
MARCH 2017 QUARTERLY REPORT

11 April 2017

LEGEND MINING LIMITED

ASX Symbol: **LEG**

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PROJECTS

Rockford - Fraser Range:
Nickel-Copper
Gold

HIGHLIGHTS

- **EM surveying commences at Area N aimed at defining RC/diamond drill targets**
- **Purchase of two tenements covering 238km² in prospective Fraser Zone**
- **R&D Tax refund of \$1,037M received in March 2017**
- **March 2017 quarterly interest payment of \$30K received from Jindal on 5 April 2017**

OVERVIEW

The March 2017 quarter has been dogged by wet weather delays to planned field activities of EM surveying and aircore drilling. The total time lost has been of the order of six weeks. As of today's date, the Trans Access Road (the only practical vehicle access to the project) remains closed to all traffic. Once the road is opened Legend is ready to immediately resume our focussed and systematic exploration programmes.

The two new tenements purchased during the quarter are complimentary to the project, in that they are contiguous with existing tenure and planned work will be an extension of adjoining activities. The new tenements also increase the project's exposure to the western stratigraphy of the Fraser Zone.

The receipt of the research and development tax refund (\$1.037M) in March 2017 and the Jindal interest payment (\$30K) on 5 April 2017 were both welcome additions to Legend's treasury.

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

Legend's Rockford Project is located in the highly prospective Fraser Range district of Western Australia and covers a total area of 2,792.5km², see Figure 1. The majority of the project (2,530km²), comprising seven contiguous granted exploration licences, is the subject of a joint venture between Legend (70%) and Creasy Group (30%), with Legend operator and manager of the joint venture. The remaining 262.5km² is 100% owned by Legend and includes two granted exploration licences covering 238.5m² purchased during the quarter.

Significant delays to field programmes were experienced throughout the quarter due to wet weather resulting in road closures and difficulty in equipment movement throughout the project. Exploration undertaken during the March 2017 quarter included; the recommencement of moving loop electromagnetic surveying ("MLTEM") over target Area N, the completion of the south Rockford detailed gravity survey (6,068 stations) and the planning of a regional aircore drilling programme.

