

LEGEND MINING LIMITED
ABN 22 060 966 145

NOTICE OF GENERAL MEETING
EXPLANATORY MEMORANDUM
AND
PROXY FORM

The Directors unanimously recommend that you vote in favour of the resolution proposed in this Notice, and intend to vote all of their Shares in favour of the resolution proposed in this Notice, in the absence of a superior proposal.

Date of Meeting
24 December 2013

Time of Meeting
10:00 am (WST)

Place of Meeting
Level 1, 8 Kings Park Road
West Perth WA 6005

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

LEGEND MINING LIMITED
ABN 22 060 966 145

NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of Legend Mining Limited (**Company**) will be held at Level 1, 8 Kings Park Road, West Perth WA 6005 on 24 December 2013 at 10:00 am (WST) for the purpose of transacting the following business.

The Explanatory Memorandum provides additional information on matters to be considered at the General Meeting. The attached proxy form and Explanatory Memorandum form part of this Notice of Meeting.

Terms and abbreviations used in this Notice of Meeting and Explanatory Memorandum are defined in the Glossary.

ORDINARY BUSINESS

Resolution – Disposal of Legend Iron Limited and Ngovayang Project

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for purpose of ASX Listing Rule 11.2 and for all other purposes, approval is given for the sale of the Company's interest in the Ngovayang Project to Jindal Mining and Exploration Limited on the terms set out in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast by a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any associate of those persons. However, votes cast by a person as proxy for a person who is entitled to vote (in accordance with the directions on the proxy form) or the person chairing the meeting as proxy for a person who is entitled to vote (in accordance with a direction on the proxy form to vote as the proxy decides) will be taken into account.

A proxy form is attached.

To be valid, properly completed proxy forms must be received by the Company no later than 10:00 am (WST) on 22 December 2013:

- by post at Advanced Share Registry, PO Box 1156, Nedlands WA 6906; or
- by facsimile within Australia: +61 8 9389 7871.

The Directors of the Company **unanimously recommend that you vote in favour of the resolution proposed in this Notice**, and intend to vote all of their Shares in favour of the resolution proposed in this Notice, in the absence of a superior proposal.

By order of the Board



Dennis Wilkins
Company Secretary
Date: 25 November 2013

PROXIES

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights.

A proxy may, but need not be, a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the registered office of the Company at least 48 hours prior to the meeting. For the convenience of Shareholders a Proxy Form is enclosed.

ENTITLEMENT TO VOTE

For the purposes of regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary Shares at 5.00pm (WST) on 23 December 2013 will be entitled to attend and vote at the General Meeting.

CORPORATIONS

A corporation may elect to appoint a representative in accordance with the Corporations Act, in which case the Company will require written proof of the representative's appointment, which must be lodged with, or presented to the Company, before the Meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for Shareholders in connection with the business to be conducted at the General Meeting of the Company to be held at Level 1, 8 Kings Park Road, West Perth WA 6005 on Tuesday, 24 December 2013 commencing at 10:00 am (WST).

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolution. **Further, Shareholders should carefully consider all announcements made by the Company via the ASX Company's Announcement Platform between the date of the Notice and the date of and including the holding of the Meeting as it is anticipated that one or more such announcements may contain material having a direct bearing upon matters relevant to the business to be considered at the Meeting.**

At the General Meeting, Shareholders will be asked to consider the disposal of Legend Iron Limited and consequently, the Company's 90% interest in the Ngovayang Project, which includes both iron ore and gold. This constitutes disposal of the Company's "main undertaking" and requires Shareholder approval.

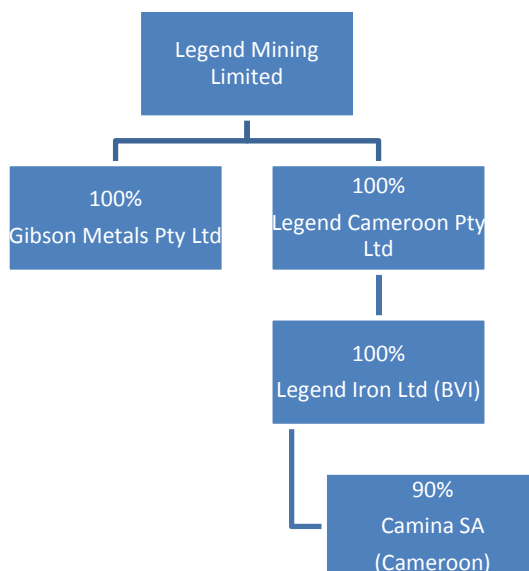
The Directors of the Company **unanimously recommend that you vote in favour of the resolution proposed in this Notice**, and intend to vote all of their Shares in favour of the resolution proposed in this Notice, in the absence of a superior proposal.

