



HALF YEAR REPORT

30 JUNE 2017

ASX : LEG

ACN: 060 966 145



	Page
Company Directory	1
Directors' Report	2
Consolidated Statement of Comprehensive Income	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flows	6
Consolidated Statement of Changes in Equity	7
Notes to the Financial Statements	8
Directors' Declaration	16
Auditor's Independence Declaration	17
Auditor's Review Report	18

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ASX Code

LEG – ordinary shares

Directors

Michael William Atkins (Non-Executive Chairman)
Mark William Wilson (Managing Director)
Derek William Waterfield (Executive Director –
Technical)

Company Secretary

Tony Walsh

Registered Office

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WEST PERTH, WA 6005

Telephone: (08) 9212 0600
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Bankers

Australian and New Zealand Banking Group Ltd
1275 Hay Street
WEST PERTH, WA 6005

Auditors

Ernst & Young
11 Mounts Bay Road
PERTH, WA 6000

Home Exchange

Australian Securities Exchange Ltd
Level 40, Central Park
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Share Registry

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150 Stirling Highway
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Lawyers

TBA

DIRECTORS' REPORT

The Directors submit their report for the half-year ended 30 June 2017.

DIRECTORS

The names and details of the Company's directors during the financial period 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)

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

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

RESULTS OF OPERATIONS

The loss of the consolidated entity for the half-year after tax was \$481,577, (2016: \$66,608 loss), which includes an impairment charge against the group's deferred exploration assets of \$NIL (2016: \$462,119).

REVIEW OF OPERATIONS

Legend continued early stage exploration on the Rockford Project tenements in the Fraser Range District of Western Australia, which included:

- Innovative Moving Loop ("MLTEM") and Fixed Loop ("FLTEM") electromagnetic surveys to identify conductive bodies up to 600m below surface in selected areas of known aeromagnetic and gravity character;
- Follow up aircore, reverse circulation ("RC") and diamond drill programmes to test the previously identified conductors;
- Down hole (DHTEM) electromagnetic surveys to test for offhole conductors;
- Regional aircore drilling programmes to understand regolith and top of fresh rock characteristics in selected areas of known aeromagnetic and gravity character.

As advised in the 2016 Annual Report, the payment terms under the Jindal Agreement were amended in 2015 as follows:

- The \$6 million payment originally scheduled for 5 August 2015 is now to be paid in two tranches, \$3 million on 15 September 2015 (received in 2015) and a further \$3 million that was due on or before 15 December 2016 (see below);
- Interest of 4% payable quarterly in arrears will be payable on the second \$3 million; and
- The \$5.5 million payable under the Jindal Agreement upon the grant of a Mining Convention at the Cameroon Iron Ore Project ("Project") is now rescheduled to be paid upon the first commercial shipment of iron ore from the Project.

On 4 January 2017, the Company 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 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 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 the 2016 Annual Report, Legend had not completed 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 receivable in December 2016 as previously agreed, as advised in the 2016 Annual Report, the directors decided to provide for the Jindal receivable in full as at 31 December 2016. Your directors are currently in discussions with Jindal to complete an agreement on revised payment terms for the remaining \$3 million due under the Jindal Agreement for the sale of the Cameroon Iron Ore Project.

Jindal continues to meet its interest payment obligations pursuant to the payment terms under the Jindal Agreement amended in 2015. Since March 2017, the \$30,000 interest payment due from Jindal on 15 March 2017 was received by the Company on 4 April 2017 and the \$30,000 interest payment due from Jindal on 15 June 2017 was received by the Company on 20 July 2017.

EVENTS AFTER THE BALANCE SHEET DATE

Legend confirms the \$30,000 interest payment due from Jindal on 15 June 2017 was received by the Company on 20 July 2017.

In August 2017, Legend completed the sale of its interest in Artemis Resources Limited for a net consideration of \$466,644.

No other matters or circumstances have arisen since the end of the half-year to the date of this report, which have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

AUDITOR'S INDEPENDENCE

The Auditor's Independence Declaration under S307C of the *Corporations Act 2001* has been received from Ernst & Young, the Company's auditor, and is available for review on page 17.

