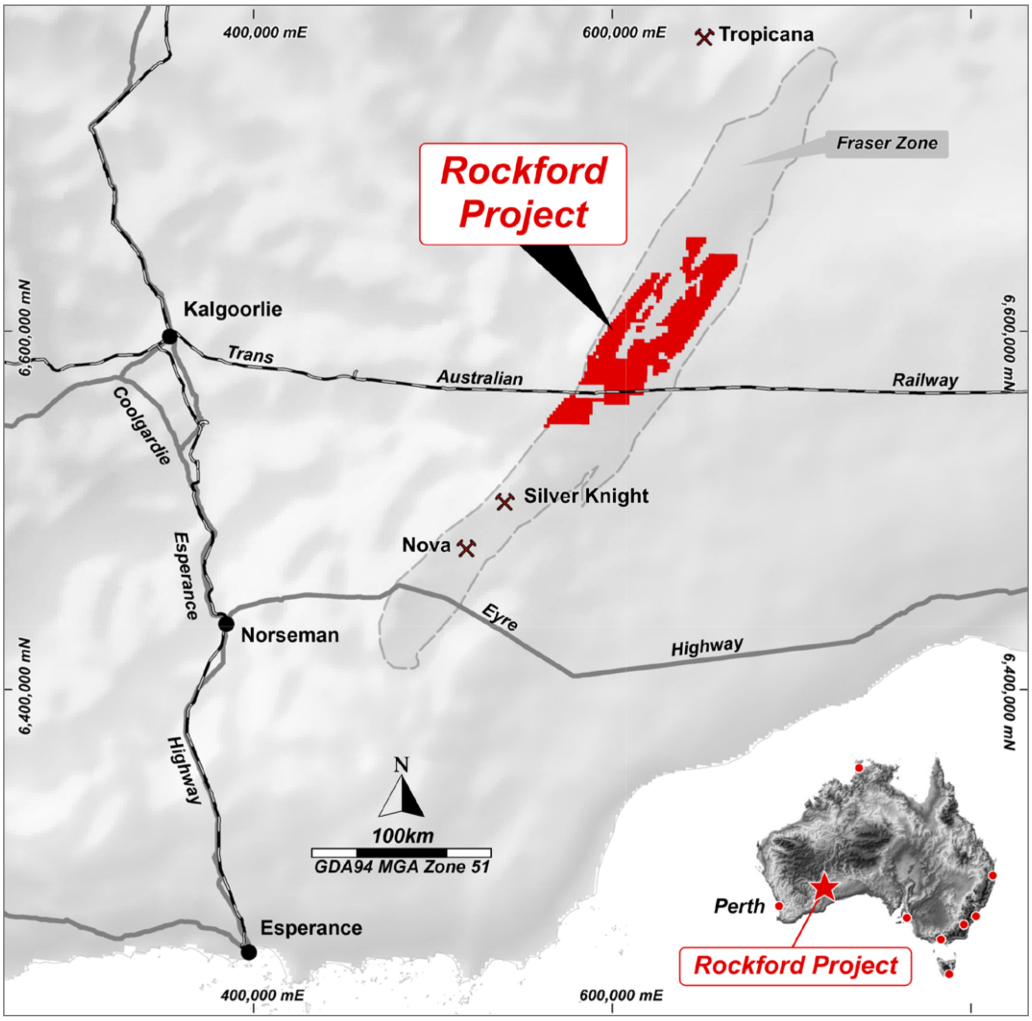


Figure 1: Rockford Project Location

During 2019, Legend's exploration activities undertaken were on two fronts (see Figure 2);

- Advanced exploration at the Mawson prospect (formerly named Area D),
- Continued exploration over regional aeromagnetic and gravity targets, including Worsley and Crean prospects, and newly purchased tenements E28/1716 and E28/1717 which contain the advanced Octagonal and Magnus prospects.

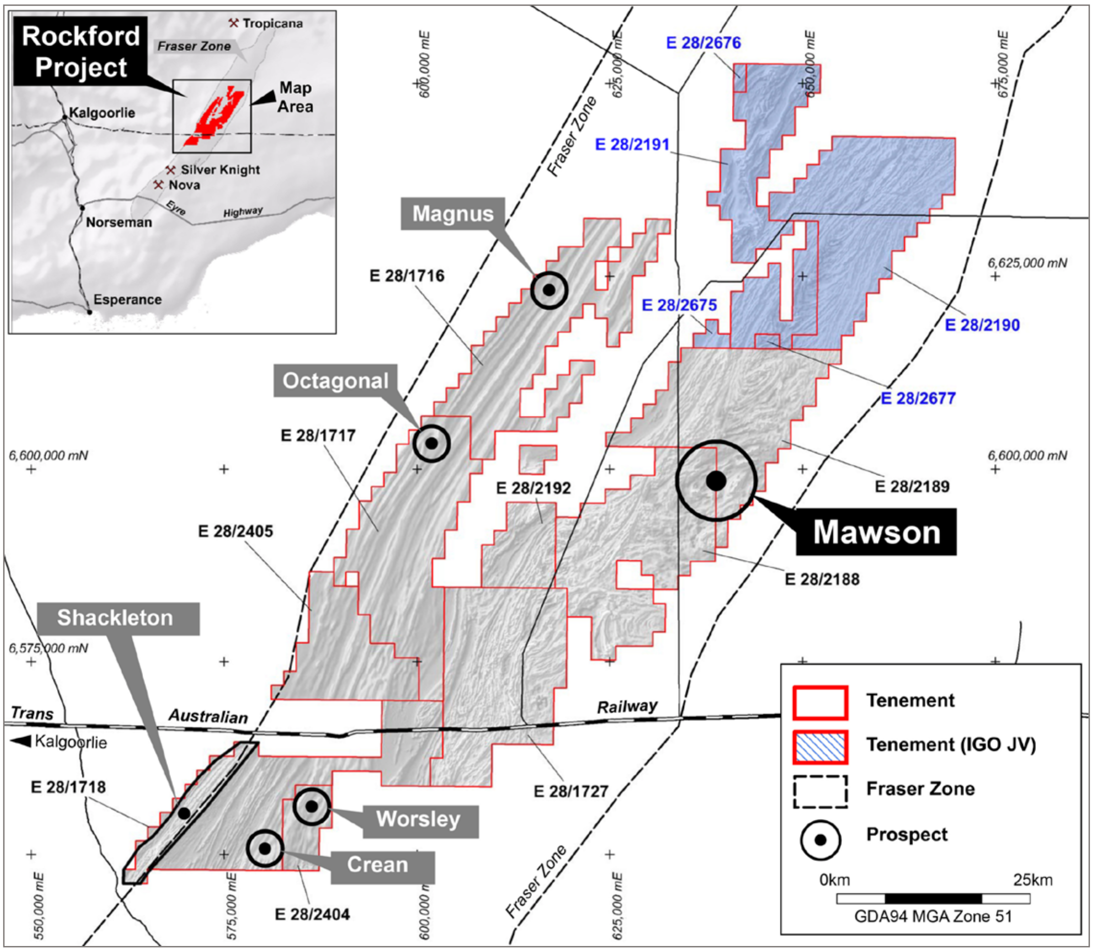


Figure 2: Exploration Prospect Locations

Mawson Prospect – (formerly Area D)

The Greater Mawson prospect is characterised by a 16km x 6km aeromagnetic feature closely associated with a strong 4mgal gravity high (see Figure 3). It is currently interpreted as a cluster of several intrusives. High power moving loop (MLTEM) and fixed loop (FLTEM) electromagnetic surveys have identified 17 significant bedrock conductors (D1-D17) outlining a broad synformal structure. Highly anomalous nickel-copper results in aircore drilling over a 400m x 200m area were returned to the east of D5 associated with mafic/ultramafic intrusive host rocks.

Subsequent follow up exploration during 2019 involved, aircore drilling, an induced polarisation (IP) survey, a low frequency (LF-MLTEM) survey and a comprehensive interpretation of all data. Exploration culminated in a three hole diamond drilling programme, with drillhole RKDD007 intersecting 70.15m @ 0.52% Ni, 0.36% Cu, 0.03% Co. This intersection included a highly significant interval of 14.9m @ 1.07% Ni, 0.75% Cu, 0.06% Co, containing a combination of massive, semi-massive, net-textured, vein and disseminated three phase sulphides hosted by mafic/ultramafic intrusives.

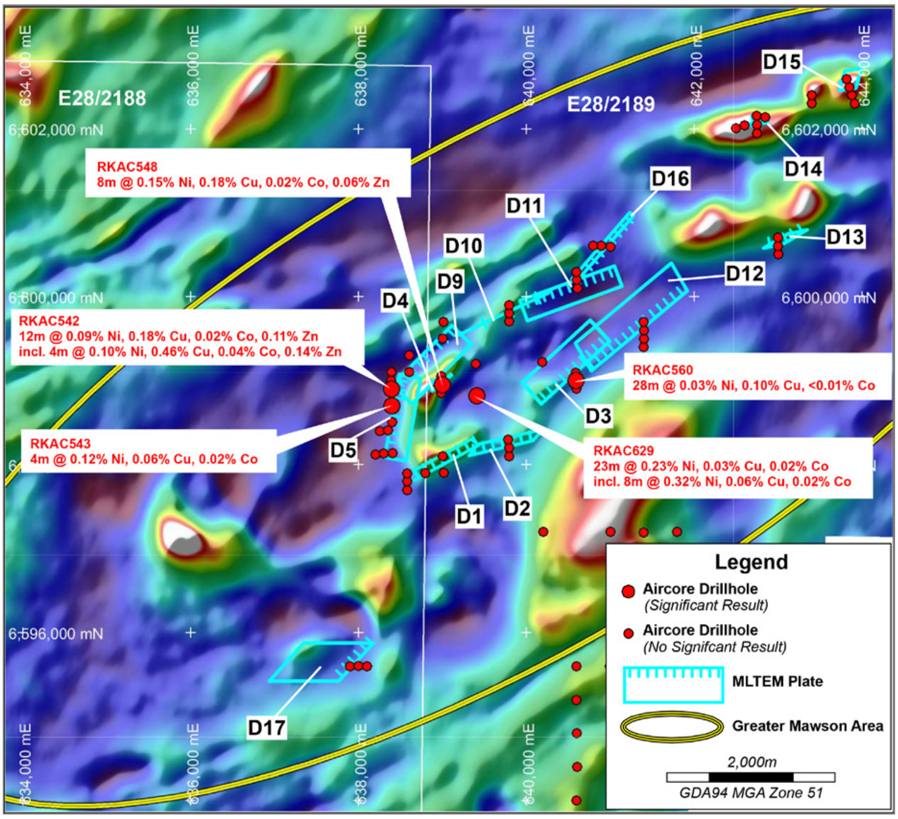


Figure 3: Mawson Aircore Drillholes over MLTEM Conductors on Aeromagnetics

A brief summary of 2019 exploration activities and results is provided below.

An infill aircore drilling programme comprising 64 holes for 5,963m focussing on the up-dip projection of 14 previously identified MLTEM conductors (D1-D5, D9-D17) was completed during April-May 2019 (see Figure 3). The aircore returned anomalous nickel-copper geochemistry in several holes and successfully met its objective of providing bedrock lithology information associated with the footwall, top and hanging wall positions of the modelled MLTEM conductor plates. The drilling also highlighted that favourable nickel-copper mafic/ultramafic intrusive host rocks including gabbro, gabbronorite and pyroxenite were more widespread across the greater Mawson area than expected.

A 3D IP survey was commissioned in April 2019 targeting previously identified MLTEM conductors with the aim of providing chargeability/resistivity data to assist geophysical interpretation and ranking of conductors for diamond drill testing. Unfortunately the survey was severely affected by electromagnetic coupling effects, plus the thickness, lateral continuity and conductivity of the cover restricted the depth penetration to <100m, and the survey was subsequently cancelled.

A programme of innovative LF-MLTEM was then completed over the previously identified D5 conductor as well as testing a 400m x 200m area with anomalous nickel-copper aircore geochemistry. The survey comprised four 3km lines spaced 200m apart and utilised a 200 amp transmitter with 200m x 200m loops. A very low frequency of 0.0625Hz was used (compared to conventional survey frequencies of 0.125-0.5 Hz) aimed at providing detailed information on the character and possible source of the conductor.

The survey was successful in better constraining the original D5 conductor, plus also highlighting a second very strong discrete feature associated within the previously defined D1 conductor. The remodelled parameters for these two conductors are provided below in Table 1, with both features recommended for diamond drill follow up.

During November-December 2019 a diamond drilling programme comprising three holes (RKDD005-007) for 1,423.2m was completed at Mawson. The three drillholes were targeting the D1 and D5 LF-MLTEM conductors and anomalous nickel-copper geochemistry in previous aircore drillholes (see Figure 4).

Table 1: Mawson LF-MLTEM Conductors (Modelled Parameters)

Conductor	*Conductance*	*Dimensions*	*Depth to Top*	*Plate Orientation*
D5	2,200S	600m x 500m	~210m	75^0 W dip
D1	~42,000S	600m x 600m	~215m	75^0 NW dip

RKDD005 – D5 Conductor

Drillhole RKDD005 (586.2m) was drilled to test the D5 LF-MLTEM conductor and anomalous nickel-copper geochemistry in previous aircore holes. The hole intersected two gabbronorite intrusive units with the upper intrusive intersecting disseminated and blebby pyrrhotite-chalcopyrite-pentlandite sulphides between 110.3-119.9m. Elevated nickel and copper values were returned throughout this sulphide interval with a best intersection of 2.5m @ 0.05% Ni, 0.10% Cu, 0.01% Co from 110.5m.