Resolution – Disposal of Legend Iron Limited

1.1 Background

The Company was listed in 1995 to undertake mineral exploration and it has been actively engaged with that objective at all times since incorporation. The Company has reviewed, and continues to review, many opportunities to invest in mineral exploration across a broad range of commodity and geographical sectors. The Company's focus over recent years has been on the Ngovayang Project. This activity has been supplemented by a successful divestment program of the Company's historical Australian based mineral project interests. In conjunction with the divestment of the historical Australian based project interests other acquisitions are being assessed presently.

The corporate structure of the Company is outlined as follows:



On 20 November 2013, the Company announced to ASX that it had entered into a shares sale and purchase and assignment of the debts agreement with Jindal (**SSDAA**), pursuant to which Jindal may acquire:

- all of the issued share capital in Legend Iron Limited (**Legend Iron**) (a wholly owned subsidiary of Legend Cameroon Pty Ltd (**Legend Cameroon**), which is a wholly owned subsidiary of the Company); and
- consequently, the Company's 90% interest in the Ngovayang Project,

(**Disposal**).

The SSDAA also provides for the sale and assignment to Jindal of an intragroup debt owing by Legend Iron to Legend Cameroon.

A summary of the key terms of the Disposal are provided in section 1.3 below.

The Disposal will result in a significant strengthening of the Company's cash reserves, which will enhance the Company's ability to pursue opportunities to acquire exploration and/or mining projects across a range of commodities at attractive valuations. The Directors are firmly of the view that the Disposal is in the best interests of the Company and Shareholders for the reasons more fully detailed in section 1.6, which include the increased ability to negotiate and secure other mineral exploration opportunities and providing value certainty for Shareholders.

1.2 Ngovayang Project

Under the Previous Share Sale Agreement, the Company acquired a 90% interest in the Ngovayang Project in February 2010 when it purchased 90% of the shares in Camina SA (a company incorporated in Cameroon and which holds the Ngovayang Project). The acquisition was approved by Shareholders in December 2009. The Ngovayang Project is located in the south western region of Cameroon, West Africa and covers approximately 2,469 km², comprising 3 exploration permits.

The exploration permits that form the Ngovayang Project are:

- EP144;
- EP195; and
- EP 221

At the time of acquisition, the Ngovayang Project was considered prospective for both iron ore in the form of magnetite gneiss and direct shipping ore and gold mineralisation associated with a major shear zone and granitic intrusives.

For further details on the Ngovayang Project, Shareholders should refer to the Company's Annual Report lodged with ASX on 27 March 2013 and other ASX announcements since then.

Following various exploration programmes the Company has gained a greater understanding of the potential of the Ngovayang Project and the requirements to develop, and ultimately exploit, the iron ore potential. These requirements are significant. Capital markets have changed since the acquisition which has increased the challenges to develop iron ore projects specifically, and mineral projects more generally. Accordingly, the Company has been reviewing various divestment and development strategies. The Directors have formed the view that the advantages of the Disposal to Jindal outweigh the disadvantages and represent a better outcome for Shareholders (see section 1.6 below).

The Disposal is conditional upon, amongst other conditions, approval by Shareholders.

Shareholder approval is required under ASX Listing Rule 11.2 because the consequent sale of the Company's interests in the Project is considered by ASX to be a disposal of the Company's "main undertaking". The Resolution is included to enable Shareholders to consider, and if thought fit, approve the Disposal. The nature of the Company's activities will remain unchanged should the Disposal be approved on the basis that the Company will remain a mineral exploration company.

As announced on 18 September 2013, the Company has applied for an exploration licence (E28/2342) covering an area of 356 square kms in the Fraser Range of Western Australia which is considered prospective for Nova-style nickel-copper and Tropicana-style structurally controlled gold mineralisation. The Company intends to use the funds raised from the Disposal to fund exploration on the new exploration licence and for the purposes of pursuing opportunities to acquire new exploration and/or mining projects expected to be value accretive to Shareholders.

The Company understands that any future acquisitions (depending on their impact on the nature and scale of the Company's activities) may require further consultation with ASX in relation to the application of the Listing Rules to those transactions. The Company will consult with ASX in the future, if so required, in order to comply with the Listing Rules, in particular Listing Rule 11.1.

