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2022 ANNUAL REPORT

Contents

Company Directory	1
Chairman's Letter	2
Directors' Review of Activities	3
Directors' Report	23
Consolidated Statement of Comprehensive Income	30
Consolidated Statement of Financial Position	31
Consolidated Statement of Cash Flows	32
Consolidated Statement of Changes in Equity	33
Notes to the Financial Statements	34
Directors' Declaration	55
Declaration of Auditor's Independence	56
Independent Auditor's Report	57
Shareholder Information	62
Tenement Listing	63

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LEG – ordinary shares

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Company Directory

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Chairman's Letter

Dear Fellow Shareholders

Once again Legend has had a very active year of exploration at the Rockford Project and made considerable progress on several fronts during the year. The Mawson 3D seismic survey was completed and six diamond drillholes completed to further understand the potential chonolith host stratigraphy and associated nickel-copper sulphide mineralisation. A large 3D seismic survey was designed and data collection completed at Octagonal during November 2022, with the final model due to be received in April 2023 along with a reprocessed seismic model for Mawson. Meanwhile regional programmes continued.

The recent announcement of a maiden Mineral Resource Estimate at Mawson is quite an achievement for Legend. This is only the third published nickel-copper sulphide resource in the Fraser Range.

The coming year looks to be another exciting one with the modelling of both seismic surveys defining the 2023 diamond drilling programmes at both Mawson and Octagonal.

Legend has continued to engage in substantial exploration activity with the 2022 exploration spend being circa \$8 million with significant funds provided from R&D tax refunds. It is again pleasing to see a very modest administration and corporate expense for the year compared to direct exploration costs. This is due to the diligent job done by our small but competent management team.

As Chairman, it gives me great pleasure to see how our management group continues to work together as a strong focussed team. I would like to once again thank our executive team, led by Mark Wilson, for the professional job they have done to continue the systematic work at such a high technical and professional standard.

In mid 2022 the Board undertook a review of the Board composition. Following that review, in September 2022 we appointed a new non-executive director, Hilary Macdonald. I am pleased to say that Hilary has already had a positive influence on the Board dynamics and I am confident will be a great contributor going forward. I have decided that now, after 20 years, is an appropriate time to retire as your Chairman, effective at the conclusion of the upcoming Annual General Meeting. I feel very confident that I leave Legend with strong corporate and technical management and a strong Board.

I thank my fellow shareholders for your continuing support, and I look forward to sharing with you the benefits of the Legend exploration programme as a major player in the Fraser Range.



Michael Atkins
Chairman



Directors' Review of Activities

SUSTAINABILITY

Legend Mining Limited (Legend or The Company) is dedicated to being a leading and sustainable Australian mining company built on exploration and corporate success for the benefit of all of its stakeholders.

The Company continues to review and update its sustainability policies in line with best practice. These sustainability policies apply to all our people and implementation of these policies and their supporting standards and procedures are required across all Legend operations.



Environment

Legend aspires to being effective environmental stewards and managing our impacts, whilst both achieving operational excellence and fulfilling our corporate social responsibilities. The Company is committed to positive environmental management outcomes to maintain and enhance performance.

Legend acknowledges the threat posed by climate change and will work to decarbonise our business in a measured, proportionate and sustainable manner.

Work Health and Safety

Legend seeks to minimise the harm caused by workplace hazards whilst both achieving operational excellence and fulfilling our corporate social responsibilities. The Company is committed to leadership in work health and safety through the use of responsible and reliable management systems to maintain and enhance performance.

Community

Legend aspires to create enduring value for our host communities and limiting our negative impacts, whilst both achieving operational excellence and fulfilling our corporate social responsibilities.

Governance

Legend and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Legend has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2023 Corporate Governance Statement was approved by the Board on 15 March 2023 and is current as at 15 March 2023. A description of Legend's current corporate governance practices is set out in Legend's Corporate Governance Statement which can be viewed at www.legendmining.com.au



Directors' Review of Activities

ROCKFORD PROJECT – FRASER RANGE DISTRICT

(Nickel-Copper-Cobalt, Copper-Zinc-Silver, Gold)

The Rockford Project is located within the highly prospective Fraser Range district of Western Australia, with tenure covering a total area of 2,993km² (see Figures 1 and 2). Exploration is primarily focussed on magmatic nickel-copper-cobalt (Nova-Bollinger style), along with volcanogenic massive sulphide (VMS) style zinc-copper-silver and Tropicana style structurally controlled gold mineralisation.

The Rockford Project comprises 14 granted exploration licences with a detailed breakdown of ownership, area and manager given below:

- Legend (100%) 144km²;
- Legend (70%)/Creasy Group (30%) Three JVs covering 2,191km² with Legend manager;
- IGO (60%)/Creasy Group (30%)/Legend (10% free carry) JV covering 634km² with IGO manager;
- IGO (70%)/Legend (30% free carry) JV covering 24km² with IGO manager.

The Rockford Project covers a strike length of ~100km over a regional gravity high “ridge” associated with dense mafic/ultramafic intrusive rocks of the Fraser Zone, within the larger Albany-Fraser Orogen. The Nova-Bollinger deposit and the Silver Knight deposit, both located within the Fraser Zone, are situated on a similar tenor gravity ridge to that of the Rockford Project.

Legend advanced its 2022 exploration activities at the Rockford Project on several fronts.

The final model from the Mawson 3D seismic survey was received in March 2022 followed by diamond drill testing of seismic targets. The initial drilling was testing features identified as potential chonolith host stratigraphy and associated Ni-Cu sulphide mineralisation. A maiden Mineral Resource Estimate at Mawson was announced on 2 February 2023.

A large (>24km²) 3D seismic survey was designed and commissioned at Octagonal during October 2022, with the final model due to be received in April 2023.