RKDD005 also intersected a broad package of mixed metasediment/granulite containing multiple graphite±pyrrhotite bands, which coincide with the position of the modelled D5 conductor and confirmed by down hole electromagnetic (DHTEM) surveying.

RKDD006 – D1 Conductor

Drillhole RKDD006 (473.7m) was drilled to test the very strong ~42,000S D1 LF-MLTEM conductor. The hole intersected a broad metasediment and granulite package containing multiple thick graphitic bands between 262-321m, which was confirmed as the targeted conductor (albeit shallower than the modelled depth of ~350m) by DHTEM surveying. No significant assays were returned from the hole.

RKDD007 – Aircore Ni-Cu Geochemical Anomaly

Drillhole RKDD007 (363.3m) was designed to test beneath anomalous nickel-copper geochemistry associated with pyrrhotite-chalcopyrite-pentlandite intersected in previous aircore drillholes RKAC183 and RKAC225, and follow up encouraging results from RKDD005. RKDD007 was collared in the northern part of a 400m x 200m supergene Ni-Cu-Co blanket defined by aircore drilling (see Figure 4).

RKDD007 intersected a suite of mafic/ultramafic intrusives (containing significant sulphide intervals), bedded/banded metasediment, a second mafic/ultramafic intrusive package, followed by an open ended interval of mafic intrusive (see Figure 5).

A significant nickel-copper-cobalt intersection of 14.9m @ 1.07% Ni, 0.75% Cu, 0.06% Co from 114m, including 2.1m @ 2.03% Ni, 1.34% Cu, 0.11% Co from 115.5m was returned associated with the upper mafic/ultramafic intrusive (see Figures 5 & 6). A combination of massive, semi-massive, net-textured, vein and disseminated three phase sulphides occur in this zone. The 14.9m zone is bounded uphole and downhole by broad halos of disseminated sulphides (88.2-114m and 128.9-158.35m) giving an overall 70.15m downhole sulphide interval (see Tables 2 & 3).

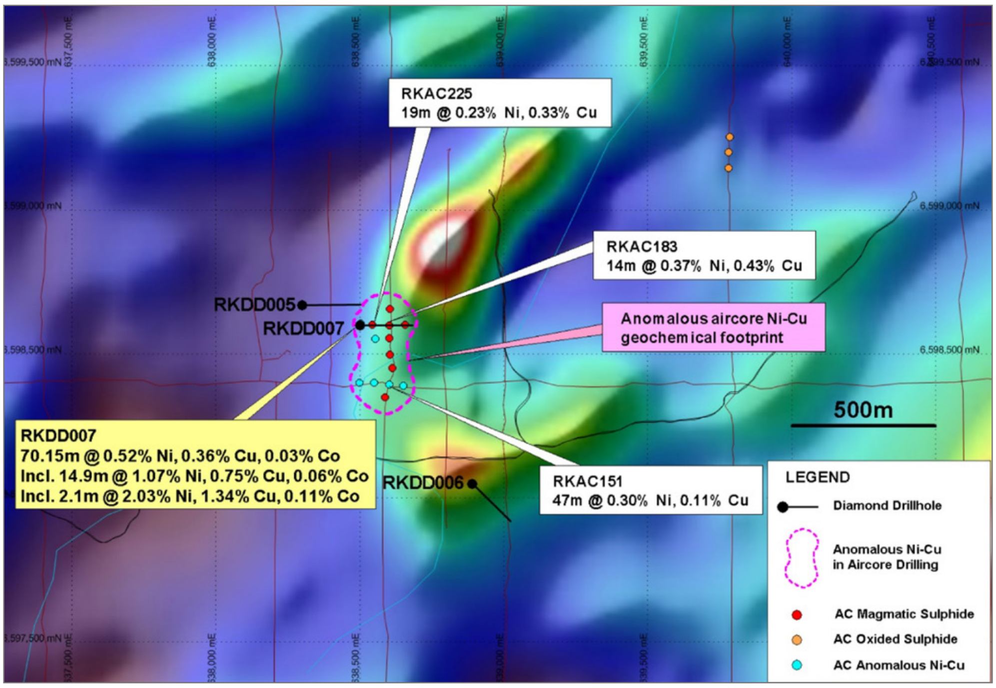


Figure 4: Mawson Diamond Drillhole Locations on Aeromagnetics

Table 2 summarises the 70.15m sulphide intersection and provides a breakdown with respect to four distinct sulphide zones, namely the upper disseminated, the 14.9m main sulphide zone, the 2.1m high grade interval, and the lower disseminated zone.

Table 2: Diamond Drillhole RKDD007 – Significant Sulphide Intervals

Hole	From	To	Int.	Ni %	Cu %	Co %	Description
RKDD007	***88.2***	***158.35***	***70.15***	***0.52***	***0.36***	***0.03***	***Full sulphide intersection***
RKDD007	88.2	114.0	25.8	0.43	0.30	0.03	Upper disseminated zone
RKDD007	114.0	128.9	14.9	1.07	0.75	0.06	Main sulphide zone
Incl.	115.5	117.6	2.1	2.03	1.34	0.11	High grade zone
RKDD007	128.9	158.35	29.45	0.32	0.21	0.02	Lower disseminated zone

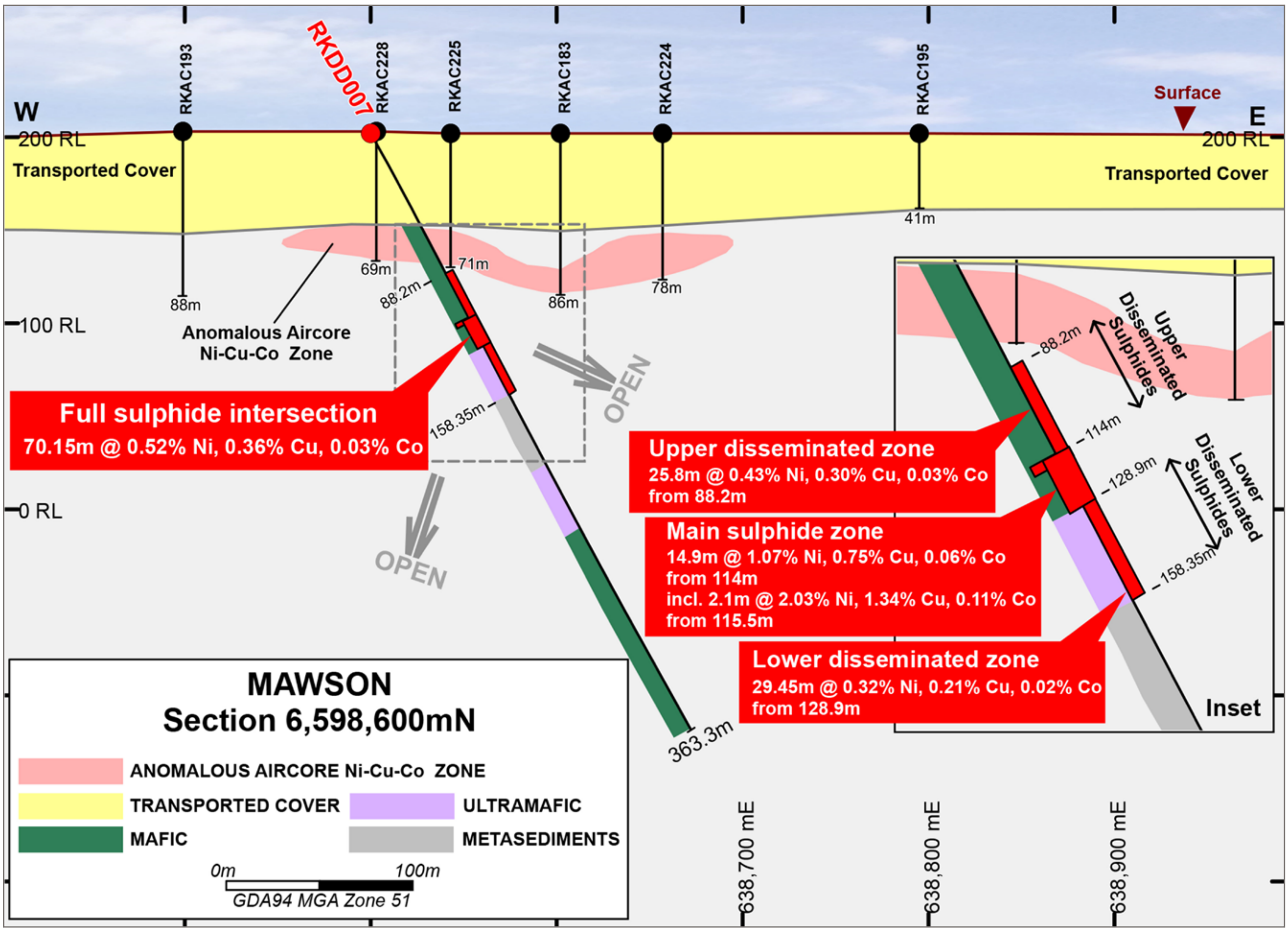


Figure 5: Drill Section 6,598,600N with Diamond Drillhole RKDD007

Table 3 provides data for the 22 individual samples related to the 14.9m intersection (114-128.9m) including Au, Pd and Pt values, which are highly anomalous and significantly increase the prospectivity of Mawson.

Examples of sulphide textures/occurrence are presented in Photos 1-5 and include; disseminated, semi-massive breccia, massive, extension vein and net-textured.

Table 3: Diamond Drillhole RKDD007 – Significant Assay Results (114-128.9m)

Hole	From (m)	To (m)	Int (m)	Ni (%)	Cu (%)	Co (%)	MgO (%)	Au (ppb)	Pd (ppb)	Pt (ppb)
RKDD007	114	115	1.0	1.20	0.64	0.06	6.61	43	46	3
RKDD007	115	115.5	0.5	1.36	0.68	0.07	4.27	61	56	9
RKDD007	**115.5**	**116.15**	**0.65**	**2.59**	**1.58**	**0.13**	**2.67**	**24**	**69**	**2**
RKDD007	**116.15**	**116.7**	**0.55**	**0.88**	**0.76**	**0.05**	**8.25**	**79**	**34**	**1,311**
RKDD007	**116.7**	**117.05**	**0.35**	**2.67**	**3.01**	**0.15**	**4.58**	**28**	**26**	**3**
RKDD007	**117.05**	**117.6**	**0.55**	**2.10**	**0.56**	**0.11**	**6.19**	**36**	**29**	**3**
RKDD007	117.6	118.65	1.05	0.23	0.19	0.02	10.87	43	13	8
RKDD007	118.65	119.45	0.8	1.94	1.27	0.10	5.05	109	45	720
RKDD007	119.45	120.15	0.7	1.46	0.71	0.08	7.88	166	43	55
RKDD007	120.15	120.55	0.4	0.90	1.04	0.05	12.20	171	56	83
RKDD007	120.55	121.2	0.65	0.73	0.73	0.05	14.65	651	157	93
RKDD007	121.2	121.75	0.55	1.17	1.04	0.06	11.18	534	195	81
RKDD007	121.75	122.5	0.75	0.29	0.30	0.02	17.86	128	29	14
RKDD007	122.5	123.3	0.8	1.53	0.78	0.09	9.73	225	259	9
RKDD007	123.3	124	0.7	0.40	0.28	0.03	19.26	254	71	12
RKDD007	124	125	1.0	0.46	0.34	0.03	18.64	238	69	53
RKDD007	125	126	1.0	0.71	0.54	0.04	16.36	558	189	39
RKDD007	126	126.95	0.95	0.82	0.77	0.05	16.17	348	113	104
RKDD007	126.95	128	1.05	0.77	0.60	0.04	14.93	131	52	3
RKDD007	128	128.5	0.5	1.28	1.52	0.07	10.93	103	46	5
RKDD007	128.5	128.7	0.2	0.62	0.48	0.04	15.65	44	20	7
RKDD007	128.7	128.9	0.2	1.71	0.37	0.09	8.33	39	24	5

