

ASX: LEG

11 January 2012

ASX announcement

SALE OF MT GIBSON GOLD PROJECT: NEW PURCHASER

Further to the ASX announcement on 22 November 2011 regarding the proposed sale of the Mt Gibson Gold Project by Legend Mining Limited (ASX: LEG) subsidiary Gibson Metals Pty Ltd to Top Iron Pty Ltd, Legend wishes to announce that on 3 January 2012 Extension Hill Pty Ltd advised it wished to exercise a right of first refusal with respect to the sale pursuant to an existing licence agreement. One of the conditions of the sale to Top Iron Pty Ltd required Gibson Metals Pty Ltd to exhaust all relevant rights of first refusal and similar third party rights under the existing licence agreement.

As a result of Extension Hill Pty Ltd's exercise of its rights under the existing licence agreement, and provided that Extension Hill Pty Ltd is able to complete the acquisition of the Mt Gibson Project, then the sale of the Mt Gibson Gold Project to Top Iron Pty Ltd will not proceed on the terms previously announced to the market.

Extension Hill Pty Ltd is now entitled to purchase the Mt Gibson Gold Project on the same terms agreed with Top Iron Pty Ltd, for \$7 million cash and the return to Legend's working capital account of the \$1.4 million term deposit currently securing performance bonds in relation to the Project. The transaction is scheduled to complete no later than 12 March 2012 subject to satisfaction of conditions including a 60 day due diligence period and FIRB approval.

Extension Hill Pty Ltd is a wholly owned subsidiary of the Hong Kong Based Asia Iron Holdings Ltd which owns a number of iron ore and coal development projects in the Mid West of Western Australia as well as a strategically located magnetite pellet plant project in Nanjing, China. Extension Hill Pty Ltd operates the Extension Hill magnetite development project neighbouring the Mt Gibson Gold Project and has been leasing facilities at the Mt Gibson Gold Project for the past 3 ½ years.

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

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