ASX Guidance Note 12: Significant changes to activities requires certain information to be included in a notice of meeting seeking approval for the purposes of ASX Listing Rule 11.2. As a general proposition, this must include such material as will fully and fairly inform security holders of the matters to be considered at the meeting and enable them to make a properly informed judgment on those matters. Where the notice relates to a resolution by security holders approving a transaction for the purposes of Listing Rule 11.2, this includes a reasonable level of detail about the transaction, including an assessment of the financial effect of the

transaction on the listed entity and on the interests of security holders in the entity. This information is set out below.

1.3 Key Terms

The key terms of the SSDAA with respect to the Disposal are set out in this section.

Consideration payable

The total consideration payable by Jindal to Legend Cameroon Pty Ltd is:

- (i) \$12.0 million within 5 business days after satisfaction of the conditions precedent, unless extended (**Tranche 1**); and
- (ii) a further payment of \$5.5 million within 10 business days of execution by Camina, Legend Iron or Jindal (or any person who subsequently owns or controls the Mining Rights in the future) of a Mining Convention or other analogous instrument for iron ore with the Cameroon Government in relation to EP144, EP221 or any part thereof (**Tranche 2**), except in circumstances where Jindal or any subsequent owner or controller of the Mining Rights has first abandoned the Project or otherwise disposed of it for no value.

Conditions precedent

Completion of the Disposal is subject to and conditional upon:

- (a) **Shareholder approval:** Shareholders approving the Disposal for all purposes, including for the purposes of ASX Listing Rule 11.2;
- (b) **Voting confirmation:** a certificate signed by all Directors that hold Shares confirming that they have voted in favour of the Disposal;
- (c) **India regulatory approval:** the Reserve Bank of India approving the payment of the consideration under the SSDAA in foreign currency by Jindal Steel & Power Limited, India;
- (d) **Consents:** each of Camina, Legend Iron, Camina's minority shareholders and the other parties to the Previous Share Sale Agreement providing their written consent to the novation of the Company's rights and obligations under the Previous Share Sale Agreement to Jindal without amendment (unless the amendment is acceptable to Jindal and the Company) and on the basis that Jindal assumes all of the Company's obligations and liability in connection with the Previous Share Sale Agreement, with effect on and from completion of the Disposal;
- (e) **Amendment to Previous Share Sale Agreement:** each of the Company, Legend Iron, Camina, Camina's minority shareholders and the other parties to the Previous Share Sale Agreement executing an amendment to the Previous Share Sale Agreement to remove the restriction on assignments and transfers of rights under the agreement by Legend Iron, Camina, the Company (and Jindal after the novation referred to in paragraph (d) above has taken effect), with effect on and from completion of the Disposal;
- (f) **Cameroon approvals:**
 - (i) unconditional written approval of the relevant authority of the Republic of Cameroon is issued to any party to the SSDAA pursuant to which the controlling interest in Mining Rights are approved to be transferred to Jindal;
 - (ii) written approval of the relevant authority of the Republic of Cameroon is issued to Camina stating that the Mining Rights are able to be renewed 4 times for 2 years each;
 - (iii) issuance of exploration permit to Camina for a 307 km² area that is adjoined by the area of EP 144 held by Camina; and

- (iv) written confirmation from the Minister of Finance of the Republic of Cameroon or by the concerned competent authority under directive of the Minister of Finance stating that no tax is required to be deposited with any governmental agency in the Republic of Cameroon by Jindal, Legend Cameroon, Legend Iron or Camina as a result of the consummation of the Disposal.

Representations and warranties

Legend Cameroon provides standard representations and warranties under the SSDAA, including that:

- (a) Legend Cameroon, Legend Iron and Camina each have full corporate power and authority to enter into, perform their obligations under and carry out the transactions contemplated by, the SSDAA;
- (b) Legend Cameroon is the registered holder and beneficial owner of all of the fully paid ordinary shares in the capital of Legend Iron, which are free from all encumbrances;
- (c) there is no restriction on the sale or transfer of the shares in the capital of Legend Iron to Jindal;
- (d) to the best of Legend Cameroon's knowledge, Legend Iron and Camina (**Group**) hold all certificates, registrations, permits and licences necessary for carrying on its operations as at the date of the SSDAA;
- (e) to the best of Legend Cameroon's knowledge, the Group is not as at the date of the SSDAA in default in any material respect under the terms of any material certificate, registration, permit or licence;
- (f) Camina is the sole legal owner of the Mining Rights and the sole legal owner of all property, rights and interests attributable to the Mining Rights;
- (g) none of the Mining Rights are subject to any encumbrance;
- (h) neither Legend Iron nor Camina has authorised, recommended or proposed any release or relinquishment of any right or entitlement, created an encumbrance or transferred any right, entitlement or claim or terminated, modified or changed the terms of the Mining Rights or granted any rights of use of any nature whatsoever in respect of the Mining Rights;
- (i) no person other than Camina has any claim to or any rights in the Mining Rights;
- (j) Camina has obtained all applicable environmental approvals in the Republic of Cameroon and has at all times complied in all material respects with all such approvals and applicable environmental laws;
- (k) there are no events, conditions, circumstances, activities, practices, incidents, agreements, actions or plans that to the best of Legend Cameroon's knowledge, could reasonably be expected to prevent compliance by Camina with, or which have given rise to, liability to Camina under applicable environmental laws;
- (l) the debts being sold are not subject to any encumbrance and will be assigned free from any encumbrance;
- (m) Legend Iron is not in breach or default of its obligations under the loan agreement relating to the debts.
- (n) Camina has complied with the terms and conditions of the Mining Rights and has filed all reports required to be filed with relevant governmental agencies with respect to the Mining Rights;
- (o) Camina has not and Legend Cameroon and Legend Iron on behalf of Camina have not, granted any offtake rights or marketing rights over iron ore, other minerals or any products manufactured from such iron ore and minerals; and
- (p) Legend Iron and Camina have lodged all tax returns and associated documents required by law for all financial years ending on or before 30 December 2012.

Representations and warranties are also given by the Company, including that:

- (a) the Board has approved the Disposal, the assignment of debt, and the entry into and performance of the SSDAA (subject to the Shareholder approval being sought in this notice), and entry into and performance of the SSDAA has been properly authorised by all necessary corporate action of the Company;
- (b) the Company holds 100% of the issued share capital of Legend Cameroon and its shares in Legend Cameroon are fully paid and free from any encumbrances;
- (c) the Company has full corporate power and authority to enter into the SSDAA and perform its obligations under the agreement;
- (d) the Company is not aware of any proceedings which may render the acquisition of the shares in Legend Iron by Jindal void, voidable or capable of being set aside; and
- (e) the Company has not, on behalf of Camina, granted any offtake rights or marketing rights over iron ore, other minerals or any products manufactured from such iron ore and minerals.

Guarantee and indemnity

The Company and Legend Cameroon agree to indemnify (and keep indemnified) Jindal, Legend Iron and Camina from and against any claims suffered or incurred by those entities to the extent that they arise as a direct result of any breach of any warranty given by the Company or Legend Cameroon or as a result of a breach of the SSDAA.

In addition, the Company guarantees and indemnifies to Jindal all of Legend Cameroon's obligations (should they arise) to pay the Break Fee, damages and any other payments with respect to loss suffered or claims by Jindal under or in connection with the SSDAA.

Similarly, Jindal Steel & Power (Mauritius) Ltd (as the parent entity of Jindal) guarantees and indemnifies to Legend Cameroon all of Jindal's obligations to pay money under of in connection with the SSDAA.

Termination

The SSDAA includes the following termination events:

- (a) either Jindal or a member of the Legend Group may terminate the SSDAA if:
 - (i) the parties mutually agree to terminate the SSDAA;
 - (ii) any of the conditions precedent in the SSDAA (as set out above in this notice) are not satisfied on or before 150 days (or such later date as agreed) following execution of the SSDAA; or
 - (iii) Shareholder approval of the Disposal is not obtained;
- (b) a member of the Legend Group may terminate the SSDAA if:
 - (i) it wishes to enter into a definitive written agreement with respect to a superior transaction in circumstances where Jindal does not make a counter offer that matches or is more favourable to Shareholders than the superior transaction (pursuant to its matching right) within the applicable timeframe (see below); and
 - (ii) if the conditions precedent have been satisfied but Jindal does not complete the completion activities required of it under the Share Sale Agreement within 5 business days;
- (c) Jindal may terminate the SSDAA if any of the following matters occur and Legend Cameroon or the Company fails to remedy the matters in the time required under the SSDAA:

- (i) any matters that constitute a breach of Legend Iron's and Camina's obligations to carry on their businesses as a going concern and in the ordinary normal course, including not entering into any material transactions, not assigning, modifying or terminating any contract which incurs a liability of more than \$20,000 after the completion date and not issuing any shares, options, warrants, calls, conversion privileges or any instrument, convertible into any share or rights of any kind to acquire any shares, to any person;
 - (ii) any matter that constitutes a matter or change of circumstance which comes into effect prior to or on the completion date which (individually or when aggregated) is or would reasonably be expected to be material and adverse to (among other things) the Disposal, the Mining Rights, the liabilities, operations or financial position of Legend Iron or Camina; and
 - (iii) any matter that constitutes a breach of any warranties given by Legend Iron which has a material and adverse effect on (among other things) the Disposal, the Mining Rights, the liabilities or profitability of Legend Iron or Camina; and
 - (iv) any matter that constitutes a breach of the Company's warranties to Jindal regarding its capacity to enter into the SSDAA and the Company's good standing.
- (d) Jindal may also terminate if:
- (i) the conditions precedent have been satisfied but the Company, Legend Cameroon, Legend Iron or Camina fails to complete the completion activities required of it under the SSDAA within 5 business days; or
 - (ii) an event giving rise to the payment of the Break Fee by the Company occurs (these circumstances are set out further below).

Deal protection regime

In order to execute a transaction with Jindal, which the Directors consider to be the best available option for the Company to realise value for the Project (for all of the advantages and limited disadvantages set out below), the Company has agreed to a deal protection regime (set out below) in the SSDAA. This regime requires that the Company (and Legend Cameroon):

- (a) cease existing discussions or negotiations with any person with respect to any actual or potential proposal that may compete with the Disposal;
- (b) subject to the limited exceptions set out below, not make, solicit, encourage or otherwise facilitate any actual or potential proposal that may compete with the Disposal, and not enter into, engage or otherwise participate in any negotiations with any person relating to any actual or potential proposal that may compete with the Disposal; and
- (c) subject to the limited exceptions set out below, not provide due diligence access to any third party.

The Directors are able to consider a competing proposal and provide due diligence access in limited circumstances and only after they have complied with the notification obligations in the SSDAA. If the Company receives a competing proposal from a third party at any time following execution of the SSDAA, before it can engage or negotiate with, provide due diligence access to, or enter into any agreement with the third party, the Company must:

- (a) notify Jindal of the approach, including its terms and conditions;
- (b) determine whether the competing proposal is or is reasonably likely to result in a superior proposal, and notify Jindal of this determination;
- (c) if it determines that it is a superior proposal, grant Jindal a 10 business day matching right (**Matching Right**); and

- (d) assuming Jindal does not exercise the Matching Right, pay the Break Fee.

The Break Fee shall also be payable by Legend in the following circumstances:

- (a) the Company (or any of its subsidiaries) terminates the SSDAA to enter into an agreement with a third party in relation to a superior proposal;
- (b) the Board determines that a competing proposal is or is reasonably likely to result in a superior proposal, and Jindal has not made a counter offer that matches or is more favourable to Shareholders than the Disposal under its Matching Right;
- (c) any Director fails to make, or makes then changes, qualifies or withdraws their recommendation that shareholders vote in favour of the Disposal;
- (d) any Director that holds Shares fails to vote in favour of the Disposal in respect of its shareholding;
- (e) the Company fails to convene the shareholders meeting within 60 days of the date of execution of the SSDAA, for any reason;
- (f) approval of Shareholders is not obtained due to the Directors changing their recommendation as a result of a competing proposal that is publicly announced to Shareholders;
- (g) subsequent to obtaining Shareholders' approval for the Disposal, a competing proposal is made and publicly announced to Shareholders, and as a direct result, the Disposal is not completed within 5 business days after the Deadline;
- (h) an event of insolvency affects the Company or any of its subsidiaries; or
- (i) the SSDAA is terminated by Jindal before completion due to an unremedied breach by the Company or one of its subsidiaries of the requirement to carry on their business as a going concern and in the ordinary and normal course, due to a material breach of warranty by Legend Cameroon or a breach of warranty by the Company (but not due to a "Material Adverse Change" (as this is defined in the SSDAA)).

Jindal and its parent, Jindal and Jindal Steel & Power (Mauritius) Ltd, has agreed to a standstill in the SSDAA which restricts them (and their related bodies corporate and Associates) from acquiring any Shares or securities convertible into Shares that could give them (and their related bodies corporate and Associates) voting power of more than 9% in the Company (**Standstill**), without the Company's prior written consent. The Standstill will fall away if a third party announces a takeover bid for the Company, or an intention to acquire an interest in more than 50% of the Company, or the Project (directly or indirectly).