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



M Wilson
Managing Director

Dated this 6th day of September 2017

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

	Notes	CONSOLIDATED	
		30 Jun 2017	30 Jun 2016
		\$	\$
Finance revenue	3(a)	144,586	196,992
Other income		-	93,556
Net gain on revaluation of financial assets held for trading		41,643	826,350
Other expenses	3(c)	(7,557)	(6,938)
Corporate expenses		(630,373)	(508,249)
Impairment of exploration assets		(11,376)	(462,119)
Share-based payments expense	13	(18,500)	(206,200)
Net loss before income tax expense		(481,577)	(66,608)
Income tax benefit		-	-
Loss for the period attributable to Owners of Legend Mining Limited		(481,577)	(66,608)
Other comprehensive income		-	-
Total comprehensive loss for the period attributable to Owners of Legend Mining Limited		(481,577)	(66,608)
LOSS PER SHARE (cents per share)			
Basic loss for the period attributable to ordinary equity holders of the parent	4	(0.0236)	(0.0033)
Diluted loss for the period attributable to ordinary equity holders of the parent	4	(0.0236)	(0.0033)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	CONSOLIDATED	
		As at 30 Jun 2017 \$	As at 31 Dec 2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	6,085,616	6,673,674
Trade & other receivables	7	52,533	31,243
Other financial assets	8	443,951	402,308
Total Current Assets		6,582,100	7,107,225
Non-current Assets			
Other financial assets	8	5,775	5,775
Property, plant & equipment	9	176,667	156,479
Deferred exploration assets	10	8,000,756	7,712,131
Total Non-Current Assets		8,183,198	7,874,385
TOTAL ASSETS		14,765,298	14,981,610
LIABILITIES			
Current Liabilities			
Trade & other payables	11	159,107	89,021
Provisions		106,882	94,190
Total Current Liabilities		265,989	183,211
Non-current Liabilities			
Provisions		64,064	64,288
Total Non-Current Liabilities		64,064	64,288
TOTAL LIABILITIES		330,053	247,499
NET ASSETS		14,435,245	14,734,111
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	12	60,711,242	60,588,031
Reserves		23,268,278	23,208,778
Accumulated losses		(69,544,275)	(69,062,698)
TOTAL EQUITY		14,435,245	14,734,111

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

	CONSOLIDATED	
	30 Jun 2017	30 Jun 2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(674,733)	(518,243)
Interest received	120,310	150,378
Net cash flows from/(used in) operating activities	(554,423)	(367,865)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant & equipment	(37,572)	(70,687)
Payments for exploration & evaluation	(1,033,148)	(972,763)
Receipt of research and development tax incentive grant	1,037,085	93,556
Payments for the purchase of investments	-	-
Net cash flows (used in)/from investing activities	(33,635)	(949,894)
Net decrease in cash and cash equivalents	(588,058)	(1,317,759)
Cash and cash equivalents at the beginning of period	6,673,674	6,251,185
Cash and cash equivalents at end of period	6,085,616	4,933,426

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

Consolidated	Issued Capital	Share Option Premium Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 1 January 2017	60,588,031	23,208,778	(69,062,698)	14,734,111
Profit for the period	-	-	(481,577)	(481,577)
Total comprehensive loss for the period	-	-	(481,577)	(481,577)
Issue of share capital and options for tenement acquisition	123,211	41,000	-	164,211
Share-based payments	-	18,500	-	18,500
At 30 June 2017	60,711,242	23,268,278	(69,544,275)	14,435,245
At 1 January 2016	60,588,031	23,002,578	(66,463,107)	17,127,502
Loss for the period	-	-	(66,608)	(66,608)
Total comprehensive loss for the period	-	-	(66,608)	(66,608)
Share-based payments	-	206,200	-	206,200
At 30 June 2016	60,588,031	23,208,778	(66,529,715)	17,267,094

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2017

NOTE 1: CORPORATE INFORMATION

The financial report of Legend Mining Limited (the Company) for the half-year ended 30 June 2017 was authorised for issue in accordance with a resolution of the Directors on 6 September 2017.