Regionally, aircore drilling and innovative MLTEM commenced during April 2022. This systematic exploration advanced highly ranked targets and continued to deliver the next pipeline of Ni-Cu targets and testing across Areas W, X and Y (see Figure 2).

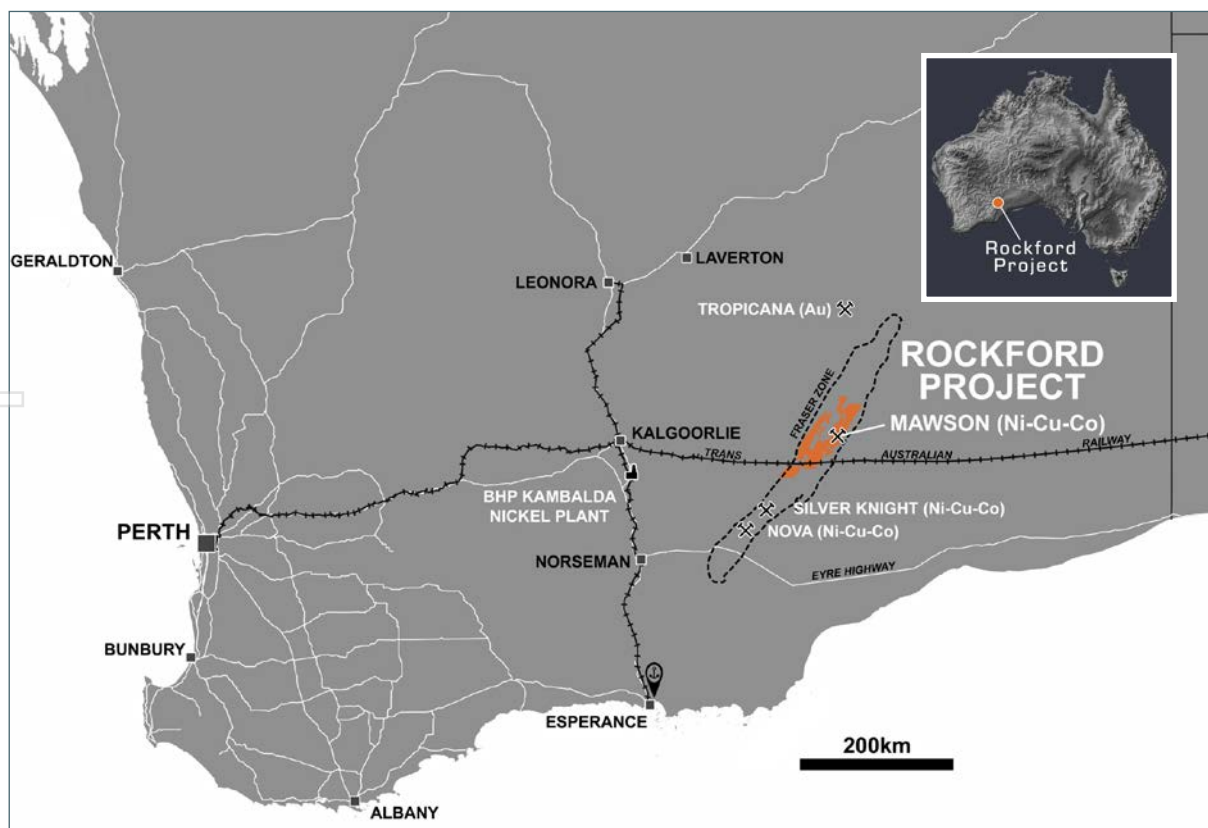


Figure 1: Rockford Project Location

Directors' Review of Activities

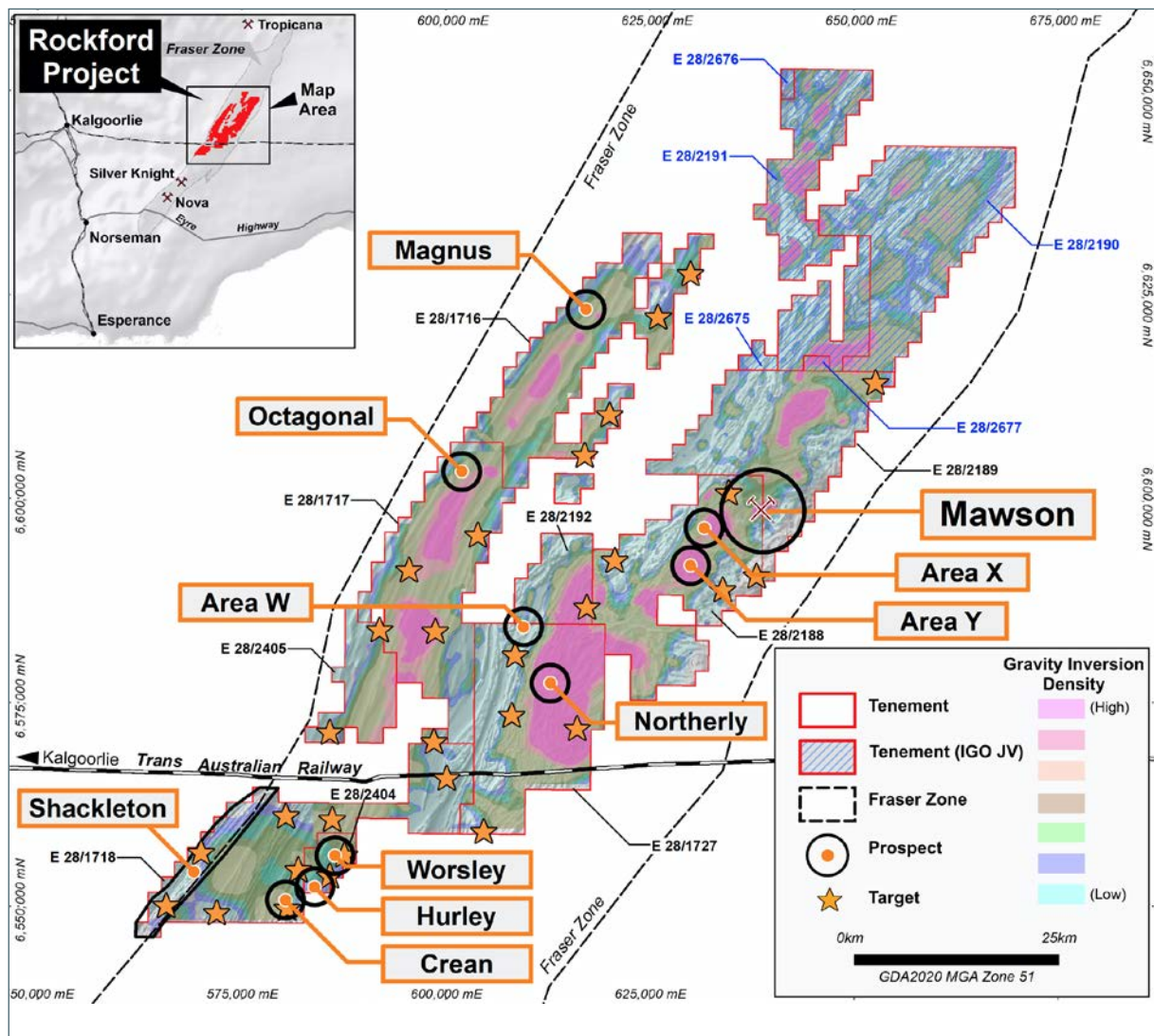


Figure 2: Rockford Project - prospect locations



Directors' Review of Activities

MAWSON PROSPECT

A summary of 2022 exploration activities and results for Mawson are provided below.

The Mawson prospect lies within the central intrusion of the larger Mawson Intrusive Complex, characterised by a 16km x 6km aeromagnetic feature interpreted to be a cluster of mafic-ultramafic intrusions (see Figure 3). Innovative high power moving loop (MLTEM) and fixed loop (FLTEM) electromagnetic surveys have identified 18 significant bedrock conductors (D1-D18) outlining a complex structural body of the Mawson intrusion. Highly anomalous Ni-Cu results in aircore drilling were followed up with diamond drilling, resulting in the discovery of massive Ni-Cu sulphide in December 2019. Subsequent diamond drilling delineated additional massive sulphide mineralisation and extended the mineralised Mawson intrusion footprint to >1.6km in strike length. The mineralised intrusion remains open in multiple directions as exploration drilling continues. To assist in drill targeting, specifically to identify the source of the Mawson chonolith, 3D seismic was acquired in December 2021. Subsequent modelling delivered diamond drill targets below existing drilling depth. These seismic targets were tested with diamond drilling in 2022.

Exploration completed at Mawson during 2022 included:

- Completion of the 3D seismic survey data model
- Diamond drilling of seismic targets – 6 holes for 4,446.5m
- DHTM surveying of all diamond drillholes and associated modelling
- Downhole petrophysical logging of the completed diamond drillholes
- Drill core petrophysical property measurements on the completed diamond drillholes
- External geochemical assessment, including intrusion fingerprinting study
- Evolution of the 3D structural model of Mawson
- Detailed petrology of host lithologies and associated primary Ni-Cu-Co mineralisation
- Comprehensive interpretation of all data collected for 2022.