1.4 Financial effect of the Disposal on the Company

Set out below is an abridged pro-forma statement of the financial position of the Company, prepared to enable an assessment of the likely effect of the Disposal on the financial position of the Company at completion.

It has been prepared:

- (i) based on the unaudited statement of financial position as at 30 September 2013, with certain adjustments applied reflecting the impact of the Disposal (see adjustments following the balance sheet, below); and
- (ii) on an abbreviated basis and does not contain all of the disclosures usually provided in an audited statement of financial position.

You should be aware that the expected cash position of the Company on completion of the Disposal is provided as a guide only. The actual cash position of the Company on completion of the Disposal is dependent upon a range of factors, and is subject to various operational and economic uncertainties and contingencies, many of which are outside the Company's control. In addition, the estimated cash position of the Company is based upon estimates and assumptions with respect to the Company's future business decisions, which are subject to

change. As such, the actual cash position of the Company upon completion may vary from the expected cash position set out in the abridged pro-forma statement of financial position below, and any such variation may be material. Neither the Company nor its Directors can give any assurance of the actual cash position of the Company on completion of the Disposal.

The impact of the Disposal on the Company's consolidated balance sheet is set out in the pro forma balance sheet below:

	Reviewed 30 June 2013	Unaudited 30 September 2013	Post Completion Based on unaudited 30 September 2013
	\$	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	1,440,889	557,135	12,554,482
Term deposit	5,000,000	5,011,803	5,011,803
Trade & other receivables	87,037	53,080	45,962
Prepayments	84,595	65,580	-
Inventory	17,331	17,740	-
Other financial assets	3,450,000	4,038,650	4,038,650
Total Current Assets	10,079,852	9,743,988	21,650,897
Non-current Assets			
Other financial assets	66,134	66,134	66,134
Property, plant & equipment	1,048,006	961,294	38,453
Deferred exploration costs	19,186,454	19,297,650	7,337
Total Non-current Assets	20,300,594	20,325,078	111,924
TOTAL ASSETS	30,380,446	30,069,066	21,762,821
LIABILITIES			
Current Liabilities			
Trade & other payables	72,557	111,356	87,820
Provisions	87,375	96,787	96,787
Total Current Liabilities	159,932	208,143	184,607
Non-current Liabilities			
Provisions	39,204	40,996	40,996
Deferred tax liability	33,038	33,038	33,038
Total Non-Current Liabilities	72,242	74,034	74,034
TOTAL LIABILITIES	232,174	282,177	258,641
NET ASSETS	30,148,272	29,786,889	21,504,180
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	59,830,710	59,830,710	59,830,710
Reserves	22,192,862	22,996,673	22,417,578
Accumulated losses	(51,842,466)	(52,961,493)	(60,744,108)
Total parent entity interest	30,181,106	29,865,890	21,504,180
Non-controlling interests	(32,834)	(79,001)	-
TOTAL EQUITY	30,148,272	29,786,889	21,504,180

The proforma adjustments included above are the recognition of the Tranche 1 consideration of \$12 million and the elimination of the assets and liabilities being disposed. The Tranche 2 consideration is classified as a contingent asset for accounting purposes and as such, the financial effect is not included above.

The Balance Sheet movements between 30 June 2013 and 30 September 2013 result from normal business activities and an increase in the market value of equity investments.

1.5 Indicative Timetable

Subject to ASX Listing Rule and Corporations Act requirements, the Company anticipates completion of the Disposal will be in accordance with the following timetable:

Event	Date
ASX Announcement of Disposal	20 November 2013
General Meeting to approve Disposal	24 December 2013
Completion of Disposal	No later than 24 April 2014, unless extended by the Company and Jindal

The above dates are indicative and subject to change. The Company reserves the right to amend the timetable without prior written notice.

1.6 Reasons for the Disposal

The Directors believe that following an assessment of the advantages and disadvantages disclosed below, the Disposal is in the best interests of the Company, and consequently, in the absence of a superior proposal:

- the Directors unanimously recommend that you vote in favour of the resolution proposed in this Notice; and
- the Directors intend to vote all of their Shares in favour of the resolution proposed in this Notice.

As disclosed in the Company's announcement dated 20 November 2013, set out below are the Directors' assessment of the advantages and disadvantages of the Disposal.