Legend Mining Limited is a company incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are exploration for nickel and copper deposits in Australia.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Legend Mining Limited for the year ended 31 December 2016.

It is also recommended that the half-year financial report be considered together with any public announcements made by Legend Mining Limited and its controlled entities during the half-year ended 30 June 2017 in accordance with the continuance disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The half-year financial report is a general-purpose condensed financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. The half-year financial report has been prepared on a historical cost basis except for certain financial instruments, which have been measured at fair value.

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

For the purpose of preparing the half-year financial report, the half-year has been treated as a discreet reporting period.

(b) Adoption of new and revised Accounting Standards

The Company has adopted all new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current period as listed below:

- *AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- *AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- *AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*

The adoption of these amendments did not have a material effect on the entity's accounting policies or on any of the amounts recognised in the financial statements.

The Group has not elected to early adopt any other new Standards or amendments that are issued but not yet effective.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Significant accounting policies

The half-year financial report has been prepared using the same accounting policies as used in the annual financial statements for the year ended 31 December 2016.

(d) Estimates

The preparation of the half-year financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

NOTE 3: REVENUE AND EXPENSES

	CONSOLIDATED	
	30 Jun 2017	30 Jun 2016
	\$	\$
Revenues and expenses from continuing operations		
a) Finance Revenue		
Bank interest received and receivable	84,586	84,269
Interest on Jindal receivable (refer note 7(a))	60,000	60,000
Receivables – unwinding of discount (refer note 7(b))	-	52,723
	144,586	196,992
b) Employee Benefits Expense		
Salaries & On costs	263,279	257,139
Other employee benefits	18,500	11,214
	281,779	268,353
c) Other Expenses		
Depreciation	7,557	6,938
	7,557	6,938

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 4: EARNINGS/(LOSS) PER SHARE

	CONSOLIDATED	
	30 Jun 2017	30 Jun 2016
	\$	\$
(a) Earnings used in the calculation of basic earnings/(loss) per share		
Net loss attributable to ordinary equity holders of Legend Mining Limited	<u>(481,577)</u>	<u>(66,608)</u>
(b) Weighted average number of shares on issue during the financial period used in the calculation of basic earning/(loss) per share	<u>2,040,614,537</u>	<u>2,034,350,801</u>
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings/(loss) per share	<u>2,040,614,537</u>	<u>2,034,350,801</u>

(c) Information on the classification of options

As the Group has made a loss for the half-year ended 30 June 2017, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

NOTE 5: SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports that are used by the chief operating decision maker ("CODM") in order to allocate resources to the segment and to assess its performance. The CODM of the Group is the Board of Directors.

The Group has identified its operating segments based on the internal reports that are provided to the CODM on a regular basis. The Group has one reportable segment being exploration and evaluation activities in Australia.

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	30 Jun 2017	31 Dec 2016
	\$	\$
Cash at bank and in hand	385,616	673,674
Term deposits	5,700,000	6,000,000
Total cash and cash equivalents	<u>6,085,616</u>	<u>6,673,674</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 7: TRADE AND OTHER RECEIVABLES

Consolidated

	30 Jun 2017	31 Dec 2016
	\$	\$
Receivable from Jindal Mining & Exploration Limited (a)	3,005,000	3,005,000
Provision for Jindal receivables	(3,005,000)	(3,005,000)
Other receivables (b)	52,533	31,243
	52,533	31,243
	52,533	31,243

Terms and conditions relating to the above financial instruments:

- (a)** As advised in the 2016 Annual Report, the payment terms under the Jindal Agreement were amended in 2015 as follows:
- The \$6 million payment originally scheduled for 5 August 2015 is now to be paid in two tranches, \$3 million on 15 September 2015 (received in 2015) and a further \$3 million that was due on or before 15 December 2016 (see below);
 - Interest of 4% payable quarterly in arrears will be payable on the second \$3 million; and
 - The \$5.5 million payable under the Jindal Agreement upon the grant of a Mining Convention at the Cameroon Iron Ore Project ("Project") is now rescheduled to be paid upon the first commercial shipment of iron ore from the Project.