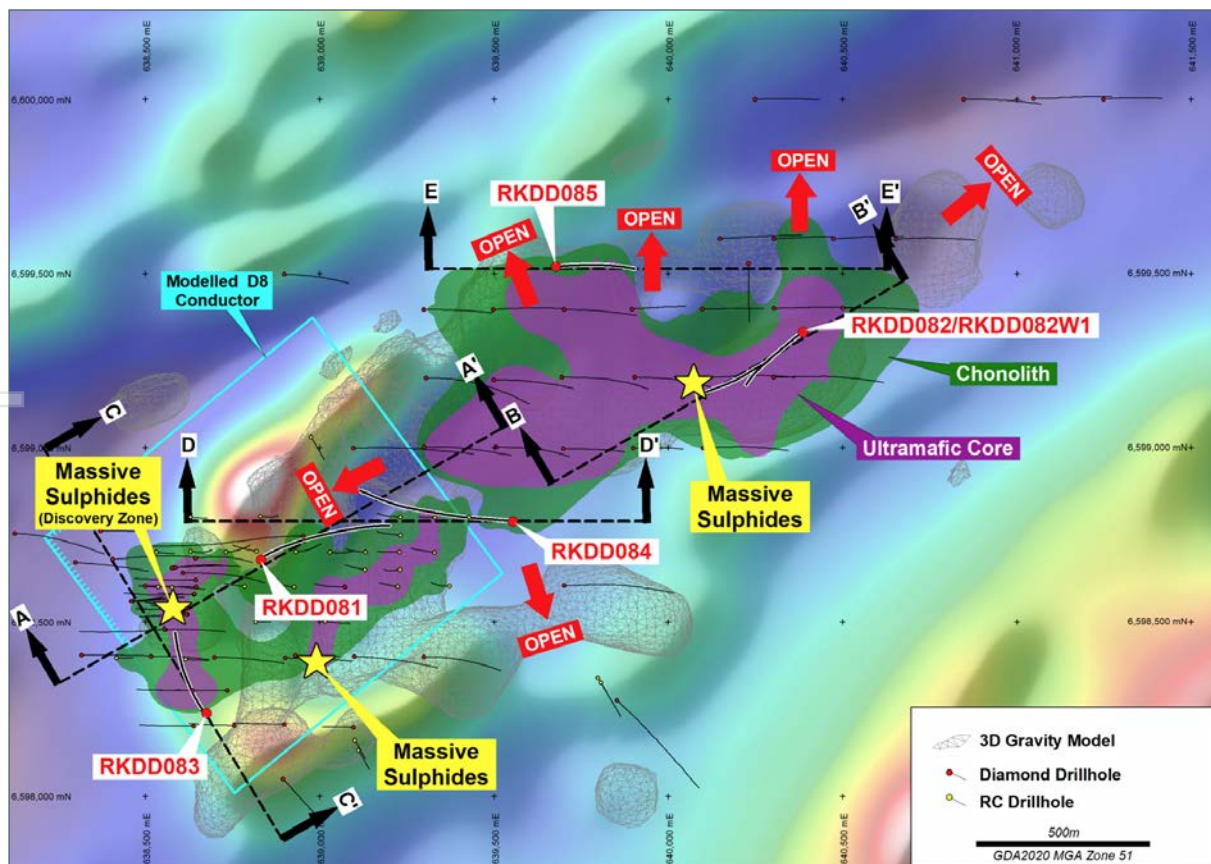


Figure 3: Mawson diamond drilling priority seismic target areas

Directors' Review of Activities

The 3D model evolution utilising updated geophysical and geological modelling continues to drive focused exploration targeting at Mawson. Complementing this is the final 3D seismic survey cube (see Figure 4). Subsequent modelling combining seismic, drilling, geological, and geophysical datasets resulted in a series of highly ranked targets being identified for diamond drill testing across Mawson in 2022.

3D Seismic Survey

HiSeis Pty Ltd completed the data processing phase of the 3D seismic survey at the Mawson prospect in March 2022. Time and depth modelling was also completed, with delivery of the final Mawson 3D cube (see Figure 4).

The aim of the survey was to define the architecture of the Mawson intrusion in relation to the stratigraphic package, to a depth of investigation of a minimum 1000m below surface across a 6.5km² area (see Figure 4). In addition, a more detailed survey on the western side of the survey area was designed to test for a direct detection signature of Ni-Cu-Co sulphide accumulations at the Mawson discovery zone, given the shallow nature of mineralisation (<250m below surface).

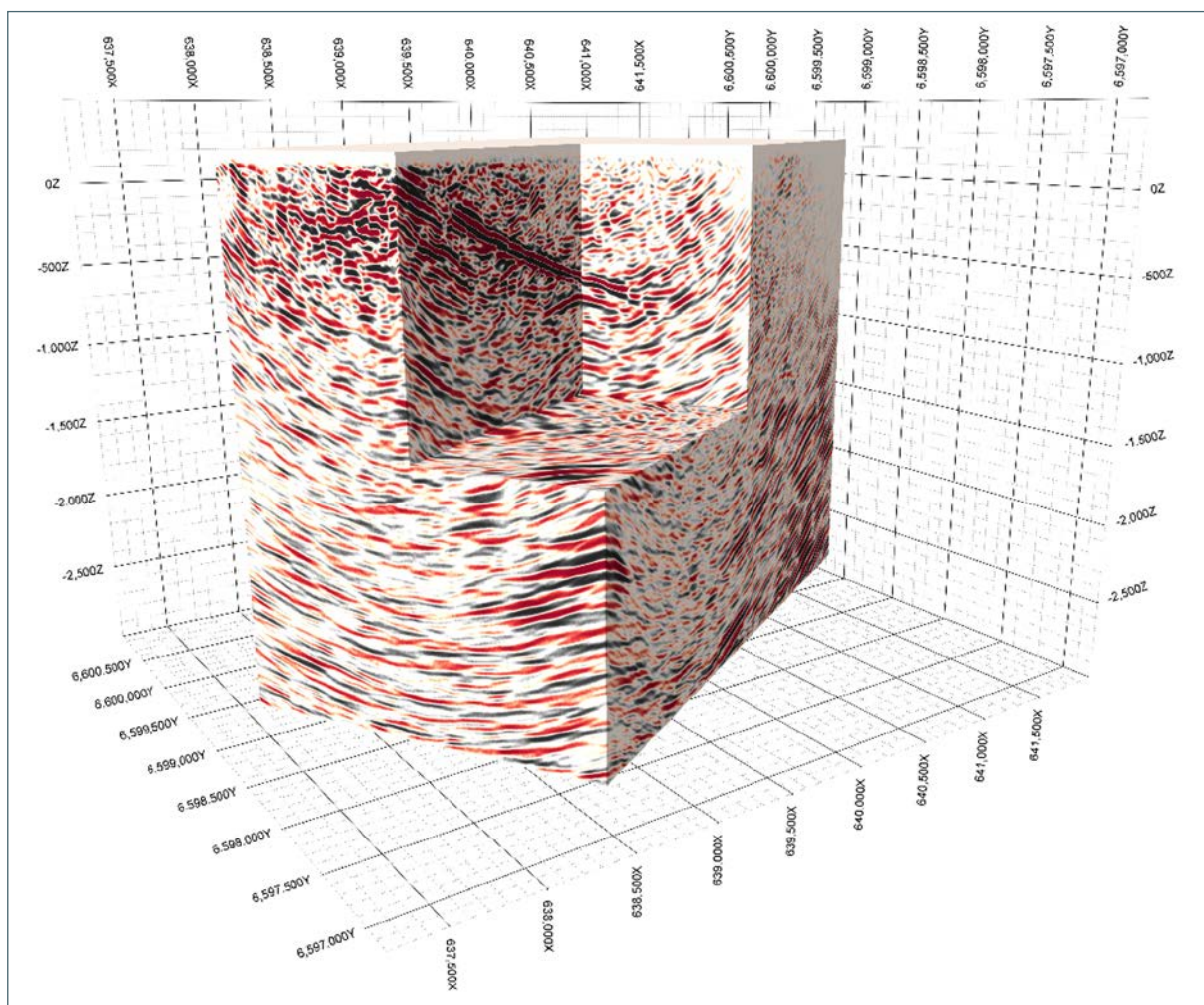


Figure 4: Orthogonal view of the 3D seismic cube of the Mawson survey

Directors' Review of Activities

Data processing and subsequent modelling completed for the Mawson 3D seismic cube highlighted the excellent correlation between the seismic dataset and the existing detailed constrained gravity inversion (see Figure 5 and Figure 6). The 3D seismic data supports the exploration model at Mawson, that a large intrusive source continues at depth below drilling completed to date. 3D seismic reflectors clearly map the mineralised chonolith in drilled areas down to 500m below surface. The chonolith is interpreted to extend below 500m, below the Mawson fault, to a possible keel position at ~800m to 1,000m.