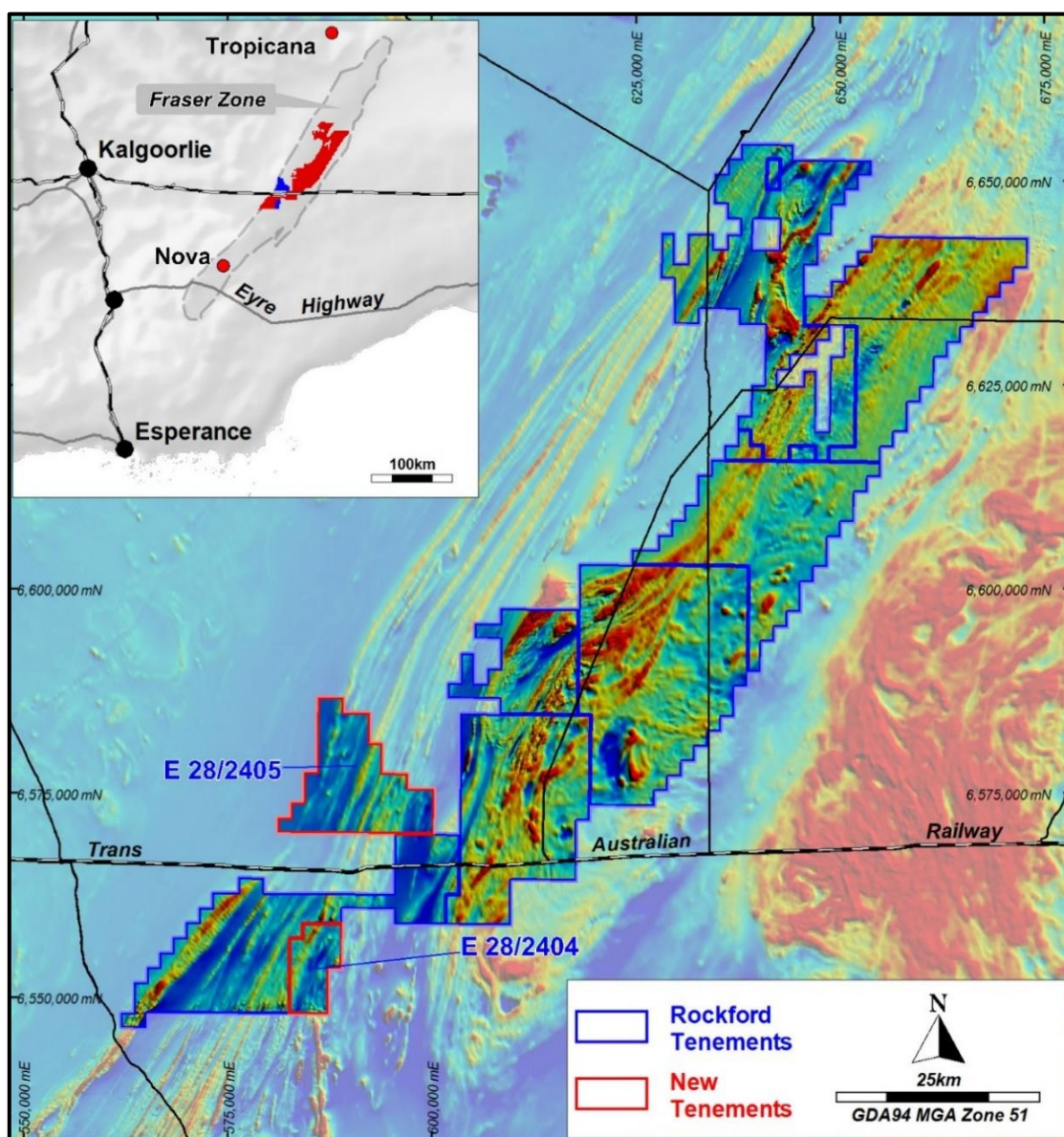


Figure 1: Rockford Project and New Tenement Location

Area N

Geophysical crews returned to site in March 2017 and commenced MLTEM surveying at Area N, focussing on better defining the two previously identified conductors N1-N2. Accurate modelling of these two conductors was not possible late last year, necessitating infill MLTEM and minor fixed loop electromagnetic (“FLTEM”) surveying to assist with the modelling and finalising of RC/diamond drill targets.

A detailed (100m x 100m) gravity survey over Area N was also completed during February 2017 to provide better definition of the 3km x 600m NE-SW trending feature, see Figure 2. The gravity survey has confirmed the presence of a N-S structure (evident in the aeromagnetic data) coinciding with the position of the N1 conductor. The combination of the MLTEM conductors, aeromagnetics/gravity data and coincident N-S structure all make N1 a compelling RC/diamond drilling target.