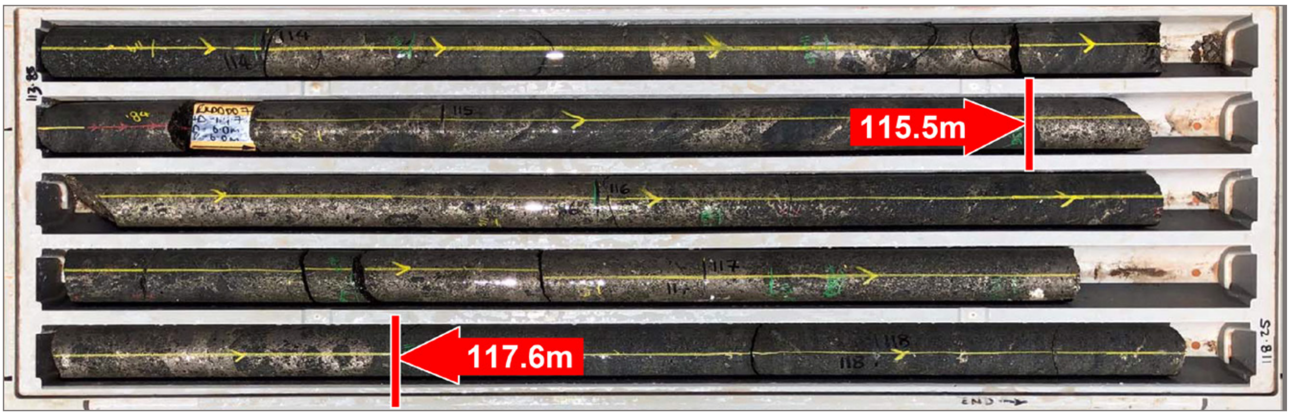
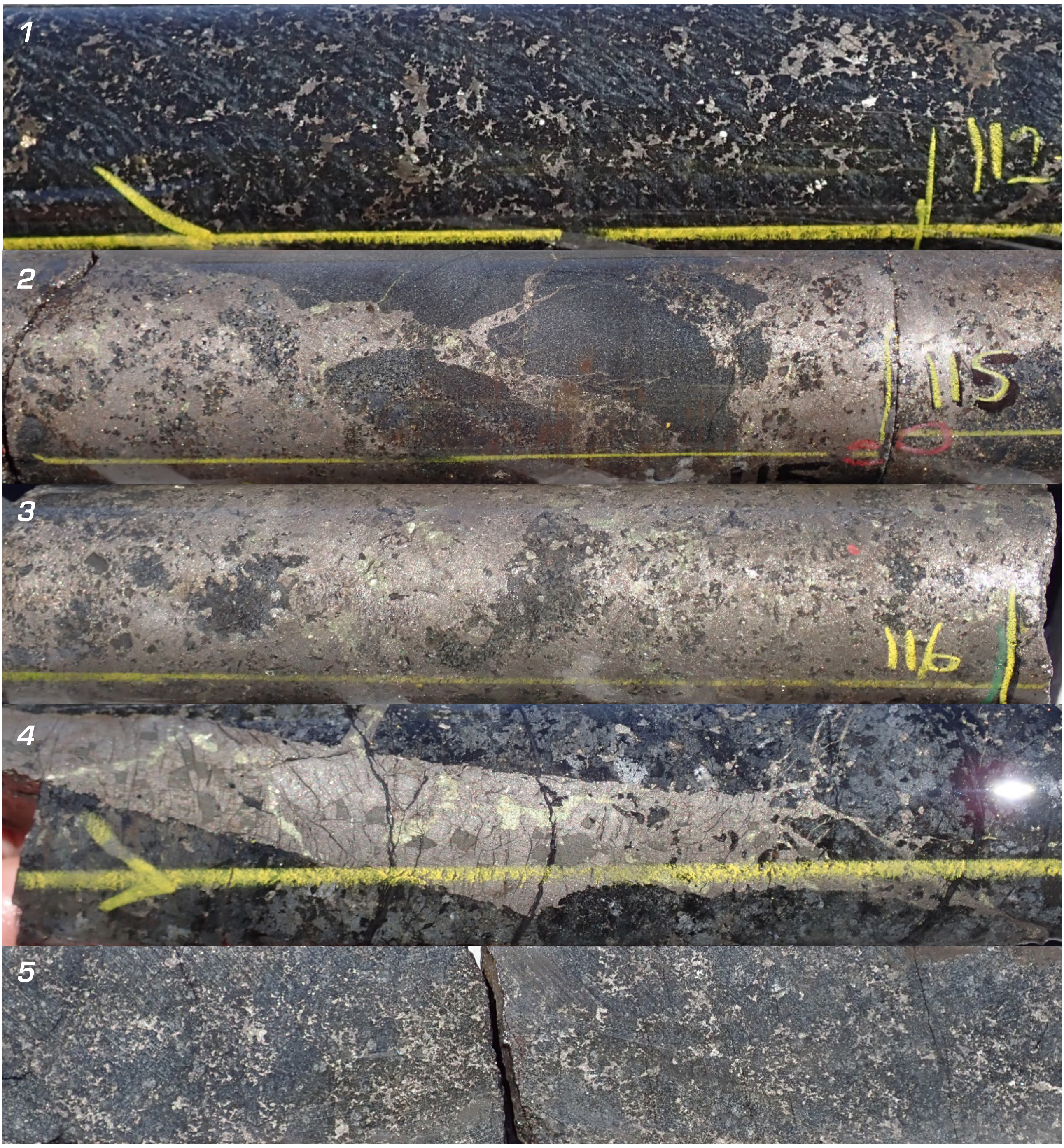


Figure 6: Ni-Cu Sulphide Mineralisation in Drillhole RKDD007
2.1m @ 2.03% Ni, 1.34% Cu, 0.11% Co from 115.5m (NQ2 core)



Photos 1-5: Examples of sulphide textures in diamond drillhole RKDD007 (NQ2 core ~5cm)
1) Olivine websterite with mc-po-cpy-vl (Upper disseminated zone, 112.7m)
2) Norite clasts within semi-massive sulphide breccia po-cpy-pn (Main sulphide zone, 115m)
3) Massive sulphide po-cpy-pn with minor gabbronorite (High grade zone, 116m)
4) Extension vein po-cpy-pn with cubes of py-mc (Main sulphide zone, 127m)
5) Net-textured po-pn-cpy in olivine websterite (Lower disseminated zone, 135m)
(Abbr: po-pyrrhotite, cpy-chalcopyrite, pn-pentlandite, vl-violarite, mc-marcasite, py-pyrite)

Worsley Prospect - Volcanogenic Massive Sulphide (VMS) Cu-Zn-Ag

A five hole aircore traverse (including RKAC505) with 400m spaced holes was completed in November 2018 originally designed to provide bedrock lithological and geochemical information over the Worsley conductor defined by previous MLTEM surveying. Drillhole RKAC505 intersected 49m of ferruginous saprolite/saprock with elevated Cu-Zn-Ag and trace amounts of pyrite importantly coinciding with the up dip projection of the Worsley conductor plate (see Figure 7). Subsequent infill aircore around RKAC505 in March 2019 returned anomalous Zn-Cu-Fe-Ag geochemistry in holes RKAC526 and RKAC594, along with a broad suite of VMS pathfinder elements (see Table 4).

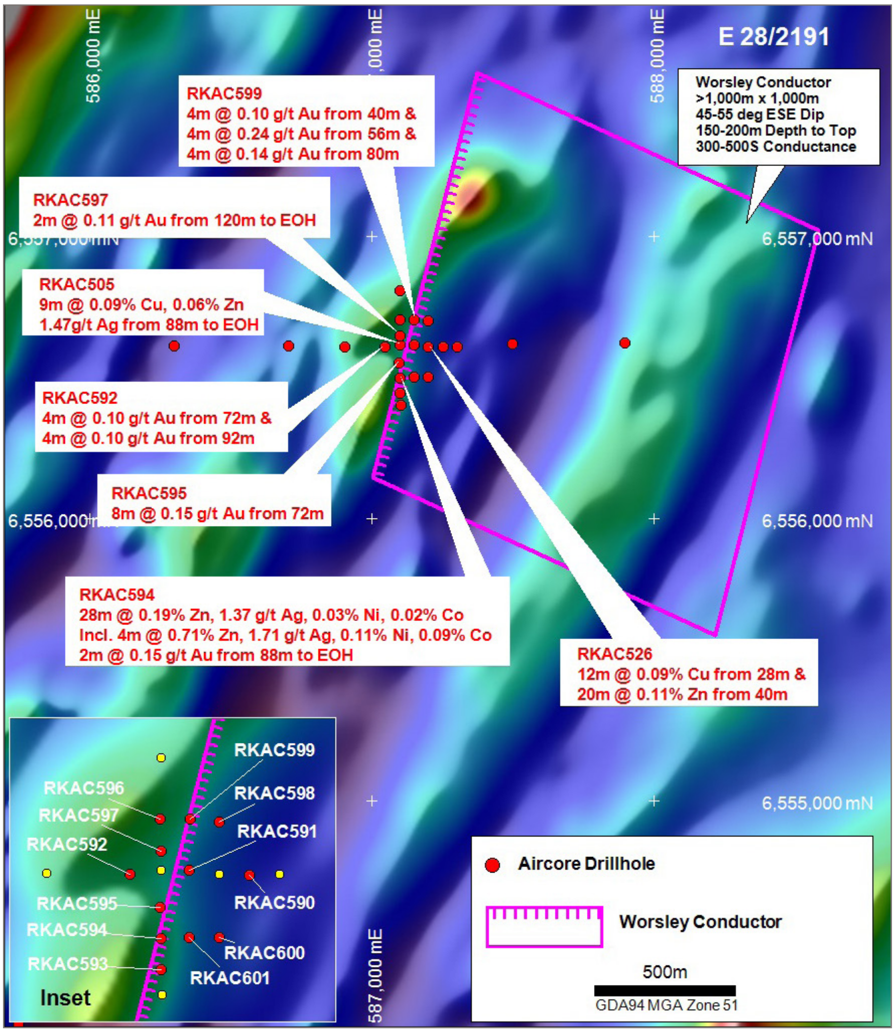


Figure 7: Worsley Aircore Drillholes and MLTEM Conductor on Aeromagnetics

Table 4: Worsley - Anomalous Multi-Element Aircore Results									
Hole	From	To	Int	Zn %	Cu %	Ni %	Fe %	Ag g/t	Description
RKAC526	28	40	12	0.03	**0.09**	0.01	**21.58**	0.26	Fe-rich Saprolite
RKAC526	40	60	20	**0.11**	0.02	0.02	17.64	0.05	Saprock/Mafic Granulite
RKAC594	24	40	16	0.05	0.01	0.01	**28.28**	0.07	Fe-rich Saprolite
RKAC594	40	68	28	**0.19**	0.02	0.03	16.38	**1.37**	*Saprock/Intermed. Granulite*
Incl.	52	56	4	**0.71**	0.02	**0.11**	15.92	**1.71**	Intermed. Granulite
**RKAC505*	*88*	*97 EOH*	*9*	*0.06*	***0.09***	*0.01*	***22.94***	***1.47***	*Mafic granulite*

*RKAC505 - reported 5 December 2018

There is a clear association between the modelled position/orientation of the Worsley conductor and the anomalous geochemistry defined by two ferruginous zones (see Figure 8). Further MLTEM surveying is required to better constrain the conductor prior to designing a diamond drill programme to test the conductor at depth.

In addition to the multi-element signature described above, the recent drilling at Worsley also returned gold values >0.1 g/t Au in five drillholes (see Table 5). These anomalous results, which are over 10 times background, define a >250m strike length and are also closely associated with the top of the modelled Worsley conductor (see Figure 7).

The multi-element assay results from the recent and previous aircore drilling has greatly enhanced the prospectivity of Worsley with respect to possible VMS style mineralisation. The combination of elevated Zn-Cu-Ag and a suite of VMS pathfinder elements in close association with the modelled position of the Worsley conductor further supports this prospectivity.

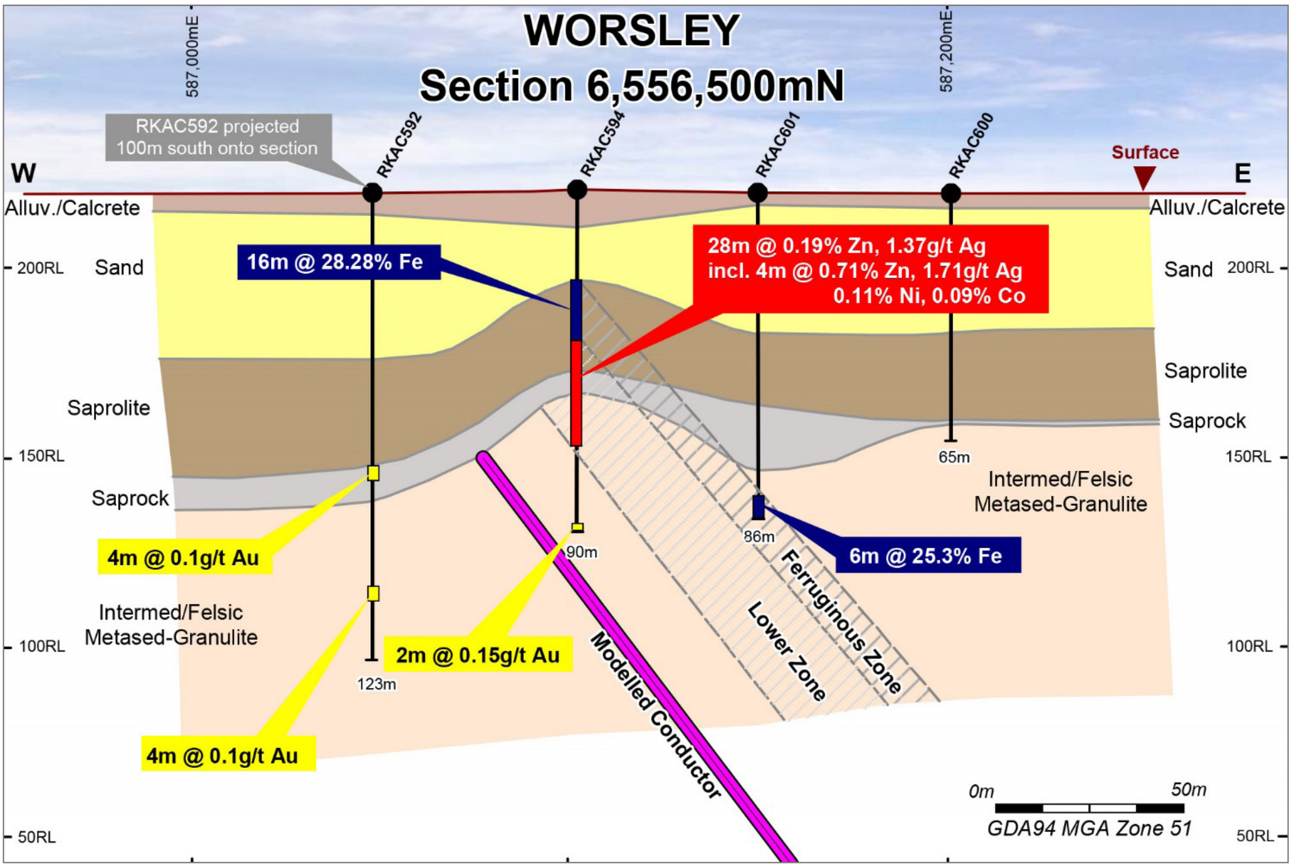


Figure 8: Drill Section 6,556,500N Showing Anomalous Geochemical Zones Relative to Position of Modelled MLTEM Conductor

Table 5: Worsley - Anomalous Gold Aircore Results					
Hole	From	To	Int	Au g/t	Description
RKAC592	72	76	4	0.10	Saprock / Felsic Granulite
RKAC592	92	96	4	0.10	Felsic Granulite
RKAC594	88	90 EOH	2	0.15	Mafic Granulite
RKAC595	72	80	8	0.15	Saprolite/ Saprock
RKAC597	120	122 EOH	2	0.11	Intermed. Granulite
RKAC599	40	44	4	0.10	Saprolite
RKAC599	56	60	4	0.24	Saprolite
RKAC599	80	84	4	0.14	Felsic Granulite

Crean Prospect - Mafic/ultramafic related magmatic Ni-Cu

The Crean prospect lies within an interpreted structural corridor near the western margin of the Fraser Zone (see Figure 2) and is considered prospective for nickel-copper mineralisation similar to Nova-Bollinger and Silver Knight.