Advantages

- If completed, the Disposal will immediately add \$12.0 million to the Company's cash reserves, which in addition to the Company's existing cash reserves and liquid investments of approximately A\$9.8 million,¹ will enable the Company to consider a much broader set of opportunities for new asset acquisitions to increase Shareholder value.
- There is no certainty the Company could develop a mining operation at the Project. Whilst the Company's exploration work has shown the Ngovayang Project to be highly prospective for both iron ore and gold mineralisation, there are a range of risks that the owner of the Project faces in developing a mining, processing and logistics operation. The Directors consider that these risks outweigh the potential rewards to Shareholders of pursuing the Project further.
- Market sentiment towards companies developing West African iron ore projects has reduced markedly in the past 12-24 months. Shares prices of the Company's ASX-listed peer group who are developing West African iron ore projects have declined on average by 68% over the 24 months.²
- Based on the exploration work completed by the Company to-date, the potential for the Ngovayang Project to contain economic deposits of DSO iron ore is considered to be very low. The Company therefore considers that if any mining operation was developed on the Project, it would most likely be of magnetite. The capital and time requirements associated with developing a magnetite mining, processing and logistics operation are significant. If the Company continued to self-fund such operations, it would need to raise additional capital, which may result in significant dilution of Shareholders.

¹ Cash of A\$5.6 million as at 30 September 2013 and liquid investments of A\$4.2 million as at 15 November 2013.

² Simple average of share price changes over 24 months for Legend, Sundance Resources (ASX: SDL), Kogi Iron (ASX: KFE), Equatorial Resources (ASX: EQX), Volta Mining (ASX: VTM) and Waratah Resources (ASX: WGO).

- The Directors believe that better opportunities are likely to exist elsewhere for the Company. In the current economic and market environment, it is possible to acquire exploration and mining projects at attractive valuations. The Directors present intention is to utilise the proceeds of the disposal along with its existing cash reserves and liquid investments, to continue its ongoing program to review a range of new opportunities and, if one can be identified that the Directors believe will increase Shareholder value, potentially make an acquisition.
- The Disposal provides value certainty for Shareholders. Once the Company receives Tranche 1 proceeds of \$12 million, Shareholders will no longer be exposed to the same level of downside risks associated with exposure to iron ore price volatility and exploration operating costs.

Disadvantages

- Other than the Tranche 2 payment described in section 1.3 (ii) the Company will not be able to participate in or derive any future potential profits from any mining activities undertaken on the Ngovayang Project.
- The Disposal will result in Shareholders no longer having exposure to a mining project in Cameroon.
- The Company may never receive the Tranche 2 payment, as the condition for its payment may not be satisfied. Further, the Tranche 2 payment is not indexed for inflation, so its value to Shareholders will likely erode with the passage of time.
- There is a risk that it may take the Company longer than is reasonably anticipated to locate and complete the acquisition of other suitable investment opportunities (additional to the New Tenement summarised below).

1.7 Future activities and direction on completion of the Disposal

The Company has been focussed on mineral exploration across a range of commodities. Until recently, the Company had a number of interests and assets, including in the Pilbara and Mount Gibson regions of Western Australia and the Ngovayang Project in Cameroon. During 2012 the Company disposed of its interests in the projects located in the Pilbara and Mt Gibson regions of Western Australia leaving Ngovayang as its remaining mineral exploration interest.

Over the past 36 months the Company has been seeking new alternative, high quality, exploration opportunities to expand its asset portfolio. At the same time the Company has been selling certain interests and assets. The Company intends to continue a strategy of acquiring high quality exploration assets.

The Company has recently submitted an application for an exploration tenement within the Fraser Range Belt in, Western Australia (**New Tenement**). The grant of the New Tenement will allow the Company to continue its exploration activities, consistent with the Company's exploration activities on various tenements and at different locations as have been undertaken in the past.

If the New Tenement is secured, the Company intends to use the funds raised from the Disposal to fund exploration of the New Tenement as well as for the purposes of applying for, or acquiring, interests in additional exploration tenements.

The Company is also currently in the early stages of assessing other opportunities to secure interests in exploration tenements. Following completion of the Disposal, the Company will continue to review, assess and advance discussions to acquire interests in mineral exploration properties. The Company considers that its major asset of A\$9.8 million in cash and liquid investments³ plus the proceeds of the Disposal of A\$12 million, provide a very strong platform for it to negotiate and secure interests in high quality projects. The Company will consult with ASX on the need to obtain any Shareholder approvals for any future acquisitions.

The Directors intend to consider investment opportunities in Australia and overseas.