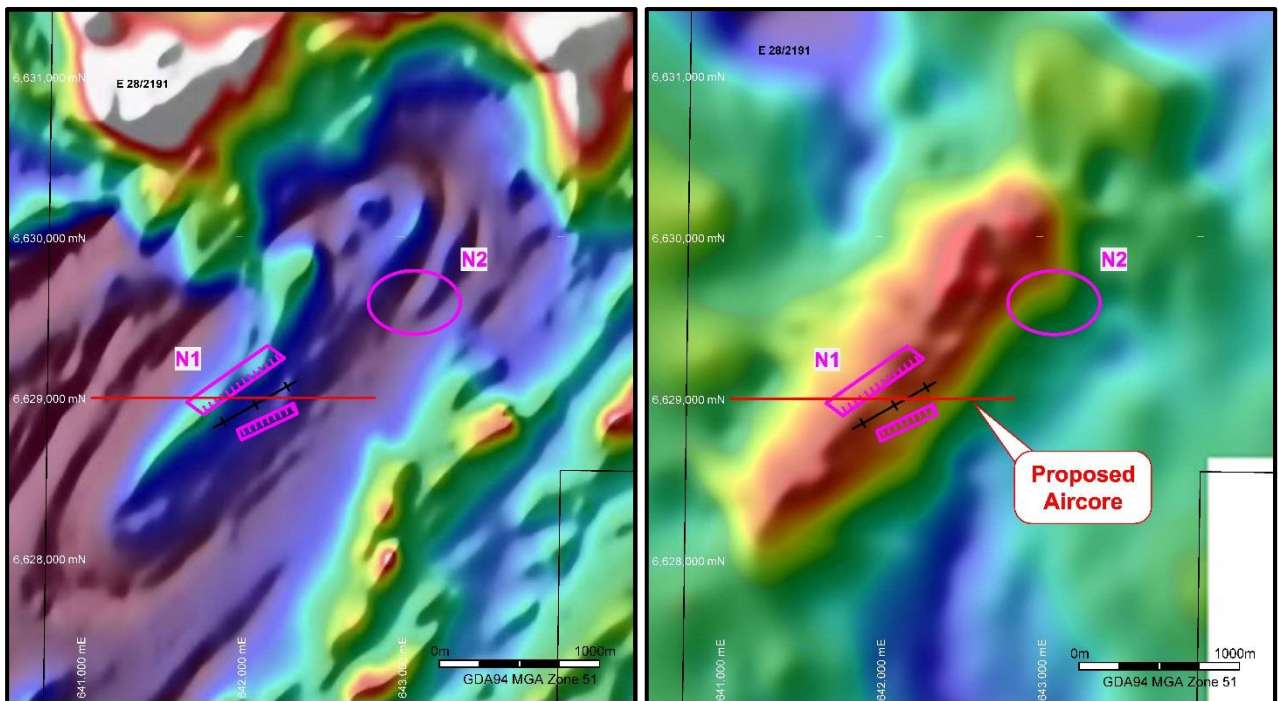


Figure 2: Area N Conductors on Aeromagnetics (left) and Gravity (right) Images
(Note: Conductor N1 defined in preliminary modelling only, while Conductor N2 requires infill MLTEM to enable final modelling)

Regional MLTEM Surveys

After Area N, the geophysical crew will move to Areas L, M and O, all located in the northern part of the Rockford Project, see Figures 3 & 4. These three features were selected from interpretation of detailed aeromagnetic and gravity datasets and represent areas which may contain intrusive mafic/ultramafic bodies. Regional aircore drill traverses are proposed over Areas L, M and O and their immediate surrounds, and will be guided by the ongoing MLTEM surveys.