An eight hole traverse with holes at 400m spacing was completed in November 2018 originally designed to test a coincident aeromagnetic low and gravity high interpreted as a possible mafic/ultramafic (see Figure 9).

Drillhole RKAC520 intersected an olivine-rich ultramafic intrusive with strong silica/goethite alteration and returned an intersection of 11m @ 0.42% Ni, 0.01% Cu, 0.03% Co from 32m to end of hole, including a maximum value of 3m @ 0.71% Ni from 40m to end of hole. The full extent of this anomalous interval was not tested, as the aircore rig was unable to penetrate the highly siliceous ultramafic bedrock.

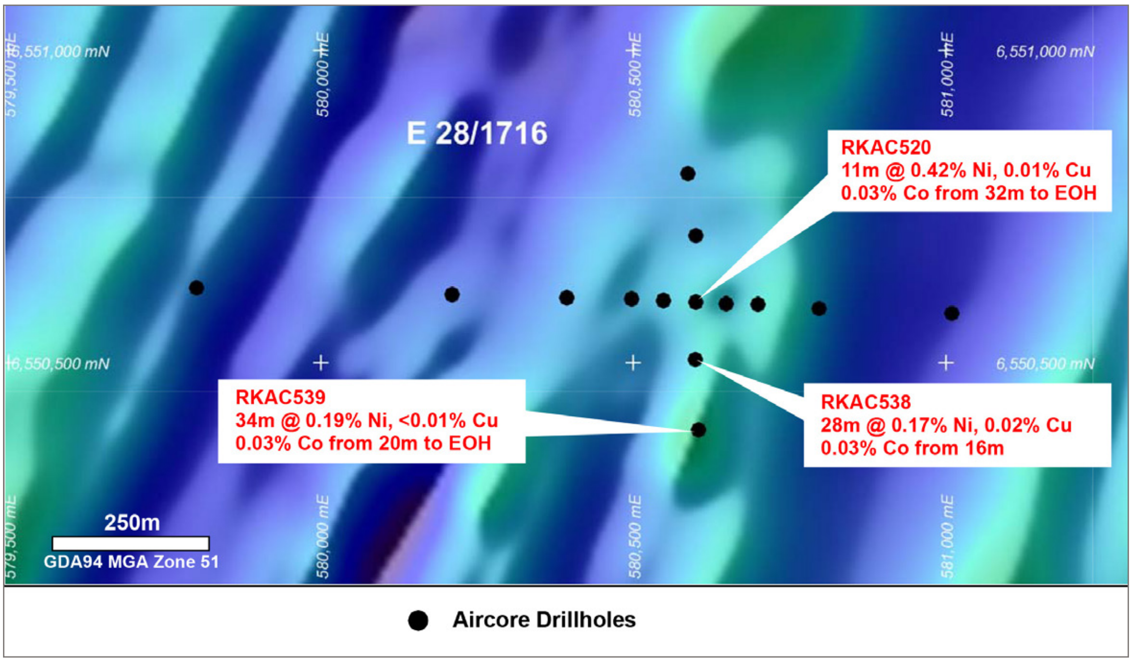


Figure 9: Crean Aircore Drillholes on Aeromagnetics

Ten infill aircore drillholes at 50/100/200m spacings around RKAC520 were subsequently completed in March 2019 to define the extent of the anomalous nickel geochemistry (see Figure 9). Drillholes RKAC538 and RKAC539 drilled 100m and 200m south of RKAC520 respectively, both returned broad intervals with anomalous nickel associated with the same olivine-rich ultramafic unit (see Table 6).

The anomalous nickel footprint around drillhole RKAC520 is directly related to the favourable ultramafic intrusive host rock and is at least 200m long and remains open to the south. A MLTEM survey is planned over Crean aimed at identifying conductors related to possible massive nickel-copper sulphide mineralisation.

Table 6: Crean - Anomalous Aircore Drillhole Results

Hole	From	To	Int	Ni %	Cu %	Co %	Cr %	Description
RKAC538	16	44	28	0.17	0.02	0.03	0.83	Saprolite, Fe/Si-rich ultramafic
RKAC539	20	54 EOH	34	0.19	<0.01	0.03	0.63	Saprolite/saprock ultramafic
*RKAC520	32	43	11	0.42	0.01	0.03	0.62	Saprolite/saprock ultramafic
Incl.	40	43 EOH	3	0.71	0.01	0.04	1.14	Olivine-rich ultramafic

*RKAC520 - reported 5 December 2018

CORPORATE

Transformational Agreements

On 9 July 2019, Legend signed transformational agreements to raise $9.8M at a 20% premium to the average share price for 2019, and to enter into three new joint ventures (Ponton JVA 2019, Rockford JVA 2019 and Legend/IGO JVA 2019) relating to its Rockford Project (see Figure 10). Full details of these agreements are provided in Legend's 9 July 2019 and 27 August 2019 ASX announcements.

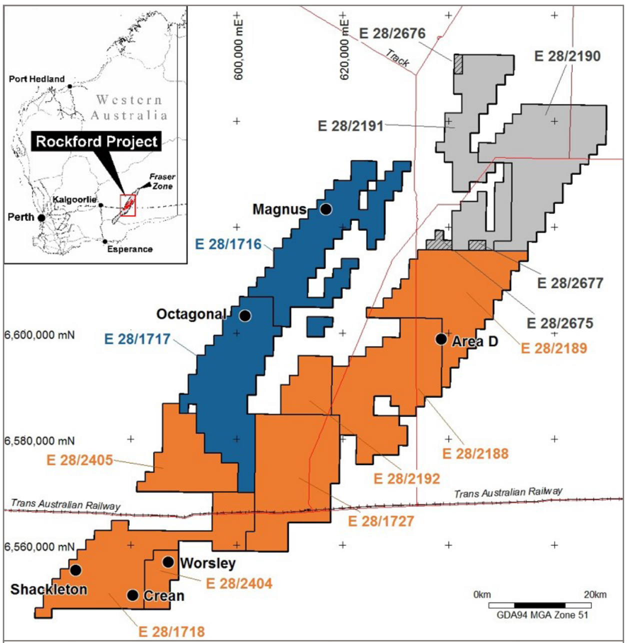
Annual Tax Return – R & D Claim

In October 2019 Legend submitted its 2019 annual tax return, which included a research and development (R&D) claim for reimbursement of $1.26M. The cornerstone of Legend's exploration activities at the Rockford Project is using innovative geo-sensing MLTEM surveys. These surveys qualify Legend for R&D cash reimbursement for these surveys and other associated activities via the annual tax return. In December 2019, Legend received the R&D refund of $1.26M.

Cameroon Project Sale

On 8 May 2019 it was announced that Legend and Jindal Mining & Exploration Limited had 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 are scheduled to 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. The outstanding amounts owing will continue to attract interest at the rate of 4% per annum paid quarterly.

As at 31 January 2020, Legend has received $750,000 (three $250,000 monthly payments) and interest of $32,658 from Jindal Steel and Power.



JVA Title	Tenement	Area km²	Ownership
Rockford JVA 2019	E28/2190	355	IGO 60% / Creasy 30% / Legend 10%
	E28/2191	278	
Legend/IGO JVA 2019	E28/2675	11.8	IGO 70% / Legend 30%
	E28/2676	5.9	
	E28/2677	5.9	
Ponton JVA 2019	E28/1716	355	Legend 70% / Creasy 30%
	E28/1617	354	
Ponton JVA 2015	E28/1718	353	Legend 70% / Creasy 30%
	E28/1727	353	
Rockford JVA 2015	E28/2188	354	Legend 70% / Creasy 30%
	E28/2189	331	
	E28/2192	91	
NA	E28/2404	58.8	Legend 100%
	E28/2405	179.7	

Figure 10: Rockford Project – Tenure Post New JV Agreements

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.

The information in this report that relates to Legend's Exploration Results is a compilation of previously released to ASX by Legend Mining (21 March 2019, 1 & 13 May 2019, 5 June 2019, 9 & 15 July 2019, 27 August 2019, 12 & 27 September 2019, 10 October 2019, 4, 19 & 27 November 2019, 9 December 2019, 15 & 23 January 2020) and Mr Derek Waterfield consents to the inclusion of these Results in this report. Mr Waterfield has advised that this consent remains in place for subsequent releases by Legend of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. Legend confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters in the market announcements continue to apply and have not materially changed. Legend confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

Legend Mining Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Legend Mining Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2019 Corporate Governance Statement was approved by the Board on 18 March 2020 and is current as at 20 March 2020. A description of the Group's current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at www.legendmining.com.au

The Directors submit their report for the year ended 31 December 2019.

1. DIRECTORS

The names and details of the Company's directors in office during the financial year 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)

2. INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Michael Atkins, BComm FAICD, is a Fellow of the Australian Institute of Company Directors and was previously a Fellow of the Institute of Chartered Accountants in Australia.

Since 1987 he has been involved in the executive management and as a non-executive Chairman of numerous publicly listed resource companies with operations in Australia, USA, South East Asia and Africa, including as managing director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction phase, and as founder and executive chairman of Botswana gold company Gallery Gold Ltd. Michael has been non-executive Chairman of numerous ASX listed companies, including Westgold Resources and Azumah Resources.

He is currently a Senior Corporate Advisor to Canaccord Genuity (Australia) Ltd, and non-executive chairman of Castle Minerals Ltd, and non-executive director of SRG Global Limited, both ASX listed. Mr Atkins was non-executive Chairman of Azumah Resources Limited until his resignation in December 2019 and has not held any other former public company directorships in the last three years.

Mark Wilson, MIEAust CPEng, is a Member of the Institution of Engineers, Australia and a Chartered Professional Engineer with an Associateship in Civil Engineering from Curtin University in Western Australia. He has an extensive business background, mainly in corporate management and project engineering. This has included site management of remote construction projects and ten years of commercial construction as a founding proprietor of a Perth based company. Since 1995 he has held executive, non-executive, consulting and owner roles in resource focused companies. During the past three years, Mr Wilson has also served as non-executive director of Australian listed company Tanga Resources Limited (resigned July 2017).

Derek Waterfield, BSc(Hons), is a Member of the Australian Institute of Geoscientists and a graduate of the University of Queensland. He has over 30 years experience in gold, base metals, iron ore, nickel and uranium exploration throughout Australia and Cameroon.

He started his career with CRA Exploration Pty Ltd and has held senior exploration leadership positions with Normandy Mining and Newmont Australia, and led the team that discovered the Moolart Well gold deposit in the Duketon Belt 350km north of Kalgoorlie. He was Exploration Manager at Legend Mining for five years managing Legend's WA and Cameroon projects. More recently he has been Exploration Manager for Enterprise Metals Ltd, responsible for gold, iron ore, uranium and base metal exploration in WA. Mr Waterfield has not held any former public company directorships in the last three years.

Tony Walsh, BComm, MBA, FCIS, was appointed Company Secretary effective on 12 December 2016.

Mr Walsh has over 30 years experience in dealing with listed companies, ASX, ASIC and corporate transactions including 14 years with the ASX in Perth where he acted as ASX liaison with the JORC committee, four years as Chairman of an ASX listed mining explorer and as a director of a London AIM listed explorer. Tony is also currently Company Secretary of Battery Minerals Mining Ltd and Magmatic Resources Limited, and is a Director of XCD Energy Limited.

Mr Walsh is a member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia, the Institute of Chartered Secretaries and the Institute of Chartered Accountants in Australia.

