

Update on receivable due from Jindal

On 4 January 2017, Legend Mining Limited (“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 Jindal is unable to make any payments to creditors, including Legend, nor finalise any rescheduling of the Legend debt, until its own debt rescheduling is complete.

At the date of this announcement, Legend has yet to complete an agreement on new payment terms with Jindal. As a result, out of the abundance of caution and in light of the fact that Jindal did not pay the \$3 million receivable in December 2016 as previously agreed, Legend has decided to provide for the Jindal receivable in full. Despite this provision, your directors believe that it is likely that the Company will complete an agreement on new payment terms with Jindal in the first half of 2017.

Background information

On 28 July 2015, Legend announced a reschedule of the payments under the Cameroon Project sale agreement with Jindal. The key amendments to that agreement were:

1. The \$6 million schedule for payment on 5 August 2015 was rescheduled and split into two payments of \$3 million each, one paid on 15 September 2015 and one to be paid on 15 December 2016. The first \$3 million payment from Jindal was received in September 2015. The remaining \$3 million is outstanding as referred to above.
2. Interest of 4% on the \$3 million outstanding paid quarterly. Legend has received all due interest payments up to December 2016 in accordance with the agreement. Legend and Jindal have now agreed that subsequent interest payments shall accrue and form part of the \$3 million payment rescheduling as referred to above.

In addition, \$5.5 million payable by Jindal to Legend on the first commercial iron ore shipment from the Cameroon Project.

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

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