³ Cash of A\$5.6 million as at 30 September 2013 and liquid investments of A\$4.2 million as at 15 November 2013.

1.8 Intentions of the Company if the Disposal is not approved by Shareholders

If Shareholders do not approve the Disposal, the Company will be required to continue to incur holding and exploration costs to maintain the Mining Rights. The Company will continue to review alternatives to ultimately divest the Ngovayang Project.

1.9 Directors' interests and recommendations

The Directors do not have any material interest in the outcome of the Resolution, other than as a result of their interest arising solely in the capacity as Shareholders.

No director of the Company will receive any payment or benefit of any kind as a consequence of the Disposal, other than in their capacity as a Shareholder of the Company.

As at the date of this Notice, the Directors have a relevant interest in the securities of the Company as set out in the following table:

Director	Shares	Options
Mr Michael Atkins ¹	4,558,334	5,000,000
Mark Wilson ²	45,000,000	55,000,000
Derek Waterfield	1,000,000	-
COMBINED TOTAL	51,583,334	60,000,000

1 Mr Michael Atkins: 4,375,000 of the shares are held through Windamurah Pty Ltd, an entity controlled by Mr Michael Atkins and the remaining 183,334 shares are held through Alkali Exploration Pty Ltd, an entity also controlled by Mr Michael Atkins.

2 Mr Mark Wilson: these shares are held through Chester Nominees Pty Ltd <MW Wilson Super Fund A/C>, an entity controlled by Mr Mark Wilson.

The Board has approved the proposal to put the Resolution to Shareholders. Each of the Directors intends to vote all of their Shares in favour of the Resolution, in the absence of a superior proposal.

For the reasons set out in this Explanatory Memorandum, the Directors consider that the Disposal would be in the best interests of the Company and of Shareholders, and the Directors unanimously recommend that Shareholders vote in favour of the Resolution.

A voting exclusion statement is included in the Notice.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

\$	means Australian dollars.
Associate	has the same meaning as defined in Section 11 and Sections 13 to 17 of the Corporations Act.
ASX	means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.
Board	means the board of Directors of the Company.
Break Fee	means a break fee of A\$700,000.
Camina	Camina SA (an entity incorporated in Cameroon).
Company	means Legend Mining Limited ABN 22 060 966 145.
Corporations Act	means Corporations Act 2001 (Cth).
Director	means a director of the Company.
Disposal	means the proposed sale by Legend Cameroon Pty Ltd (a wholly owned subsidiary of the Company) of 100% of the issued share capital of Legend Iron Limited (incorporated in the British Virgin Islands) and consequently, the Company's indirect 90% interest in the Ngovayang Project, together with the sale and assignment to Jindal of an intragroup debt owing by Legend Iron to Legend Cameroon.
DSO	means direct shipping ore.
Explanatory Memorandum	means this explanatory memorandum, which accompanies and forms part of the Notice.
Jindal	means Jindal Mining and Exploration Limited (incorporated in Mauritius with company number 084174 C2/GBL).
Legend Cameroon	has the meaning given in section 1.1 of the Explanatory Memorandum.
Legend Iron	has the meaning given in section 1.1 of the Explanatory Memorandum.
Legend Group	means the Company, Legend Cameroon, and up to completion of the Disposal (but not beyond), Legend Iron and Camina.
Listing Rules	means the listing rules of ASX.
Meeting	means the general meeting of the Company convened by the Notice of Meeting.
Mining Minister	means the Minister in charge of Mines and Geology for the Republic of Cameroon.
Mining Rights	means exploration permit numbers EP144, EP195, EP 221 which cover the Ngovayang Project.
New Tenement	has the meaning given in section 1.7 of the Explanatory Memorandum.

Ngovayang Project or Project	means the mineral exploration project in Cameroon, as described in section 1.2 of the Explanatory Memorandum.
Notice or Notice of Meeting	means the notice of general meeting accompanying this Explanatory Memorandum.
Previous Share Sale Agreement	means the share sale agreement dated 22 October 2009 between the Company, Legend Iron Limited, Camina and Camina's minority shareholders for the sale of the issued share capital in Camina to the Company.
Proxy Form	means the proxy form enclosed with this Notice of Meeting.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
SSDAA	has the meaning given in section 1.1 of the Explanatory Memorandum.
Tranche 1	has the meaning given in section 1.3 of the Explanatory Memorandum.
Tranche 2	has the meaning given in section 1.3 of the Explanatory Memorandum.
WST	means Australian Western Standard Time.