He is currently a non-executive director of the Women's and Infants Research Foundation.

3. EARNINGS PER SHARE

Basic loss per share:	0.0152cents
Diluted loss per share:	0.0152cents

4. DIVIDENDS

No dividend has been paid or recommended during the financial year.

5. CORPORATE INFORMATION

Corporate Structure

Legend Mining Limited is a Company limited by shares that is incorporated and domiciled in Australia. Legend Mining Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in the following illustration of the Group's corporate structure.

***On 29 January 2020 Gibson Metals Pty Ltd was deregistered**

Nature of Operations and Principal Activities

The principal activities during the year of the entities within the consolidated entity were:

- exploration for nickel and copper deposits in Australia.

Employees

The consolidated entity had a staff of five employees at 31 December 2019 (2018: four employees).

6. OPERATING AND FINANCIAL REVIEW

Results of Operations

The net loss after income tax of the consolidated entity for the year was $401,801 (2018: loss of $1,267,602).

Review of Operations

The Directors' Review of Activities for the year ended 31 December 2019 is contained on pages 3 to 15 of the Annual Report.

Summarised Operating Results

Deferred Exploration Costs: Total acquisition costs and deferred expenditure on tenements capitalised during the year, net of amounts reimbursed through the research and development incentive grant amounted to $2,474,909 (2018: $336,032).

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes during the year.

8. ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity's operations are subject to various environmental regulations under both Commonwealth and State legislation in Australia. The Directors have complied with these regulations and are not aware of any breaches of the legislation during the financial year which are material in nature.

9. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in the operations of the consolidated entity, and expected results of those operations in subsequent financial years have been discussed, where appropriate, in the Chairman's Report and Review of Activities.

10. SHARE OPTIONS

Unissued shares

As at the date of this report, there were 387,111,111 unissued ordinary shares under options. Refer to note 17 for further details of the options outstanding at 31 December 2019.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

There were no shares issued as a result of the exercise of options during the financial year.

11. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

After the balance sheet date the Company has seen macro-economic uncertainty with regards to prices and demand for nickel and copper as a result of the COVID-19 (coronavirus) outbreak. Furthermore, recent global developments and uncertainty in nickel and copper in March 2020 have caused further abnormally large volatility in commodity markets. The scale and duration of these developments remain uncertain but could impact the Company's cash flow and financial condition.

No other matters or circumstance has arisen since the end of the financial year which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

12. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has not, during or since the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate:

(i) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

(ii) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

13. INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

14. REMUNERATION REPORT (AUDITED)

The compensation arrangements in place for key management personnel of Legend are set out below:

Details of key management personnel

Directors

M Atkins	Chairman (non-executive)
M Wilson	Managing Director
D Waterfield	Executive Director - Technical

Compensation Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

The Company embodies the following principle in its compensation framework:

- Provide competitive rewards to attract high-calibre executives.

14. REMUNERATION REPORT (CONTD)

Group Performance

The Group's financial performance for the last five years has been as follows:

	December 2019	December 2018	December 2017	December 2016	December 2015
Revenue	$231,690	$223,469	$267,989	$407,180	$575,162
Net loss after tax	($401,801)	($1,267,602)	($567,068)	($2,599,591)	($1,311,284)
Basic loss per share (cents per share)	(0.0152)	(0.062)	(0.028)	(0.128)	(0.066)
Diluted loss per share (cents per share)	(0.0152)	(0.062)	(0.028)	(0.128)	(0.066)
Net assets	$24,795,193	$13,082,152	$14,349,754	$14,734,111	$17,127,502
Share price (at balance date)	$0.09	$0.03	$0.03	$0.01	$0.008

As the Group is currently in exploration and evaluation phases, historical earnings are not yet an accurate reflection of Group performance and cannot be used as a long term incentive measure. Consideration of the Group's earnings will be more relevant as the Group matures.

Remuneration Committee

Due to the size of Legend, remuneration is considered by the full Board. The Board reviews remuneration packages and policies applicable to the directors and senior executives. Remuneration levels are competitively set to attract the most qualified and experienced directors and senior executives.

Compensation Structure

In accordance with best practice corporate governance, the structure of non-executive director and other senior manager remuneration is separate and distinct.

Objective of Non-Executive Director Compensation

The Board seeks to set aggregate compensation at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure of Non-Executive Director Compensation

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 16 May 2012 when shareholders approved the aggregate remuneration of $300,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Objective of Executive Director Compensation

The company aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the company and so as to:

- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders; and
- ensure total compensation is competitive by market standards.

Structure of Executive Director Compensation

In determining the level and make-up of executive compensation, the Board may engage external consultants to provide independent advice. No external advice was obtained during the 2019 year.

It is the Board's policy that an employment contract is entered into with key executives.

Compensation consists of a fixed compensation element and the issue of options from time to time at the directors' discretion under the Employee Share Option Plan. Any issue of options to directors under the Employee Share Option Plan requires prior shareholder approval.

14. REMUNERATION REPORT (CONTD)

Fixed Compensation

Fixed compensation is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices. No external advice was obtained during the 2019 year.

Structure

Executive Directors are given the opportunity to receive their fixed (primary) compensation in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Employment Contracts

The Managing Director, **Mr Mark Wilson**, is employed under contract. The current contract commenced on 1 July 2011 and is effective until terminated in accordance with the contract. The significant terms of the contract are:

- Mr Wilson receives remuneration of $320,000 per annum exclusive of superannuation;
- Mr Wilson may resign from his position and thus terminate his contract by giving one month written notice;
- The company may terminate Mr Wilson's employment contract by providing six months' written notice if the position has become redundant, or three months' written notice in all other circumstances; and
- The Company may terminate Mr Wilson's contract at any time without notice if serious misconduct has occurred.

Mr Michael Atkins, is employed under contract. The current contract commenced on 1 July 2012 and is effective until terminated in accordance with the contract. The significant terms of the contract are:

- Mr Atkins receives remuneration of $80,000 per annum exclusive of superannuation;
- Mr Atkins' agreement provides for engagement of consultancy services outside of the scope of the ordinary duties of a non-executive chairman. In addition to the director's fees above, Mr Atkins is paid $2,000 per day (inclusive of superannuation) for the provision of these consultancy services.
- Mr Atkins' appointment is contingent upon satisfactory performance and successful re-election by shareholders of the Company;
- Mr Atkins may resign from his position and thus terminate his contract by giving written notice; and
- The Company may terminate Mr Atkins' contract by way of resolution of the Company's shareholders.

Mr Derek Waterfield, is employed under contract. The current contract commenced on 1 November 2012 and is effective until terminated in accordance with the contract. The significant terms of the contract are:

- Mr Waterfield receives remuneration of $220,000 per annum exclusive of superannuation;
- Mr Waterfield may resign from his position and thus terminate his contract by giving one month written notice;
- The company may terminate Mr Waterfield's employment contract by providing three months' written notice if the position has become redundant, or one months' written notice in all other circumstances; and
- The Company may terminate Mr Waterfield's contract at any time without notice if serious misconduct has occurred.

Employee Share Option Plan

The Board has in place an Employee Share Option Plan (ESOP) allowing share options to be issued to eligible employees in order to provide them with an incentive to provide growth and value to all shareholders.

At a General Meeting on 4 December 2009 shareholders approved the implementation of Employee Share Option Plan No 3. The plan differed from the previous plans in that there is no 12 month vesting period on any new options received under plan No 3. Removal of the vesting period requirement allows the Board maximum flexibility to make offers of options on the terms of the plans appropriate at the time, having regard for the tax environment which the proposed participants find themselves in when an offer of options is received from the company.

The Company plans to seek shareholder approval for a new ESOP at its 2020 Annual General Meeting scheduled to be held in May 2020.

14. REMUNERATION REPORT (CONTD)

Share-based Payments

During the year the Company did not grant any incentive options to directors (2018: $NIL).

Compensation of Key Management Personnel for Years Ended 31 December 2019 and 31 December 2018

Name	Year	Short term Salary and Fees[1] $	Post-Employment Super-annuation $	Long-term benefits Long Service Leave $	Share based payments options $	Total $	% of compen-sation granted as options	% of performance related remuneration
Director								
M Atkins	2019	80,000	7,600	-	-	87,600	-	-
	2018	80,000	7,600	-	-	87,600	-	-
M Wilson	2019	338,462	22,300	5,333	-	366.095	-	-
	2018	332,308	30,400	5,333	-	368,041	-	-
D Waterfield	2019	230,154	20,900	3,667	-	254,721	-	-
	2018	236,923	20,900	3,667	-	261,490	-	-
Total	**2019**	**648,616**	**50,800**	**9,000**	**-**	**708,416**	**-**	**-**
	2018	**649,231**	**58,900**	**9,000**	**-**	**717,131**	**-**	**-**

(1) Short term salary and fees includes net movements in annual leave provisions.

Option holdings of Key Management Personnel

Options held in Legend Mining Limited (number) during the year ended 31 December 2019

Name	Balance at beginning of year 1 Jan 2019	Granted as Remuneration	Exercised during the year	Net Change Other	Balance at end of year 31 Dec 2019	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
M Atkins	10,000,000	-	-	-	10,000,000	-	10,000,000
M Wilson	40,000,000	-	-	-	40,000,000	-	40,000,000
D Waterfield	20,000,000	-	-	-	20,000,000	-	20,000,000
Total	**70,000,000**	**-**	**-**	**-**	**70,000,000**	**-**	**70,000,000**

Shareholdings of Key Management Personnel[1][2]

Shares held in Legend Mining Limited (number) during the year ended 31 December 2019

Name	Balance 1 Jan 19	Granted as remuneration	On exercise of options	Net change other[2]	Balance 31 Dec 19
Directors					
M Atkins (Windamurah P/L), (Alkali Exploration P/L)	7,108,334	-	-	-	7,108,334
M Wilson (Chester Nominees WA P/L) (Mrs MM Wilson)	128,748,200	-	-	-	128,748,200
D Waterfield	1,000,000	-	-	-	1,000,000
Total	**136,856,534**	**-**	**-**	**-**	**136,856,534**

(1) Includes shares held directly, indirectly and beneficially by KMP.
(2) On-market purchases made during the year.

END OF REMUNERATION REPORT

15. DIRECTORS' MEETINGS

The number of Meetings of Directors held during the year and the number of Meetings attended by each Director was as follows:

Name	No. of Board Meetings Attended	No. of Meetings Held Whilst A Director	No of Audit Committee Meetings Attended	No of Audit Committee Meetings Held
Attended by:				
Michael Atkins	8	8	2	2
Mark Wilson	8	8	2	2
Derek Waterfield	8	8	2	2

16. DIRECTORS' INTERESTS

The relevant interest of each director in the shares and options issued by the company in accordance with the Corporations Act 2001, at the date of signing this report is as follows:

Name	Ordinary shares	Options over ordinary shares
M Atkins (Windamurah P/L), (Alkali Exploration P/L)	7,108,334	10,000,000
M Wilson (Chester Nominees WA P/L) (Mrs MM Wilson) (SMT Investments WA P/L)	129,748,200	40,000,000
D Waterfield	1,000,000	20,000,000

17. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Non-audit services

There were no non-audit services provided by the Company's auditor, Ernst & Young during the 2019 financial year.

We have received the Declaration of Auditor Independence from Ernst & Young, the Company's Auditor. This is available for review on page 52 and forms part of this report.

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

____
Mark Wilson
Managing Director

Dated this 20th day of March 2020

	Note	2019 $	2018 $
Finance revenue	4(a)	231,690	223,469
Net gain/(loss) on financial assets fair value through profit and loss	4(b)	30,994	(172,588)
Other Income	4(b)	750,000	-
Employee benefit expenses	4(c)	(306,383)	(301,634)
Financial expenses	4(d)	(5,160)	-
Other expenses	4(d)	(52,364)	(47,097)
Corporate and administration expenses	4(e)	(838,678)	(969,752)
Share-based payments expense	18(a)	(211,900)	-
Loss before income tax		(401,801)	(1,267,602)
Income tax benefit	6	-	-
Net loss for the year attributable to Members of Legend Mining Limited		**(401,801)**	**(1,267,602)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to Members of Legend Mining Limited		**(401,801)**	**(1,267,602)**
EARNINGS PER SHARE (cents per share)			
Basic loss per share	5	(0.0152)	(0.062)
Diluted loss per share	5	(0.0152)	(0.062)

The accompanying notes form part of these financial statements

	Note	2019	2018
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	8	10,133,887	3,323,829
Receivables	9	333,471	64,012
Other financial assets	10	148,273	117,279
Total Current Assets		10,615,631	3,505,120
Non-current Assets			
Other financial assets	10	5,775	5,775
Property, plant & equipment	11	84,777	109,099
Right of use assets	21(b)	81,345	-
Deferred exploration costs	12	14,622,473	10,012,564
Total Non-current Assets		14,794,370	10,127,438
TOTAL ASSETS		25,410,001	13,632,558
LIABILITIES			
Current Liabilities			
Trade and other payables	13	230,464	288,483
Employee benefit provisions	14	195,148	164,498
Lease liability	13	67,234	-
Total Current Liabilities		492,846	452,981
Non-current Liabilities			
Provisions	14	108,258	97,425
Lease liability	13	13,704	-
Total Non-current Liabilities		121,962	97,425
TOTAL LIABILITIES		614,808	550,406
NET ASSETS		24,795,193	13,082,152
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	15	72,479,184	60,711,242
Share option premium reserve	16	23,615,178	23,268,278
Accumulated losses		(71,299,169)	(70,897,368)
TOTAL EQUITY		24,795,193	13,082,152