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 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 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 the Annual Report, Legend had not completed 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 receivable in December 2016 as previously agreed, as advised in the 2016 Annual Report, the directors decided to provide for the Jindal receivable in full as at 31 December 2016. Your directors are currently in discussions with Jindal to complete an agreement on revised payment terms for the remaining \$3 million due under the Jindal Agreement for the sale of the Cameroon Iron Ore Project.

Jindal continues to meet its interest payment obligations pursuant to the payment terms under the Jindal Agreement amended in 2015. Since March 2017, the \$30,000 interest payment due from Jindal on 15 March 2017 was received by the Company on 4 April 2017 and the \$30,000 interest payment due from Jindal on 15 June 2017 was received by the Company on 20 July 2017.

- (b)** Other receivables include deposits paid for the purchase of plant and equipment not settled until after the reporting date, and other items that are non-interest bearing and have repayment terms of between 30 and 60 days.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 8: OTHER FINANCIAL ASSETS

	Consolidated	
	30 Jun 2017	31 Dec 2016
	\$	\$
Current		
Share in S2 Resources Limited - at fair value	120,951	166,308
Shares in Nemex Resources Limited - at fair value	66,000	66,000
Shares in Artemis Resources Limited - at fair value	207,000	120,000
Security Bond (a)	50,000	50,000
	443,951	402,308
Non-current		
Rental property bond (b)	5,775	5,775

The equity investments are all classified as held for trading. 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.

In August 2017, Legend completed the sale of its interest in Artemis Resources Limited for a net consideration of \$466,644.

The fair value of the above equity investments at close of trading on 5 September 2017 had decreased to \$190,731 following the sale of Artemis Resources Limited shares.

- (a) Security Bond - bank deposit held as security for credit cards. At 30 June 2017, this deposit is held on a 6-month term deposit with an interest rate of 2.46% per annum (31 December 2016, 6 months at 2.66%)
- (b) Rental Property Bond – this bond relates to a rental property in Kalgoorlie WA. No interest is received on this bond.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment \$
Consolidated	
At 31 December 2016	
Cost	281,444
Accumulated depreciation	(124,965)
Net carrying amount	156,479
Half-Year Ended 30 June 2017	
Opening net carrying amount	156,479
Additions	43,282
Depreciation expense - Admin	(7,557)
Depreciation expense – Exploration	(15,537)
Closing net carrying amount	176,667
At 30 June 2017	
Cost	324,726
Accumulated depreciation	(148,059)
Net carrying amount	176,667

NOTE 10: DEFERRED EXPLORATION ASSETS

	Consolidated	
	30 Jun 2017	31 Dec 2016
	\$	\$
Deferred exploration costs	8,000,756	7,712,131
	6 Months Ended	6 Months Ended
	30 Jun 2017	30 Jun 2016
	\$	\$
(a) Deferred exploration and evaluation assets		
At 1 January, at cost	7,712,131	5,485,454
Expenditure incurred during the period	1,325,710	1,032,246
Reimbursement of exploration expenditure - R&D Rebate	(1,037,085)	-
Expenditure written-off during the period	(i) -	(462,119)
At 30 June, at cost	(ii) 8,000,756	6,055,581

Note:

- (i) During the year Legend purchased two exploration licences from Musgrave Minerals Limited in the Fraser Range district of Western Australia. Legend acquired 100% interest in the tenements E28/2404 and E28/2405 for the following consideration:
- 10,000,000 Legend Shares
 - 10,000,000 unlisted options to subscribe for a fully paid ordinary Legend share at an exercise price of \$0.04 each, exercisable by 30 March 2021.
- (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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2017**

NOTE 11: TRADE AND OTHER PAYABLES

	30 Jun 2017	31 Dec 2016
	\$	\$
Current – unsecured		
Trade payables (i)	139,107	61,521
Other payables & accruals (ii)	20,000	27,500
	159,107	89,021

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.