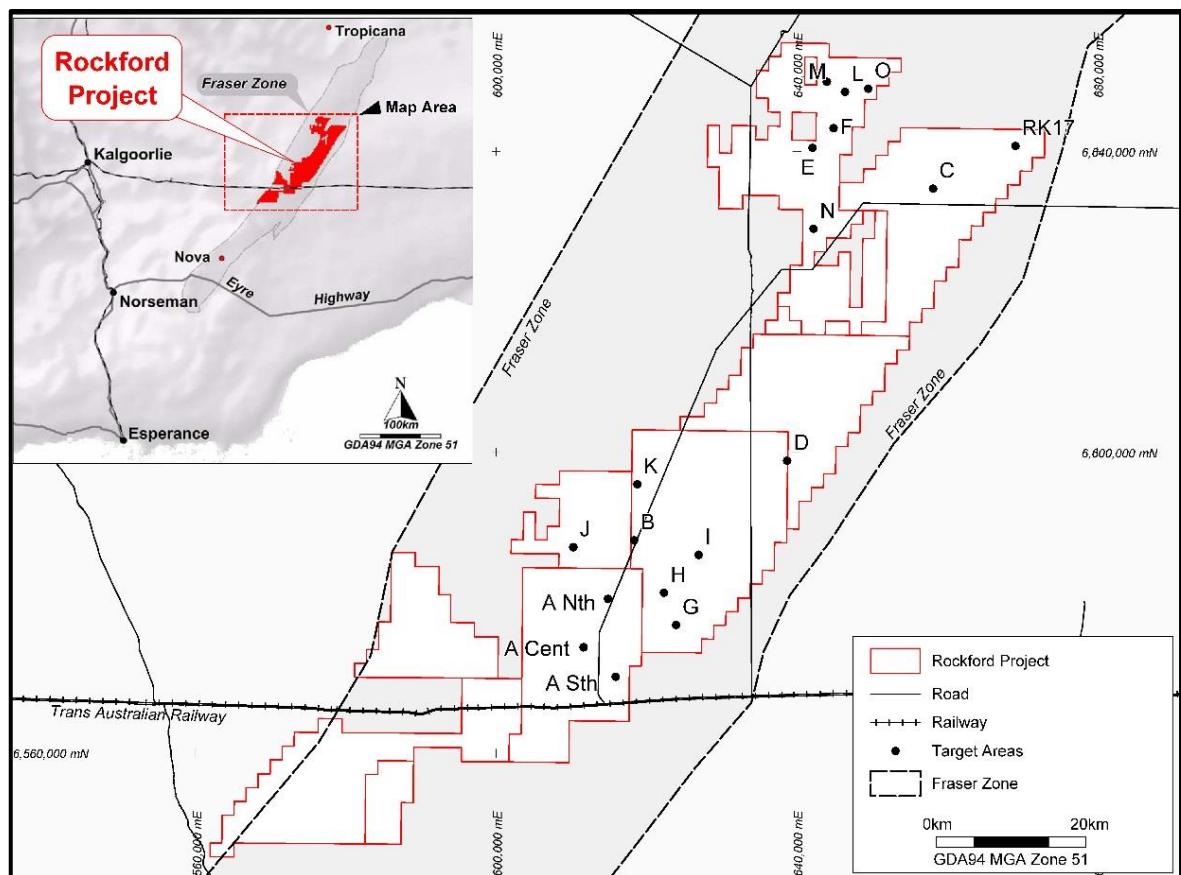


Figure 3: Rockford Project Location and MLTEM Target Areas

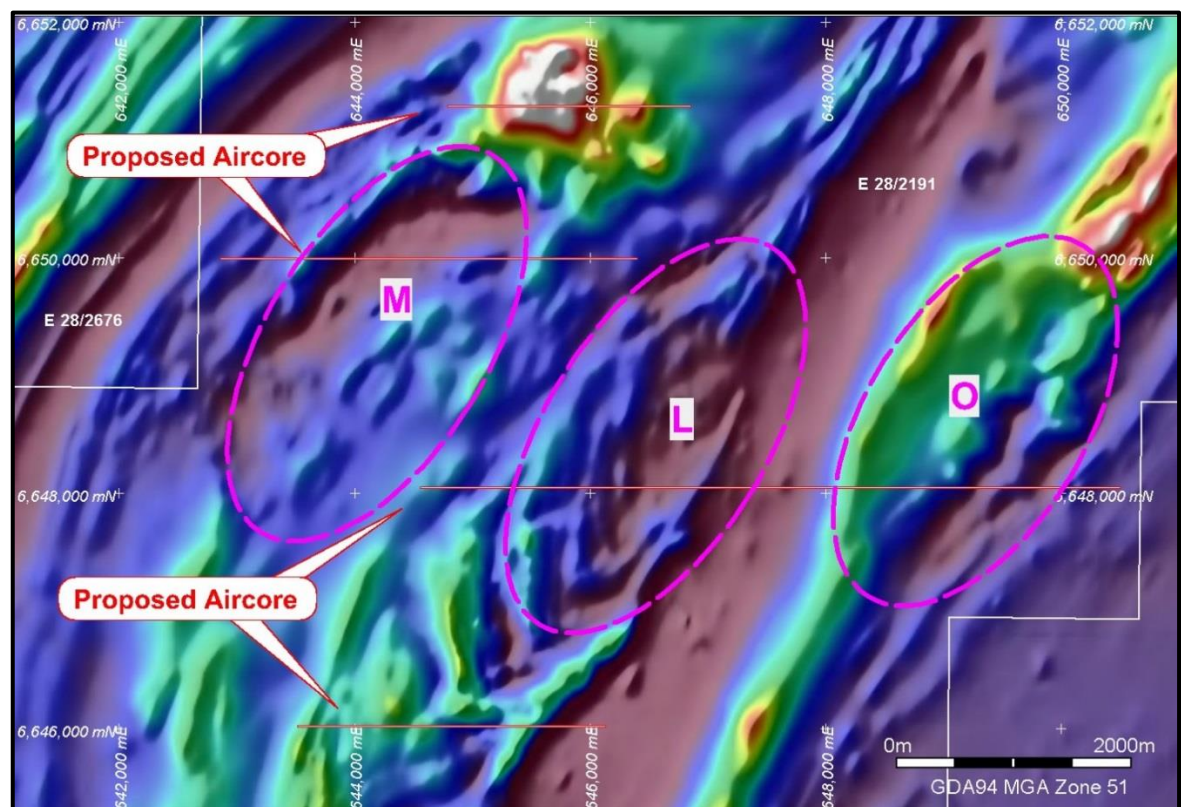


Figure 4: Areas L, M and O over Aeromagnetics with Proposed Aircore Traverses

Fraser Range - Tenement Purchase

During the quarter, Legend purchased two granted exploration licences from Musgrave Minerals Limited (ASX: MGV) ("Musgrave") located in the Fraser Range district of Western Australia, see Figure 1. The tenements cover an area of 238.5km² and are contiguous with Legend's Rockford Project. Legend's total tenement holding in the highly prospective Fraser Zone is now 2,792.5km² and comprises nine exploration licences and three exploration licence applications.

Legend purchased a 100% interest in tenements E28/2404 and E28/2405 from Musgrave (settlement on 28 February 2017) for a consideration of:

- 10,000,000 (ten million) freely tradeable fully paid ordinary Legend shares,
- 10,000,000 (ten million) unlisted options to subscribe for a fully paid ordinary Legend share at an exercise price of \$0.04 each, exercisable by 30 March 2021.