The accompanying notes form part of these financial statements

	Note	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,301,781)	(1,062,034)
Proceeds from Jindal Receivable		500,000	-
Interest received		188,429	251,932
Payment for financial assets		(6,599)	-
Net cash flows used in operating activities	20(ii)	(619,951)	(810,102)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(7,500)	-
Payments for deferred exploration costs		(3,519,570)	(2,921,850)
Receipt of research and development tax incentive grant		1,259,160	2,585,817
Net cash flows used in investing activities		(2,267,910)	(336,033)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Capital Raising		9,800,000	-
Payment of transaction costs relating to capital raising		(32,058)	-
Principal elements of lease payments		(70,023)	-
Net cash flows used in investing activities		9,697,919	(336,033)
Net decrease in cash and cash equivalents		6,810,058	(1,146,135)
Cash and cash equivalents at the beginning of year		3,323,829	4,469,964
Cash and cash equivalents at end of year	20(i)	10,133,887	3,323,829

The accompanying notes form part of these financial statement

	Contributed Equity	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 year	-	-	(401,801)	(401,801)
Total comprehensive loss for the year	-	-	(401,801)	(401,801)
Issued capital	11,800,000	-	-	11,800,000
Capital raising cost	(32,058)	-	-	(32,058)
Contingent shares issued for tenement acquisition	-	135,000	-	135,000
Employee and director options	-	211,900	-	211,900
At 31 December 2019	72,479,184	23,615,178	(71,299,169)	24,795,193

At 1 January 2018	60,711,242	23,268,278	(69,629,766)	14,349,754
Loss for the year	-	-	(1,267,602)	(1,267,602)
Total comprehensive loss for the year	-	-	(1,267,602)	(1,267,602)
At 31 December 2018	60,711,242	23,268,278	(70,897,368)	13,082,152

The accompanying notes form part of these financial statements

NOTE 1: CORPORATE INFORMATION

The consolidated financial statements of Legend Mining Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 18 March 2020.

Legend Mining Limited (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in note 3.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for certain financial assets carried at fair value.

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

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the ordinary course of business.

The financial report also complies with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board.

Changes in accounting policy, disclosures, standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the impact of new and amended accounting standards and interpretations as discussed below.

(i) New and amended standards and interpretations

The Group applied AASB 16 *Leases* and AASB *Interpretation 23 Uncertainty over Income Tax Treatment* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group.

AASB 16 *Leases*

AASB 16 was issued in February 2016 and it replaces AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases-Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117.

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.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

The weighted average incremental borrowing cost applied to the lease liability on adoption was 5.57%.

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.

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.

AASB Interpretation 23 *Uncertainty over Income Tax Treatment*

The application date of AASB Interpretation 23 for the Group was 1 January 2019. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The adoption of this Interpretation has not had a material impact on the Group.

Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements but are not deemed to have an impact on the consolidated financial statements of the Group. The Group intends to adopt these new standards and interpretations, if applicable, when they become effective.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

Summary of significant accounting policies

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of Legend Mining Limited and its subsidiaries ('the Group') as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(ii) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Group measures the cost of equity-settled share-based payments at fair value at the grant date using a Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Impairment of capitalised exploration and evaluation expenditure

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.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which the determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

(iii) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight line basis over the useful life of the asset from the time the asset is held ready for use.

The depreciation rates used for each class are:

Buildings	10%
Plant and equipment	7.5% - 50%

Impairment

The carrying values of property, plant and equipment are reviewed for impairment as required, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(iv) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(v) Financial Assets

Financial assets at amortised cost (debt instruments)

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises the lifetime expected credit loss for trade receivables carried at amortised cost. The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

Financial assets at fair value through profit or loss (equity investments)

Financial assets at fair value through profit or loss include financial assets held for trading, e.g., financial assets designated upon initial recognition at fair value through profit or loss, e.g., debt or equity instruments, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that do not pass the SPPI test are required to be classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

(vi) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. The Group receives grants in relation to Research and Development expenditure.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

(vii) Deferred exploration costs

Deferred exploration and evaluation costs

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing.

Farm-outs and carried interest— in the exploration and evaluation phase

The Group does not record any expenditure made by the farmee on Legend's account. The Group also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Group as a gain on disposal.

For carried interests Legend recognises the expenditure when they are providing the carry to the other parties. Where the Group are being carried Legend does not recognise any expenditure paid for on their behalf.

Impairment

The carrying values of exploration and evaluation costs are reviewed for impairment when facts and circumstances indicate the carrying value may not be recoverable.

The recoverable amount of exploration and evaluation costs is the greater of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the fair value of money and the risks specific to the asset.

Accumulated costs in relation to an abandoned area are written off in full against the income statement in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Each area of interest is limited to the size related to known or probable mineral resources capable of supporting a mining operation.

(viii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ix) Interest income

Interest revenue is recognised as it accrues, using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(x) Taxes

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax law used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amounts of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- Where the amount of the GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.
- Receivables and payables are stated with the amount of GST included.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are classed as operating cash flows.

(xi) Trade and or other payables

Liabilities for trade creditors and other amounts are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of these goods and services. The amounts are unsecured and are usually paid within 30 days.

(xii) Share based payment transactions

The Group provides benefits to employees (including directors) of the Group and to the providers of services to the Group in the form of share based payment transactions, whereby employees or service providers render services in exchange for shares or rights over shares (‘equity-settled transactions’).

There are currently three scenarios in place to provide these services:
(a) ‘Employees Share Option Plan’, which provides benefits to eligible persons;
(b) Capital raising costs, which provide payment to stockbrokers and finance institutions for capital raising services and commissions; and
(c) Other grants of options to directors on an ad hoc basis.

The cost of the equity-settled transactions with stockbrokers and finance institutions is measured by reference to the fair value of the service received at the date they are granted.

For transactions with employees (including directors), the cost of these equity-settled transactions is measured by reference to the fair value of the options provided. The fair value is determined by an external valuer using a Black-Scholes model.

The cost of these equity-settled transactions with employees is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award (‘vesting date’).

In valuing these equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Legend Mining Limited (market conditions) if applicable.

The cumulative expense recognised for these equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group’s best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expenses recognised as at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However , if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

For transactions with other service providers, the cost of these equity-settled transactions is measured by reference to the value of the services provided. The cost of these equity-settled transactions is recognised, together with a corresponding increase in equity, at the time the services are provided unless they are transaction costs arising on the issue of ordinary shares, in which case the transaction costs are recognised directly in equity as a reduction of the proceeds received on the issue of shares.

(xiii) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs net of tax arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

(xiv) Employee Benefits

Provision is made for employee benefits accumulated as a result of employee services up to the reporting date. These employee benefits include wages, salaries, annual leave and include related on-costs such as superannuation and payroll tax.

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

No provision is made for non-vesting sick leave, as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting sick leave will never be paid.

Contributions to employee superannuation funds of choice are expensed as incurred.

(xv) Earnings per share

Basic earnings per share (EPS) is calculated as net profit or loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit or loss attributable to members, adjusted for:

(a) Costs of servicing equity (other than dividends).

(b) The after tax effect of dividends and interest associated with the dilutive potential ordinary shares that have been recognised as expenses; and

(c) Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(xvi) Foreign currency translation

(a) Functional and presentation currency

The Group's consolidated financial statements are presented in Australian dollars, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchanges rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (ie translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss respectively).

NOTE 3: NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities during the year of the entities within the consolidated entity were exploration for nickel and copper deposits in Australia.

NOTE 4: REVENUE AND EXPENSES

	Note	2019 $	2018 $
a) Finance Revenue			
Bank interest received and receivable		109,032	103,469
Other finance income		122,658	120,000
		231,690	223,469
b) Other			
Net gain/(loss) on revaluation of financial assets held for trading		30,994	(172,588)
Other income - impairment loss recovery		750,000	-
		780,994	(172,588)
c) Employee Benefits Expense			
Salaries, on-costs and other employee benefits		306,383	301,634
		306,383	301,634
d) Other Expenses			
Depreciation		2,574	3,633
Exploration expenditure not capitalised		700	43,464
Financial expenses		5,159	-
Sale of fixed assets		678	-
Depreciation – Office Lease		48,413	-
		57,524	47,097
e) Corporate and administration expenses			
Fees – Audit/Tax		249,752	452,077
Fees – ASX		45,734	46,184
Fees – Share Registry		11,559	15,096
Consultancy Fees		78,522	73,830
Office Rent		-	114,906
Legal expenses		21,172	1,880
Travel expenses		43,392	48,146
Other expenses		388,547	217,633
		838,678	969,752

NOTE 5: EARNINGS PER SHARE

	2019 $	2018 $
(a) Reconciliation of earnings to net loss:		
Net Loss	(401,801)	(1,267,602)
Loss used in the calculation of basic earnings per share	(401,801)	(1,267,602)
(b) Weighted average number of shares on issue during the financial year used in the calculation of basic loss per share	2,642,257,182	2,044,350,801
Weighted average number of ordinary shares on issue used in the calculation of diluted loss per share	2,642,257,182	2,044,350,801

(c) Information on classification of options

For the year ended 31 December 2019, all options on issue were antidilutive as the Group made a loss. 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 31 December 2019 is 387,111,111. (31 December 2018: 238,000,000)

NOTE 6: INCOME TAX

	2019 $	2018 $
The major components of income tax expense are:		
Income Statement		
Current income tax		
Current year income tax charge (benefit)	-	-
Under/Over provision of prior tax year	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	-	-
Under/Over provision of prior tax year	-	-
Income tax benefit reported in the income statement	-	-

A reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting loss before tax from ordinary activities	(401,801)	(1,267,602)
Accounting loss before income tax	(401,801)	(1,267,602)
At the Group's statutory income tax rate of 30%	(120,540)	(380,280)
Expenditure not allowed for income tax purposes	558,355	111,160
Current year tax losses not recognised	-	217,343
Non-assessable income	(169,986)	(343,220)
Movement in unrecognised temporary difference	(64,312)	-
Recognition of previously unrecognised prior period tax losses	(202,555)	-
Deferred tax assets not brought to account	-	394,997
Deductible equity raising costs	(962)	-
Income tax expense attributable to entity reported in the consolidated income statement	-	-
Income tax expensed directly to equity		
Relating to equity costs	(962)	-
Deferred tax expense/(income) recognised in equity	-	-
Current Income Tax Asset/(Liability)	-	-

NOTE 6: INCOME TAX (CONTD)

	2019 $ 30%	2018 $ 30%
Deferred Income Tax		
Deferred income tax at 31 December related to the following:		
Consolidated		
Recognised deferred tax liabilities		
Capitalised exploration and evaluation expenditure	(2,797,329)	(2,011,121)
Property, Plant & Equipment	(2,115)	-
Other	(6,531)	(3,350)
Amounts disclosed as deferred tax liability	(2,805,975)	(2,014,471)
Set-off of deferred tax assets	2,805,975	2,014,471
Net deferred tax liabilities disclosed	-	-
Recognised deferred tax assets		
Tax losses available to offset against future taxable income	2,702,959	1,894,220
Other provisions	100,022	89,461
Plant and Equipment	0	790
Other future blackhole deductions	2,994	30,000
Gross deferred tax assets	2,805,975	2,014,471
Set-off of deferred tax assets	(2,805,975)	(2,014,471)
Net deferred tax assets recognised	-	-
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following as the statutory requirements for recognising those deferred tax assets have not been met		
Deductible temporary differences	914,597	1,140,240
Tax revenue losses	440,903	643,458
Tax capital losses	2,223,755	2,223,755
Net deferred tax assets not recognised	3,579,255	4,007,453

Tax Consolidation

Legend Mining Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2004. Legend Mining Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement in order to allocate the income tax liabilities between the entities within the Group should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Tax effect accounting by members of the tax consolidated group

Tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences are recognised in the separate financial statements of the members of the tax consolidated group using the separate taxpayer within a group method. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Members of the tax consolidated group have not entered into a tax funding agreement. As a result, the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, assumed by the Company, are recognised as a contribution from (or distribution to) equity participants. There were no contributions (or distributions) made during the year ended 31 December 2019.

2019 Tax Return

On 18 October 2019, the Company lodged its tax return for the tax year ended 30 June 2019 and claimed a refundable Research and Development (R&D) tax offset of $1,259,160. In December 2019, the Company received this refund.

NOTE 7: SEGMENT INFORMATION

Operating Segments

The group has one reportable operating segment, being exploration and evaluation activities in Australia.

NOTE 8: CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank and in hand	633,887	323,829
Deposits	9,500,000	3,000,000
	10,133,887	3,323,829

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Deposits at call earn interest on a 30, 60 and 90 day term basis at bank deposit rates at an average rate of 2.35%.

NOTE 9: RECEIVABLES

	2019 $	2018 $
Current		
Other receivables (b)	50,813	64,012
Receivable from Jindal Mining & Exploration Limited (a)	2,537,658	3,005,000
Provision for Jindal receivable	(2,255,000)	(3,005,000)
	333,471	64,012

Terms and conditions relating to the above financial instruments:

(a) On 4 January 2017, the Company announced that it has 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 8 May 2019 Legend announced that it and Jindal Mining & Exploration Limited (Jindal) had agreed to a payment schedule for the final amount of $3 million owing to Legend from the sale of the Cameroon Iron Ore project. Legend and Jindal agreed that payments of $250,000 per month will be made commencing 31 October 2019 until 31 August 2020 (11 payments) with the final payment of $250,000 being made on 15 October 2020, totalling $3 million in full. The outstanding amounts owing continue to attract interest at the rate of 4% per annum paid quarterly.