This interpretation is supported with drill data from RKDD030 and RKDD033 which both intersected mineralised intrusion below the Mawson fault, proximal to the new priority target zones (see ASX *Announcements 20 November 2020 and 1 December 2020 and Photo 1*). This interpreted keel position is defined by a complex set of reflectors and structural breaks, consistent with the seismic signature of the Mawson discovery zone. The base of this interpreted keel of the Mawson chonolith is coincidental with the large, flat-lying D8 FLTEM conductor (see Table 1).



Photo 1: Net-textured and heavy disseminated Ni-Cu sulphide from RKDD033 from 394m, NQ2

Table 1: FLTEM Conductor Parameters

Conductor	Conductance	Dimensions	Plate Orientation	Depth to Plate	Plate Dip
D8	~3,000-4,000S	1,000m x 1,000m	NE-SW	~800m below surface	20-400 SE

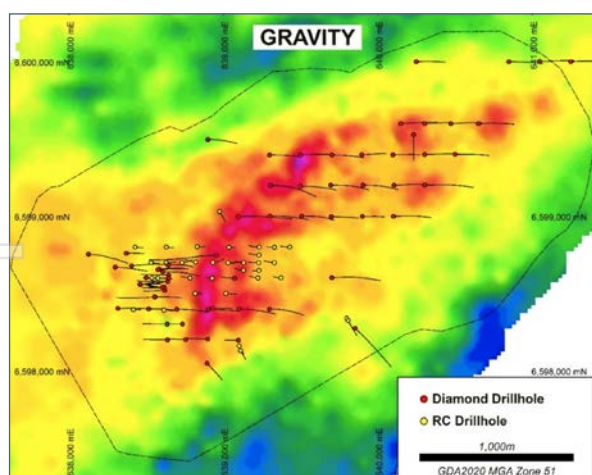


Figure 5: Cover corrected constrained gravity 1VD projected to surface

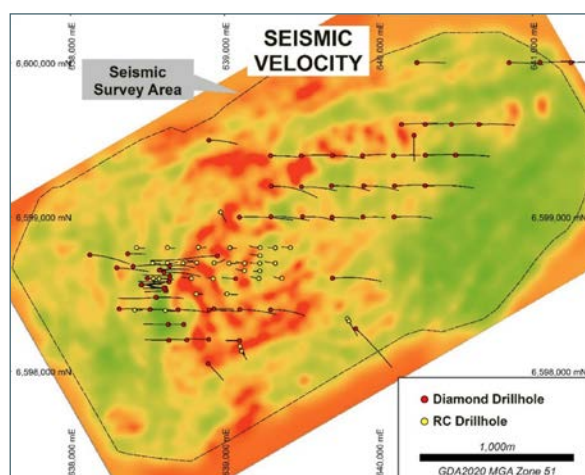


Figure 6: Seismic survey velocity data projected to surface

Directors' Review of Activities



RKDD081 was the first diamond drillhole to interrogate the interpreted keel below the Mawson fault (see Figures 3 and 7). Drilling conditions encountered resulted in slower than anticipated drilling rates and a swing in the hole trace, with rotation, away from planned trajectory. The drillhole largely intersected intrusive suites and metasedimentary packages where predicted. The lower zone of the target zone intersected various mafic intrusive suites, including a heavily disseminated gabbro-norite intrusion at 840m downhole (see Photo 2). Early interpretation of the intrusive suite intersected in RKDD081 suggests the drillhole has tested an area marginal to the main chonolith.

Further data analysis and additional drilling will aid in refinement of the initial interpretation.

DHTEM has been completed on RKDD081 with results inconclusive. The FLTEM D8 conductor was unable to be reconciled with DHTEM data from RKDD081 (see Table 1). The very complex nature of the EM environment at Mawson has made deciphering conductive sulphide bodies difficult, due to the blinding effects of the large stratigraphic D5 conductor in this location (see Figure 7).