The purchase included an exploration data package comprising; detailed aeromagnetic, gravity and ground electromagnetic survey data, along with valuable geological information from aircore/RC drilling. Legend has identified several targets of interest from aeromagnetic and gravity data interpretation on the new tenements and will integrate exploration activities within the larger Rockford Project programme. Follow up work will include regional high powered MLTEM surveys and aircore drilling aimed at defining RC/diamond drill targets.

Gravity Survey

A detailed gravity survey comprising 6,068 stations and covering 435km² over the southern portion of the Rockford Project was completed during the quarter. The survey involved initial 800m x 100m spaced stations with infill to 400m x 100m over areas of interest. The data will be used in conjunction with existing detailed aeromagnetic data to focus the next phase of exploration and target generation in the region.

Future Programmes

- FLTEM surveying at Area N to define RC/diamond drill targets at conductors N1 and N2.
- Undertake MLTEM surveys over Areas L, M and O.
- Undertake a 50 hole, ~3,500m aircore drilling programme at north Rockford.

2. CORPORATE

2016 Tax Return – Research and Development (“R&D”) Tax Refund

Legend received the R&D tax refund of \$1.037 million in March 2017. The amount was claimed in the 2016 Tax Return (which was submitted on 11 January 2017) based upon the innovative geo-sensing techniques being employed at the Rockford Project.

Cameroon Project

On 4 January 2017, Legend announced that it had received a request from Jindal Steel and Power (Mauritius) Limited (“Jindal”) to consider a further deferral of the payment of the final amount of \$3 million owing to Legend from the sale of the Cameroon Iron Ore project. At that time, Legend agreed to this request in principle, and expected to report to the ASX as soon as an agreement of new payment terms was reached. Legend has since been advised by Jindal that it is undergoing a major debt rescheduling with its creditors and is unable to finalise any rescheduling of the Legend debt until it completes its’ own debt rescheduling, expected in the June 2017 quarter.

As a result, out of the abundance of caution and in light of the fact that Jindal did not pay the receivable in December 2016 as previously agreed, the directors decided to provide for the Jindal receivable in full (see ASX announcement 28 March 2017). Despite this provision, Legend received the March 2017 quarter interest payment from Jindal on 5 April 2017, giving further support to Legend’s expectation of negotiating a new repayment schedule for the \$3 million in the June 2017 quarter.

2016 Annual Report

The Legend 2016 Annual Report was released to the ASX on 31 March 2017.

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Derek Waterfield, a Member of the Australian Institute of Geoscientists and a full time employee of Legend Mining Limited. Mr Waterfield has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Mr Waterfield consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Visit www.legendmining.com.au for further information and announcements.

For more information:

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Appendix 1: Tenement Schedule as at 31 March 2017

Mining Tenements

Tenement Reference	Location	Interest at beginning of Quarter	Acquired / Withdrawn	Interest at end of Quarter	Comments
E28/1718	Fraser Range, Western Australia	70%	N/A	70%	70:30 JV
E28/1727	Fraser Range, Western Australia	70%	N/A	70%	70:30 JV
E28/2188	Fraser Range, Western Australia	70%	N/A	70%	70:30 JV
E28/2189	Fraser Range, Western Australia	70%	N/A	70%	70:30 JV
E28/2190	Fraser Range, Western Australia	70%	N/A	70%	70:30 JV
E28/2191	Fraser Range, Western Australia	70%	N/A	70%	70:30 JV
E28/2192	Fraser Range, Western Australia	70%	N/A	70%	70:30 JV
E28/2404*	Fraser Range, Western Australia	0%	Acquired	100%	Purchased
E28/2405*	Fraser Range, Western Australia	0%	Acquired	100%	Purchased
ELA28/2675	Fraser Range, Western Australia	0%	Acquired	100%	Application
ELA28/2676	Fraser Range, Western Australia	0%	Acquired	100%	Application
ELA28/2677	Fraser Range, Western Australia	0%	Acquired	100%	Application
ELA28/2638	Fraser Range, Western Australia	100%	Withdrawn	0%	Withdrawn
ELA28/2639	Fraser Range, Western Australia	100%	Withdrawn	0%	Withdrawn
ELA28/2640	Fraser Range, Western Australia	100%	Withdrawn	0%	Withdrawn

* Tenements not yet transferred

Farm-In or Farm-Out Arrangements

Tenement Reference	Location	Interest at beginning of Quarter	Acquired / Withdrawn	Interest at end of Quarter	Comments
None	N/A	N/A	N/A	N/A	N/A