Legend received $500,000 (two $250,000 monthly payments) from Jindal Steel and Power during the December 2019 quarter. A payment of $282,658 ($250,000 principal and $32,658 interest), due on 31 December 2019, was received on 22 January 2020.

Due to the continued uncertainty of the receipt of funds from Jindal and the fact Jindal are in arrears on the payment plan, Legend have applied an expected credit loss rate of 88.8% (2018: 100%) on the estimated gross carrying amount at default resulting in an expected credit loss of $2,255,000 (2018: $3,005,000).

(b) Other receivables are non-interest bearing and have repayment terms of between 30 and 60 days.

NOTE 10: OTHER FINANCIAL ASSETS

	2019 $	2018 $
Current		
Shares in S2 Resources Ltd – at fair value (a)	98,273	67,279
Security bond – at amortised cost (b)	50,000	50,000
	148,273	117,279
Non-current		
Rental property bond (c)	5,775	5,775

Details of the above financial instruments:

(a) 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.

(b) Security bond – bank deposit held as security for credit cards. At 31 December 2019, this deposit is held on a 6 month term deposit with an interest rate of 1.57% per annum (31 December 2018, 6 months at 2.72%pa).

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

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2019 $	2018 $
Plant and equipment		
At 31 December		
Gross carrying amount at cost	315,239	324,726
Accumulated depreciation	(230,552)	(215,627)
Net carrying amount	84,777	109,099
At 1 January		
Net of accumulated depreciation	109,099	149,039
Additions	7,500	-
Disposals	(878)	-
Depreciation expense - Admin	(2,574)	(3,633)
Depreciation expense - Exploration	(28,370)	(36,307)
At 31 December		
Net of accumulated depreciation	84,777	109,099

NOTE 12: DEFERRED EXPLORATION COSTS

	Note	2019 $	2018 $
Deferred exploration costs		14,622,473	10,012,564
Deferred exploration and evaluation costs			
At 1 January, at cost		10,012,564	9,676,532
Acquired during the year	(i)	2,135,000	-
Reimbursement of exploration expenditure – R&D Rebate		(1,259,160)	(2,585,817)
Expenditure incurred during the year		3,734,069	2,921,849
At 31 December, at cost	(ii)	14,622,473	10,012,564

12. DEFERRED EXPLORATION COSTS (CONTD)

Note:

Following the share issuance as outlined in note 15, there were the following transactions undertaken in the current year:

(i) During 2019 Legend entered into a new JVA ("Ponton JVA 2019") with Creasy Group over tenements E28/1716 and E28/1717 for a 70% interest in the tenements. Legend paid the upfront consideration of $2,000,000, being 55,555,555 Legend shares at the price of 3.6 cents per share, to Creasy Group on 30 September 2019. The issue price was reflective fair value of the share price at acquisition date.

The acquisition included contingent consideration of 277,777,775 Legend shares at the price of 3.6 cents per share payable on completion of the first Bankable Feasibility Study and a Decision to Mine has been made. The contingent consideration of $135,000 represents a share based payment and has been fair valued at acquisition date based on a probability of 1.35% of the contingent issuance being made. The fair value of the asset cannot be reliably estimated as it is an exploration and evaluation asset which is in its early stages and there is still a significant amount of exploration and evaluation work required to progress the asset to a point where the contingent issuance would be required. In addition, at the date of this report there are no ore reserves or mineral resources estimated or being estimated for this joint venture asset and this joint venture is not part of the Mawson project tenure.

The Ponton JVA 2019 has the Royalty Option to convert its 30% interest into a 2% net smelter royalty. No value has been assigned to this option given this is linked to the Bankable Feasibility Study being completed and the Decision to Mine being made.

During 2019 Legend farmed-out a portion of the Group's interest in E28/2190, E28/2191, E28/2675, E28/2676 and E28/2677 (collectively the Rockford JVA 2019 and Legend/IGO JVA 2019) for a free carry until mining joint venture for nil consideration in line with the Group's accounting policy, no gain or loss has been recognised on these farm-outs. The Group retains the following interest in the tenements:

- Rockford JVA 2019 – E28/2190 and E28/2191 – 10% free carried interest (2018: 70% interest)
- Legend/IGO JVA 2019 – E28/2675, E28/2676 and E28/2677 – 30% free carried interest (2018: 100% interest)

(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 13: TRADE AND OTHER PAYABLES

	2019 $	2018 $
Current – unsecured		
Trade payables	230,464	230,845
Other payables and accruals	-	57,638
Lease liability	67,234	-
	297,698	288,483
Non-Current		
Lease liability	13,704	-
	13,704	-

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.

(iii) There are no trade payables past due for payment.

NOTE 14: EMPLOYEE BENEFITS PROVISIONS

	2019 $	2018 $
Current		
Employee benefits	195,148	164,498
Non-Current		
Employee benefits	108,258	97,425
Number of employees at year end	5	4

NOTE 15: CONTRIBUTED EQUITY

	2019 $	2018 $
Ordinary shares		
Issued and fully paid	60,711,242	60,711,242
55,555,555 Creasy JVA (i)	2,000,000	-
272,222,222 IGO Limited (ii)	9,800,000	-
Capital raising costs	(32,058)	
	72,479,184	60,711,242

Movement in ordinary shares on issue 2019	**No.**	**$**
At 1 January 2019	2,044,350,801	60,711,242
55,555,555Shares issued for tenement acquisition (refer note 12(i))	55,555,555	2,000,000
272,222,222 IGO Limited	272,222,222	9,800,000
Capital raising costs	-	(32,058)
At 31 December 2019	2,372,128,578	72,479,184

Movement in ordinary shares on issue 2018	**No.**	**$**
At 1 January 2018	2,044,350,801	60,711,242
At 31 December 2018	2,044,350,801	60,711,242

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

(i) On 30 September 2019 Legend issued $2.0 million of share capital for the consideration of the Ponton joint venture as described in note 12 (i).

(ii) In July 2019 Legend entered into a Subscription Agreement with IGO Limited (formerly Independence Group NL) to subscribe for $9.8 million worth of Company shares at an issue price of 3.6 cents per share. The first tranche was completed on 11 July 2019 under Legend's existing 15% placement capacity, while the second tranche was subject to Legend shareholder approval and was completed on 30 September 2019.

Attached to the share issues were 136,111,111 options of an exercise price of 7.2 cents per share for a period of three years.

NOTE 16: RESERVES

Movement in reserves	**Share option premium reserve** **$**
At 1 January 2019	23,268,278
Options issued to employees(refer note 18)	211,900
Contingent shares issued for tenement acquisition (refer note 12 (i))	135,000
At 31 December 2019	23,615,178
At 1 January 2018	23,268,278
At 31 December 2018	23,268,278

16. RESERVES (CONTD)

Share option premium reserve

The share option premium reserve is used to record the value of share based payments provided to employees, directors and contractors, as part of their remuneration and contingent share issues as part of the acquisition of tenements.

NOTE 17: SHARE OPTIONS

	Number	Exercise price cents per share
Unlisted options – Expiry date 23 September 2020		
At 1 January 2019	150,000,000	4 cents
At 31 December 2019	150,000,000	
Unlisted options – Expiry date 30 March 2021		
At 1 January 2019	88,000,000	4 cents
At 31 December 2019	88,000,000	
Unlisted options – Expiry date 11 July 2022		
At 1 January 2019	-	
Issued during the year	102,217,540	7.2 cents
At 31 December 2019	102,217,540	
Unlisted options – Expiry date 30 September 2022		
At 1 January 2019	-	
Issued during the year	46,893,571	7.2 Cents
At 31 December 2019	46,893,571	
Unlisted options – Expiry date 23 September 2020		
At 1 January 2018	150,000,000	4 cents
At 31 December 2018	150,000,000	
Unlisted options – Expiry date 30 March 2021		
At 1 January 2018	88,000,000	4 cents
At 31 December 2018	88,000,000	

NOTE 18: SHARE BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

During the 2019 year there were 13,000,000 options issued (2018: nil).

- In 2019 13,000,000 incentive options with an exercise price of 7.2 cents and expiring on 30 September 2022 were issued to employees and contractors under the Company's Employee Share Option Plan. The fair value of the incentive options granted at the grant date was 0.0163 cents, for a total value of $221,900 included within share based payments expense.

The fair values were calculated by using the Black-Scholes European Option Pricing Model applying the following inputs:

	Incentive Options
Exercise price (cents)	7.2
Life of the option (years)	3.0
Underlying share price (cents)	4.6
Expected share price volatility	75.0%
Risk free interest rate	0.68%

18. SHARE BASED PAYMENT PLAN (CONTD)

(b) Types of share-based payment plans

Employee Share Option Plan, 'ESOP'

Share options are granted to Eligible Persons with more than 6 months service. Eligible Persons are determined by the Board after taking into account the following considerations:

(i) the seniority of the Eligible Person and the position the Eligible Person occupies within the Group;
(ii) the length of service of the Eligible Person with the Group;
(iii) the record of employment of the Eligible Person with the Group;
(iv) the contractual history of the Eligible Person with the Group;
(v) the potential contribution of the Eligible Person to the growth of the Group;
(vi) the extent (if any) of the existing participation of the Eligible Person in the Plan; and
(vii) any other matters which the Board considers relevant.

At a General Meeting on 4 December 2009 shareholders approved the implementation of Employee Share Option Plan No 3. The plan differed from the previous plans in that there is no 12 month vesting period on any new options received under plan No 3. Removal of the vesting period requirement allows the Board maximum flexibility to make offers of options on the terms of the plans appropriate at the time, having regard for the tax environment which the proposed participants find themselves in when an offer of options is received from the company.

The Company plans to seek shareholder approval for a new ESOP at its 2020 Annual General Meeting scheduled to be held in May 2020.

(c) Summaries of options granted

ESOP: The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2019 No.	2019 WAEP ($)	2018 No.	2018 WAEP ($)
Outstanding balance at the beginning of the year	78,000,000	0.040	78,000,000	0.040
Granted during the year	13,000,000	0.072	-	-
Expired/lapsed during the year	-	-	-	-
Outstanding at the end of the year	91,000,000	0.045	78,000,000	0.040
Exercisable at the end of the year	91,000,000	0.045	78,000,000	0.040

Expense Share Option Plan 'ExSOP: The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2019 No.	2019 WAEP	2018 No.	2018 WAEP
Outstanding balance at the beginning of the year	160,000,000	0.040	160,000,000	0.040
Granted during the year	-	-	-	-
Expired/lapsed during the year	-	-	-	-
Outstanding at the end of the year	160,000,000	0.040	160,000,000	0.040
Exercisable at the end of the year	160,000,000	0.040	160,000,000	0.040

The outstanding balance as at 31 December 2019 is represented by:

(i) 150,000,000 options over ordinary shares with an exercise price of $0.04 each, exercisable immediately and expiring on 23 September 2020.

(ii) 88,000,000 options over ordinary shares with an exercise price of $0.04 each, exercisable immediately and expiring on 30 March 2021.

(iii) 13,000,000 options over ordinary shares with an exercise price of $0.072 each, exercisable immediately and expiring on 30 September 2022

NOTE 19: RELATED PARTIES

(i) Wholly-owned group transactions

Loans made by Legend Mining Limited to wholly-owned subsidiaries are repayable on demand and are not interest bearing.

(ii) Other related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(iii) Ultimate parent

Legend Mining Limited is the ultimate parent company.

(iv) Compensation of key management personnel of the Group

	2019	**2018**
	$	**$**
Short-term employee benefits	648,616	654,564
Long term benefits	9,000	9,000
Post-employment benefits	50,800	58,900
Total compensation paid to Key Management Personnel	708,416	722,404

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

NOTE 20: CASH FLOW INFORMATION

(i) Reconciliation of Cash

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	Note	**2019**	**2018**
		$	**$**
Cash on hand		500	500
Cash at bank		633,387	323,329
Deposits at call		9,500,000	3,000,000
	8	10,133,887	3,323,829

(ii) Reconciliation of net loss after income tax to net cash used in operating activities

Net loss after tax	(401,801)	(1,267,602)
Net loss on disposal of property, plant & equipment	678	-
Depreciation	2,574	39,940
Depreciation – Lease	48,413	-
Interest expense capitalised to deferred exploration	(1,439)	-
Share-based payments expense	211,900	-
Fair value (gain)/loss on investments	(30,994)	172,588
Impairment of Jindal receivables	(750,000)	-
Deferred exploration expenses	700	-
Movement in provisions and other	41,483	43,448
	(878,486)	(1,011,626)
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	482,784	15,913
Increase/(decrease) in payables	(224,249)	185,611
Net cash used in operating activities	(619,951)	(810,102)

Non-cash financing and investing activities

During the year Legend entered into a new JVA ("Ponton JVA 2019") with Creasy Group over tenements E28/1716 and E28/1717 in consideration for 55,555,555 ordinary shares at an issue price of $0.036 per ordinary share.

Other than listed above there were no other non-cash financing or investing activities during the 2019 or 2018 years.

NOTE 21: COMMITMENTS

(a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay approximately $2,207,500 (2018: $1,830,500) 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.