Photo 2: Heavy disseminated sulphide intrusion from RKDD081 from 840m, NQ2

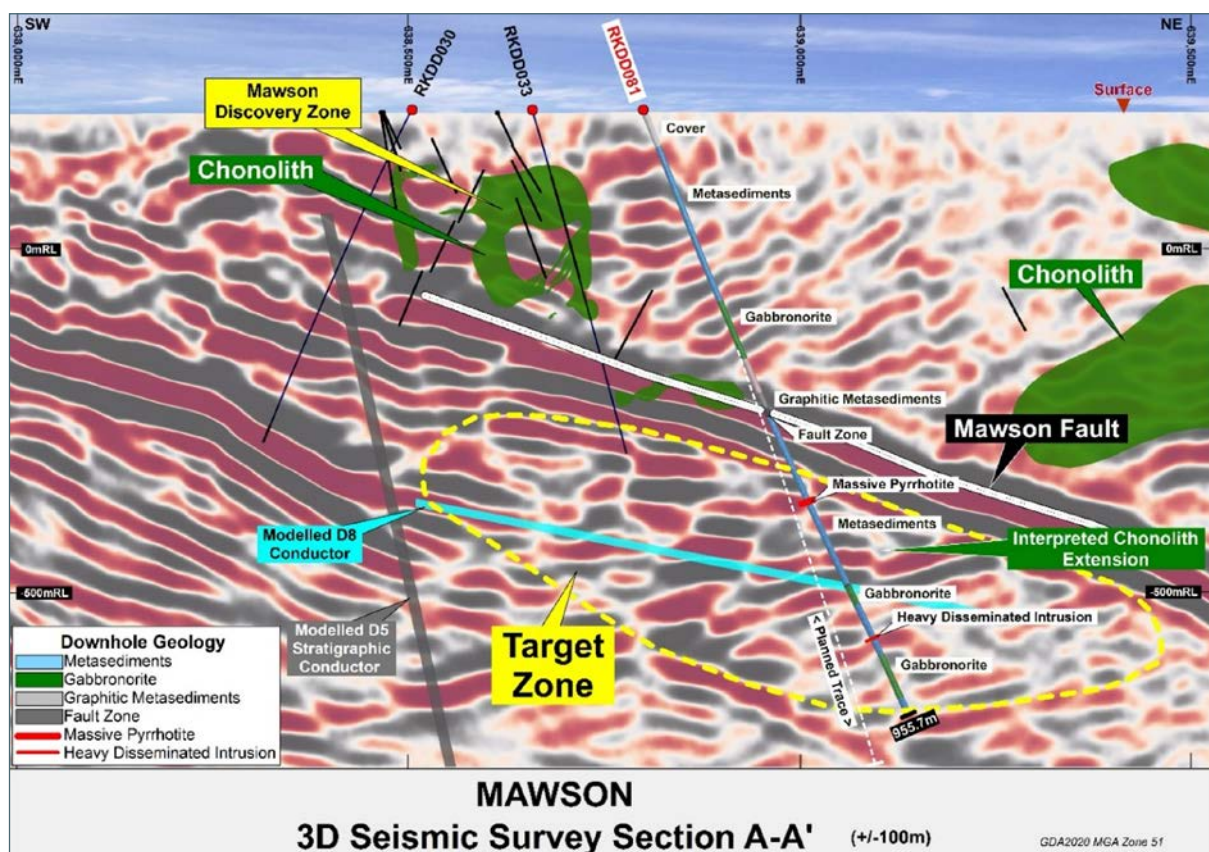


Figure 7: 3D Seismic section A-A' showing the Mawson chonolith with diamond drillhole RKDD081
*Note – RKDD030 and RKDD033 projected onto section for illustration purposes

Directors' Review of Activities

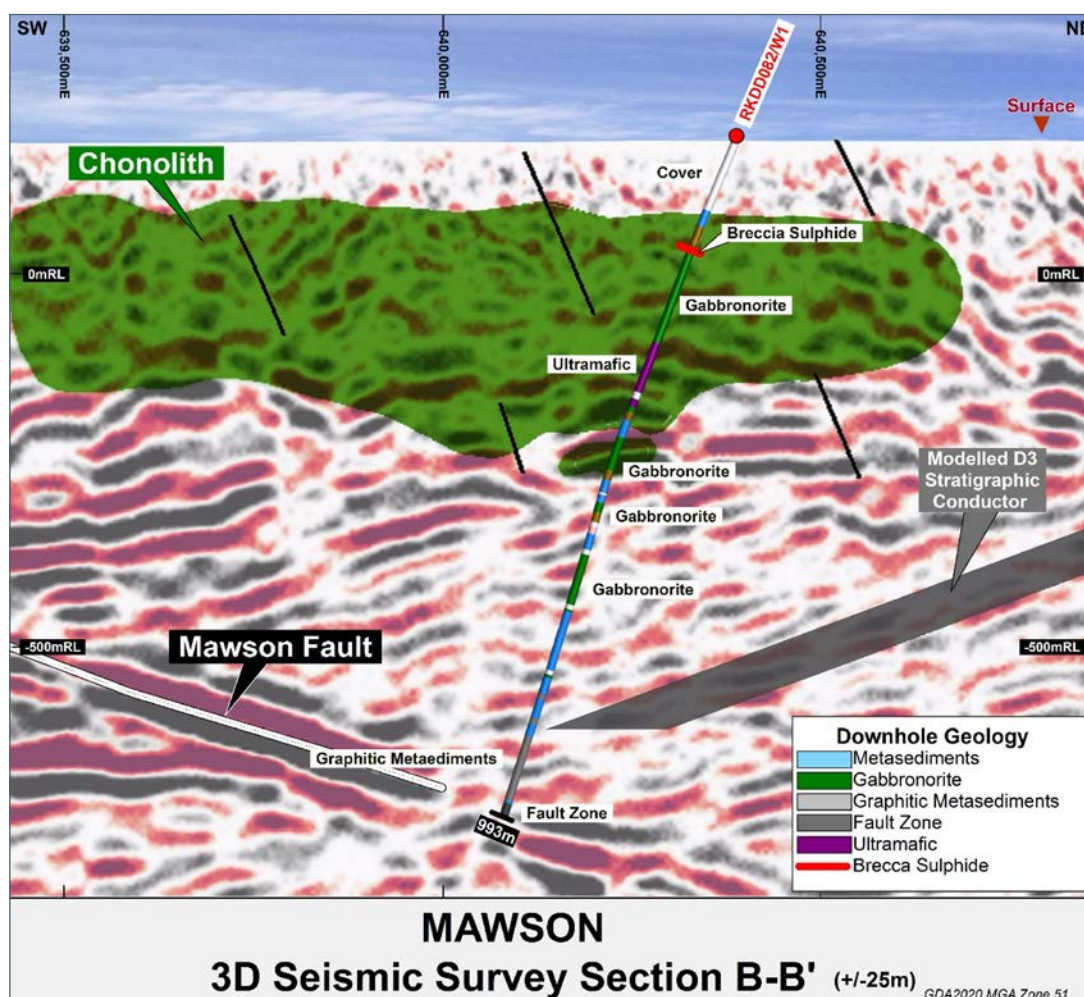


Figure 8: 3D Seismic section B-B' showing the Mawson chonolith with diamond drillhole RKDD082W1

Petrophysical property measurements were undertaken with hand-held and downhole instrumentation.