NOTE 12: CONTRIBUTED EQUITY

	Consolidated and Company	
	30 Jun 2017	31 Dec 2016
	\$	\$
Ordinary shares		
Issued and fully paid	63,985,375	63,862,164
Issue costs	(3,274,133)	(3,274,133)
	60,711,242	60,588,031

Movement in ordinary shares on issue

	30 June 2017	30 June 2017
	No of Shares	\$
At 1 January 2017	2,034,350,801	63,862,164
Shares issued for tenement acquisition (refer note 10)	10,000,000	123,211
At 30 June 2017	2,044,350,801	63,985,375

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

NOTE 13: SHARE-BASED PAYMENTS

During the 2017 half-year the following share-based payment transactions occurred:

- 5,000,000 options with an exercise price of 4 cents and expiring on 30 March 2021 were issued to Employees. The fair value of the options granted during the half-year was 0.37 cents, for a total value of \$18,500 included within share-based payments expense.

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

	30 Jun 2017
	Employee Options
Exercise price (cents)	4.0
Life of the option (years)	5.0
Underlying share price (cents)	1.2
Expected share price volatility	75.0%
Risk free interest rate	2.06%

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2017

NOTE 14: COMMITMENTS

(a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay approximate \$1,726,500 (2016: \$1,894,019) in the following twelve months in respect of tenement lease rentals and to meet minimum expenditure requirements of the Department of Mines, Industry Regulation and Safety. These obligations are expected to be fulfilled in the normal course of operations and have not been provided for in the financial report.

(b) Operating Lease commitments

The company has a lease commitment over its office premises located at 8 Kings Park Road, West Perth. The lease is for a period of two years commencing 1 November 2015. The lease commitment is \$55,367 for the first year and CPI increase of 0.462535% to \$55,624 in the second year. There is an option to renew for a further 1 year, with a market rent review, at the conclusion of the term.

The company also has a lease commitment over its warehouse located at 2/8 Pauley Court, Boulder. The first year's rent (being \$21,000) was paid in advance to 17 September 2017. The second year of the term will be paid quarterly in advance.

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities at the reporting date.

NOTE 16: EVENTS AFTER THE BALANCE SHEET DATE

Legend confirms the \$30,000 interest payment due from Jindal on 15 June 2017 was received by the Company on 20 July 2017.

In August 2017, Legend completed the sale of its interest in Artemis Resources Limited for a net consideration of \$466,644.

No other matters or circumstances have arisen since the end of the half-year to the date of this report which have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity.

NOTE 17: DIVIDENDS PAID AND PROPOSED

No dividends were paid or proposed this financial period.

NOTE 18: FAIR VALUES

The carrying amounts of the Group's financial assets and financial liabilities at 30 June 2017 and 31 December 2016 are reasonable approximations of their fair values at those dates.

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	Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Recurring				
Quoted equity investments (note 8)	30-Jun-2017	393,951	393,951	-	-

There have been no transfers between Level 1 and Level 2 during the period.

The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

DIRECTORS' DECLARATION

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, 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 30 June 2017 and its performance for the period ended on that date; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; 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.

On behalf of the Board.

A handwritten signature in black ink, appearing to read 'M. Wilson', followed by a horizontal line.

Mark Wilson
Managing Director

Dated this 6th Day of September 2017

AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young
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Auditor's independence declaration to the Directors of Legend Mining Limited

As lead auditor for the review of Legend Mining Limited for the half-year ended 30 June 2017, 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 review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in blue ink, appearing to read 'Ernst & Young', is written above the printed name.

Ernst & Young

A handwritten signature in blue ink, appearing to read 'D A Hall', is written above the printed name.

D A Hall
Partner
6 September 2017

AUDITOR'S REVIEW REPORT



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GPO Box M939 Perth WA 6843

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Independent auditor's report to the members of Legend Mining Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Legend Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 30 June 2017 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'D A Hall'.

D A Hall
Partner
Perth
6 September 2017