NOTE 22: INVESTMENTS IN CONTROLLED ENTITIES

Details of subsidiaries

Set out below are the Group's subsidiaries at 31 December 2019. All the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, and the proportion of ownership interests held equals to the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Place of Business / Country of Incorporation	Ownership Interest Held by the Group		Ownership Interest Held by Non-Controlling Interests	
		2019 %	2018 %	2019 %	2018 %
Gibson Metals Pty Ltd*	Australia	100	100	-	-
Legend Cameroon Pty Ltd	Australia	100	100	-	-

**On 29 January 2020 Gibson Metals Pty Ltd was deregistered*

NOTE 23: FINANCIAL INSTRUMENTS DISCLOSURE

The Group's principal financial instruments comprise cash and short-term deposits, receivables and investments held for trading.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arise from the Group's financial instruments are interest rate risks, liquidity risk, credit risk and equity price risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Fair value interest risk

The Group's exposure to fair value interest risk is minimal.

Commodity price risk

The Group's exposure to price risk is minimal as the group is still in an exploration phase and has no revenues from mining.

Credit risk

The Group trades only with recognised, creditworthy third parties.

The only significant concentration of credit risk within the Group is the loan receivable from Jindal. Exposure to credit risk is managed through regular analysis of Jindal's ability and willingness to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure. The Group has provided for the majority of the $2.5 million receivable from Jindal (see Note 9 for full details on this impairment). No collateral is held as security.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group only trades with recognised third parties, there is no requirement for collateral.

23. FINANCIAL INSTRUMENTS DISCLOSURE (CONTD)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of a mixture of long and short term debt.

Equity price risk

Equity price risk is the risk that changes in equity prices will affect the fair value of the Group's holdings of financial instruments. The objective of equity price risk management is to manage and control the risk within acceptable parameters, while optimising the return.

To minimise the risk the Group's investments are of high quality and are publicly traded on the ASX. The investments are managed on a day to day basis so as to pick up any significant adjustments to market prices.

(a) Interest Rate Risk

The consolidated entity's exposure to cash flow interest rate risk is as follows:

2019	Weighted Average Interest Rate	Floating Interest $	Fixed Interest $	Non-Interest Bearing $	Total $
Financial assets:					
Cash and cash equivalents	3.40%	633,387	9,500,000	500	10,133,887
Other financial assets		-	55,775	-	55,775
		633,387	9,555,775	500	10,189,662
2018					
Financial assets:					
Cash and cash equivalents	2.59%	323,329	3,000,000	500	3,323,829
Other financial assets		-	55,775	-	55,775
		323,329	3,055,775	500	3,379,604

The maturity date for all financial instruments included in the above tables is 1 year or less from balance date.

A change of 100 basis points in interest rates would result in a net gain/loss before taxation of $67,289 (2018: $38,969). This is based on the interest bearing financial assets as detailed above.

(b) Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	Carrying Amount 2019 $	2018 $
Cash and cash equivalents	8	10,133,887	3,323,829
Trade and other receivables	9	333,471	64,011
Rental Bond/Security bond	10	55,775	55,775
		10,523,133	3,443,615

The Company's maximum exposure to credit risk at the reporting date was $10,523,133 (2018: $3,443,615).

Except for the amount receivable from Jindal, all other trade and other receivables are current and have not been impaired.

NOTE 23: FINANCIAL INSTRUMENTS DISCLOSURE (CONTD)

(c) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2019	Carrying Amount	Contractual cash flows	6 mths or less
Non-derivative financial liabilities			
Trade and other payables	230,464	230,464	230,464
Lease liability	80,938	83,373	37,537
	311,402	313,836	268,041

31 December 2018	Carrying Amount	Contractual cash flows	6 mths or less
Non-derivative financial liabilities			
Trade and other payables	288,483	288,483	288,483
	288,483	288,483	288,483

(d) Net Fair Value of Financial Assets and Liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	31 December 2019		31 December 2018	
	Carrying Amount $	Fair Value $	Carrying Amount $	Fair Value $
Held for trading financial assets	98,273	98,273	67,279	67,279
Cash and cash equivalents	10,133,887	10,133,887	3,323,829	3,323,829
Security bond	55,775	55,775	55,775	55,775
Trade and other receivables	333,471	333,471	64,011	64,011
Trade and other payables	(230,464)	(230,464)	(288,483)	(288,483)
Lease liability	(80,938)	(80,938)	-	-
	10,310,478	10,310,478	3,216,636	3,216,636

(e) Equity price risk

The Group's exposure to equity securities is considered low as the company has minor investments in other listed investments totalling $98,273 at 31 December 2019.

A change of 10% in the market price of the shares would result in a gain/loss before taxation of $9,827 (2018: $6,728).

(f) Foreign Exchange risk

At balance date, the group had no material foreign currency denominated liabilities and receivables.

NOTE 24: FAIR VALUES

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 (Recurring)	Total	Quoted prices in active market (Level 1)
Quoted equity investments (Note 10)	31-Dec-2019	98,273	98,273

The fair value of the financial assets is determined by reference to published price quotation in an activity market.

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

NOTE 25: INFORMATION RELATING TO LEGEND MINING LIMITED ("THE PARENT ENTITY")

	2019	2018
	$	$
Current assets	10,615,631	3,505,120
Total assets	25,410,001	13,632,558
Current liabilities	492,846	452,981
Total liabilities	614,808	550,406
Net assets	24,795,193	13,082,152
Contributed equity	72,479,184	60,711,242
Accumulated losses	(71,299,169)	(70,897,368)
Share option premium reserve	23,615,178	23,268,278
	24,795,193	13,082,152
Loss of the parent entity after tax	(401,801)	(1,267,602)
Total comprehensive loss of the parent entity	(401,801)	(1,267,602)

There have been no guarantees entered into by the Parent Entity in relation to any debts of its subsidiaries.

The Parent has no contingent liabilities as at date of this report.

The Parent Entity has no contractual commitments for the acquisition of property, plant or equipment.

NOTE 26: AUDITOR'S REMUNERATION

The auditor of Legend Mining Limited is Ernst & Young Australia.

	Consolidated	
	2019 $	2018 $
Amounts received or due and receivable by Ernst & Young Australia for:		
- An audit or review of the financial report of the entity and any other entity in the consolidated group	31,731	31,673
	31,731	31,673

NOTE 27: CONTINGENT LIABILITIES

There are no contingent liabilities at the date of this report.

The consolidated entity's activities in Australia are subject to the Native Titles Act and the Department of Environment. Uncertainty associated with Native Title issues may impact on the Group's future plans.

There are no unresolved Native Title issues and the consolidated entity is not aware of any other matters that may impact upon its access to the land that comprises its project areas.

NOTE 28: EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date the Company has seen macro-economic uncertainty with regards to prices and demand for nickel and copper as a result of the COVID-19 (coronavirus) outbreak. Furthermore, recent global developments and uncertainty in nickel and copper in March 2020 have caused further abnormally large volatility in commodity markets. The scale and duration of these developments remain uncertain but could impact the Company's cash flow and financial condition.

No other matter or circumstance has arisen since the end of the financial year which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 29: DIVIDENDS PAID AND PROPOSED

No dividends were paid or proposed this financial year. There are no franking credits available for future reporting periods.

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 on pages 24-50, and the remuneration disclosures that are contained in the Remuneration report in the Directors report pages 17-23, 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 31 December 2019 and of its performance for the year ended on that date; and

  ii Complying with Australian Accounting Standards' and the Corporations Regulations 2001; and

  iii The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; 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.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2019.

On behalf of the Board.

Mark Wilson
Managing Director

Dated this 20th day of March 2020

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Building a better
working world

Auditor's Independence Declaration

As lead auditor for the audit of the financial report of Legend Mining Limited for the financial year ended 31 December 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 audit*;* and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Darryn Hall
Partner
Perth
20 March 2020

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Independent Auditor's Report to the Members of Legend Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Legend Mining Limited (the Company), and its subsidiaries (collectively the Group) which comprises the consolidated statement of financial position as at 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act* 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional* Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Building a better
working world

Accounting for and carrying value assessment of deferred exploration costs

Why significant	How our audit addressed the key audit matter
At 31 December 2019, the Group recognised an asset of $14.62 million of exploration and evaluation expenditure. This was a key audit matter as the continued recognition as an asset requires judgement by the Group around the likelihood of recovery through future exploitation or sale of the asset. If a judgement is made by the Group that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off as an impairment expense to the income statement. The majority of the Group's capitalised exploration and evaluation assets relate to its Rockford Project exploration tenements. We particularly focused on the Group's judgement that the Rockford Project remains an exploration and evaluation asset which has not progressed sufficiently to be categorised as a development asset. In the current year there was contiguous acquisitions and partial disposals of interests in a number of tenements which included carry arrangements by and for the Group as outlined in Note 12 – Deferred exploration costs in the financial statements. Included in deferred exploration costs as at 31 December 2019, and treated as reduction in the amount of capitalised expenditure, is any research and development (R&D) tax incentive benefits received in respect of the deferred exploration costs Refer to Note 12 – Deferred exploration costs to the financial statements for the amounts held on the consolidated statement of financial position as at 31 December 2019 and related disclosure.	We evaluated the Group's assessment of the carrying value of exploration and evaluation assets. In obtaining sufficient audit evidence, we: ‣ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and extension of term applications; ‣ Considered the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models, enquiries with senior management and directors as to the intentions and strategy of the Group; ‣ Assessed the carrying value of intangible assets where recent exploration activity in a given exploration license provided negative indicators as to the recoverability of other intangible costs that remain capitalised; ‣ Assessed the ability to finance planned future exploration and evaluation activity; ‣ Assessed the Group's accounting for the acquisition and partial disposal of interests in exploration tenements and associated deferred exploration costs for conformity with the Group's accounting policy and Australian Accounting Standards; ‣ Assessed the work of management's external expert in measuring and preparing the Group's R&D tax incentive claims and engaged our own tax specialists to review the form and nature of the claim submitted; and agreed the receipt of R&D tax incentive claims monies by the Group to supporting documentation; ‣ Assessed the adequacy of the disclosure included in the financial report.

Information other than the Financial Statements and Auditor's Report

The directors are responsible for the other information. The other information comprises of the information included in the Group's 2019 Annual Report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
- If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages [xx] to [xx] of the directors' report for the year ended 31 December 2019.

In our opinion, the Remuneration Report of Legend Mining Limited for the year ended 31 December 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Darryn Hall

Darryn Hall
Partner
Perth
20 March 2020

SHAREHOLDER INFORMATION AT 18 MARCH 2020

The issued capital of the company is **2,372,128,578** ordinary fully paid shares.

Distribution of Share Holders

Fully Paid Shares	Shares	Holders
1 – 1,000	28,939	109
1,001 – 5,000	477,903	126
5,001 – 10,000	3,460,994	417
10,001 – 100,000	93,756,137	2,040
100,001 and over	2,274,404,605	1,370
Total	**2,372,128,578**	**4,062**
Number of holdings less than a marketable parcel	**1,876,121**	**438**

Top 20 Shareholders

Name	Shares	% of Units
CREASY GROUP	639,390,555	26.95
IGO LIMITED	336,404,046	14.18
BAILEY GROUP	137,700,862	5.81
WILSON GROUP	129,748,200	5.47
MR PLATON MANIOTIS	25,500,000	1.07
MR MATTHEW MCLEISH	24,000,000	1.01
BELLARINE GOLD PTY LTD	18,054,875	0.76
PHH PTY LIMITED	17,800,000	0.75
LISTOGA PTY LTD	17,500,000	0.74
THREE CHEEKY MONKEYS	17,199,000	0.73
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,955,308	0.67
CITICORP NOMINEES PTY LTD	15,835,331	0.67
NINO CONSTRUCTIONS PTY LTD	13,161,547	0.55
TOPAZ PTY LTD	12,600,000	0.53
MICHAELMAS ISLAND PTY LTD	11,216,945	0.47
MUSGRAVE MINERALS LIMITED	10,000,000	0.43
MR ANDREW VUKOSAV	9,998,852	0.42
M & K LI HOWARD	9,455,844	0.40
MR PHILIP ROY TRAFFORD	8,900,000	0.38
MR RAYMOND SCIBERRAS	8,400,000	0.35
	1,478,821,365	**62.34**

Substantial shareholders

Name	Shares	% of Units
CREASY GROUP	639,390,555	26.95
IGO LIMITED	336,404,046	14.18
BAILEY GROUP	137,700,862	5.81
WILSON GROUP	129,748,200	5.47

Unlisted Option holders

Class of options	Options	Holders
23 September 2020 exercisable at 4.0 cents per share	150,000,000	2
30 March 2021 exercisable at 4.0 cents per share	88,000,000	7
30 September 2022 exercisable at 7.2 cents per share	102,000,000	1
30 September 2022 exercisable at 7.2 cents per share	47,000,000	5

AUSTRALIA – FRASER RANGE – ROCKFORD PROJECT

Tenements held at 18 March 2020

Tenement	Status	Percentage Interest
E28/1716	Granted	70%
E28/1717	Granted	70%
E28/1718	Granted	70%
E28/1727	Granted	70%
E28/2188	Granted	70%
E28/2189	Granted	70%
E28/2190	Granted	10%
E28/2191	Granted	10%
E28/2192	Granted	70%
E28/2404	Granted	100%
E28/2405	Granted	100%
E28/2675	Granted	30%
E28/2676	Granted	30%
E28/2677	Granted	30%