RKDD082 and RKDD082W1 diamond drillholes were designed to interrogate an area of seismic signature interpreted to be a continuation of prospective chonolith below existing drilling, separated by a metasedimentary raft (see Figure 3 and 8). Difficult drilling conditions again resulted in slower than anticipated production. In addition, the RKDD082 drill trace swung significantly off target. RKDD082W1 was drilled as a wedge off RKDD082 at 347.4m. Following the wedge off the parent drillhole, an additional six navigational cuts were made to keep the drillhole trace along the proposed target drill trace. The drillhole intersected a largely prospective intrusive package below existing drilling levels, confirming the Mawson chonolith extends at depth as predicted. The lower zone of RKDD082W1 encountered a structural change where a sub-vertical metasedimentary package was intersected (Photo 3). The hole was terminated prematurely at 993m due to the drill rods becoming stuck in broken ground. Preliminary structural analysis and geological logging suggest a change in intrusion geometry, with the chonolith further west.



Photo 3: Cross-cutting massive sulphide vein from RKDD082W1 from 819.3m, NQ2

Directors' Review of Activities

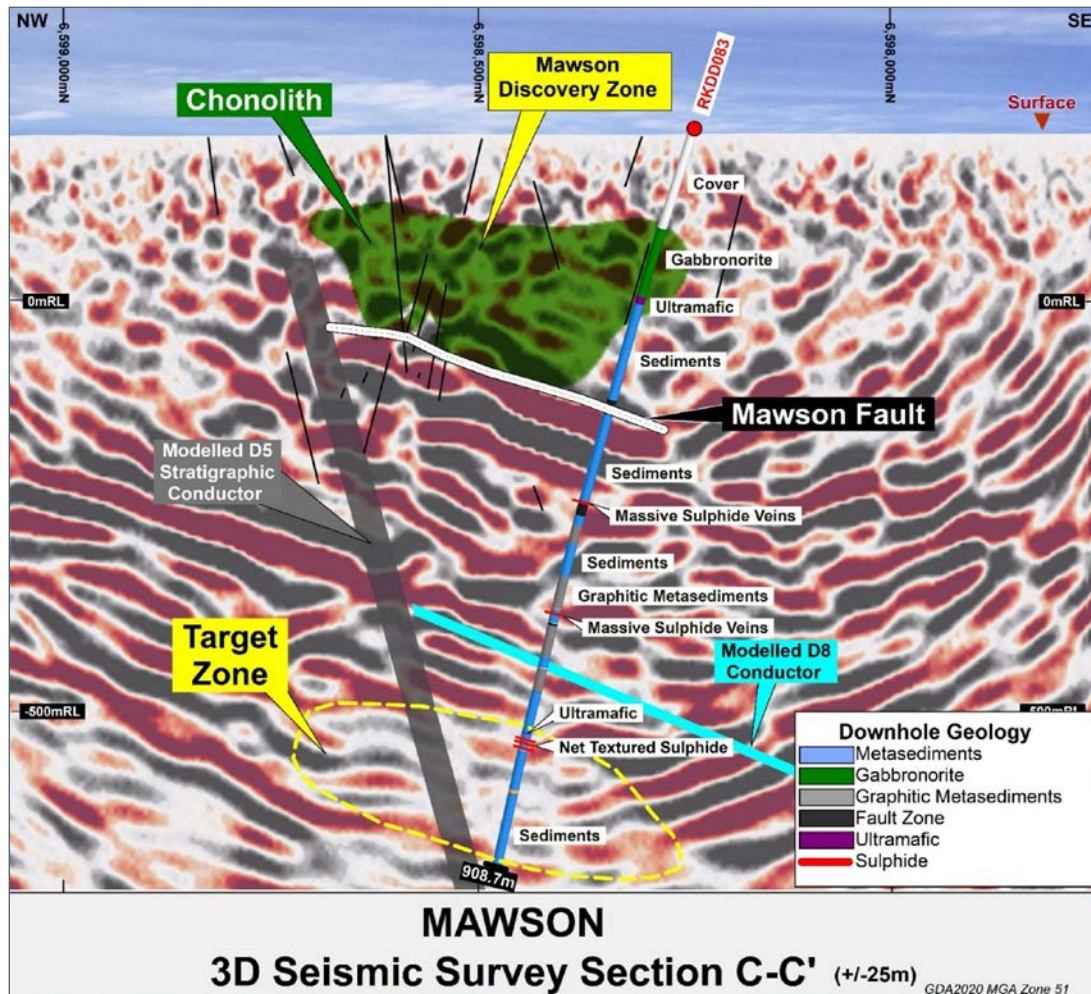


Figure 9: 3D Seismic section C-C' showing the Mawson chonolith with diamond drillhole RKDD083

This working model will be evolved with additional data from RKDD082W1 and future drill testing. Petrophysical property measurements were undertaken with hand-held and downhole instrumentation.

Diamond drillhole RKDD083 was designed to target a seismic feature interpreted to be prospective chonolith below the Mawson discovery zone, offset by the Mawson fault (see Figures 3 and 9). The drillhole intersected the mineralised chonolith and

metasedimentary packages, as predicted, above the Mawson fault. Below the fault, an assemblage of metasedimentary units and lesser mafic intrusive suites were intersected, including narrow veins of cross-cutting massive sulphide mineralisation (see Photo 4). The upper level of the main target zone encountered a prospective ultramafic unit with large amounts of digested metasediment. Marginal to this unit, a zone of heavy disseminated to net-textured magmatic sulphide was intersected at 751m downhole (see Photo 5).



Photo 4: Cross-cutting massive sulphide vein from RKDD083 from 480m, NQ2



Photo 5: Heavy disseminated and net-textured sulphide from RKDD083 from 751m, NQ2

Directors' Review of Activities

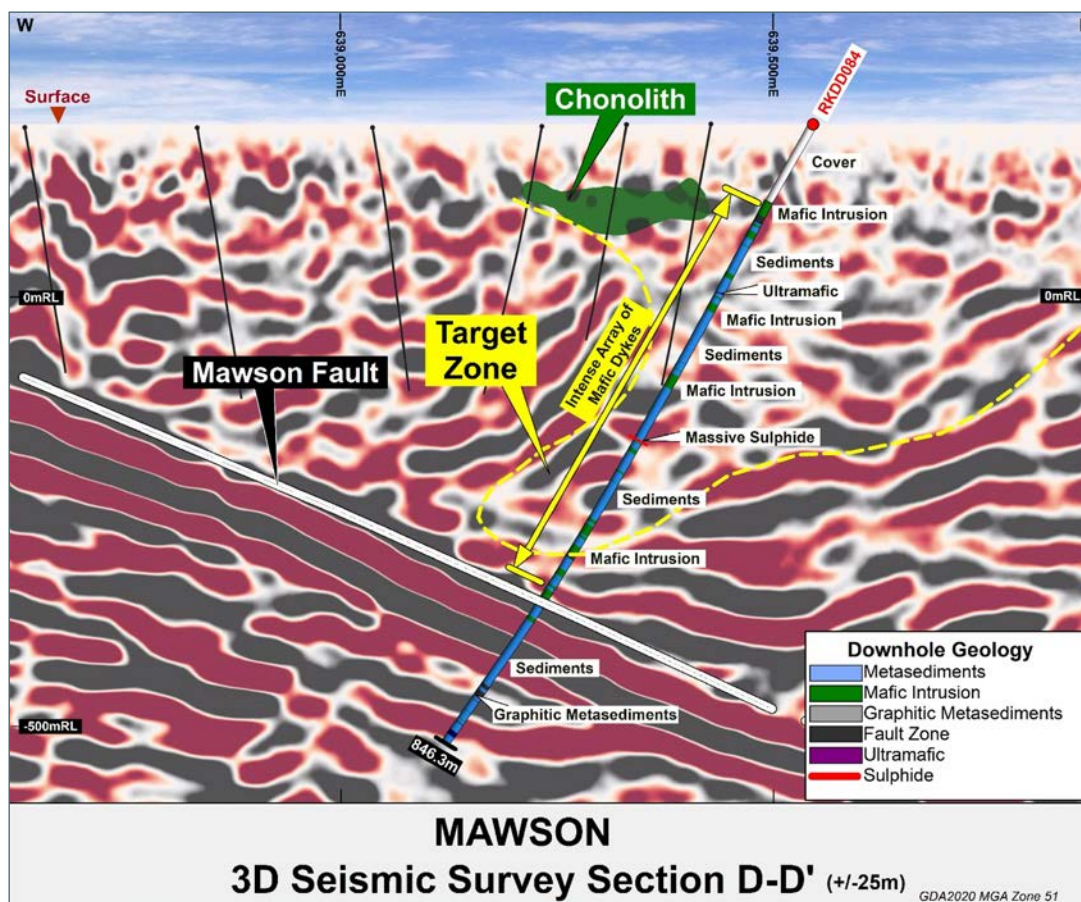


Figure 10: 3D Seismic section D-D' showing the Mawson chonolith with diamond drillhole RKDD084

Further data analysis is required, including structural vectoring and additional drilling, which will aid in refinement of this new target zone. Petrophysical property measurements were undertaken with hand-held and downhole instrumentation.

Diamond drillhole RKDD084 was designed to interrogate an area of seismic signature interpreted to be a continuation of prospective chonolith below existing RC drilling (see Figures 3 and 10). The drillhole intersected a mineralised mafic intrusive package below existing drilling levels, confirming the Mawson chonolith extends at depth as predicted by the 3D seismic. The intrusive package was intersected over a wide zone as an intense array of norite and gabbro-norite flat-lying and cross-cutting dykes into the metasedimentary assemblage. Importantly, this metasedimentary assemblage contained a large abundance of carbonate, identified for the first time in abundance at Mawson. A <1m zone of massive magmatic sulphide with intense carbonate digestion was intersected at 450m downhole (see Photo 6). This intercept is strong evidence of carbonate horizons acting as preferential mineralisation traps. These carbonate stratigraphic horizons act as preferential pathways for the intrusion to propagate and focus into a zone in the country rock, as well as supplying easily digestible volatile for the mineralised intrusion. This is

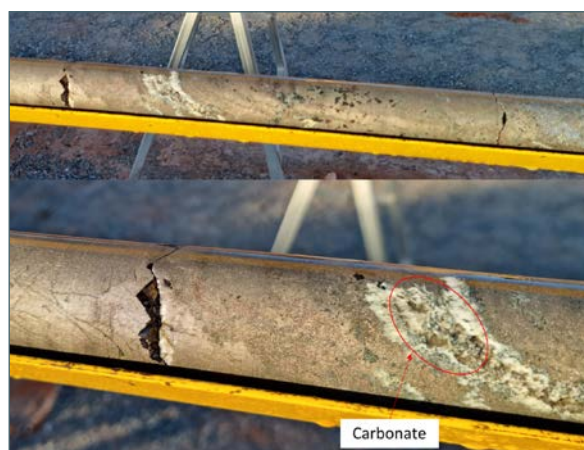


Photo 6: Massive sulphide with digested carbonate from RKDD084 from 450m, NQ2

a significant identification in the understanding of the Mawson chonolith host stratigraphy, as the carbonate stratigraphic horizon is the host of the Nova chonolith and hosts the Nova and Bollinger orebodies. Detailed analysis continues on RKDD084.

Petrophysical property measurements were undertaken with hand-held and downhole instrumentation.

Directors' Review of Activities

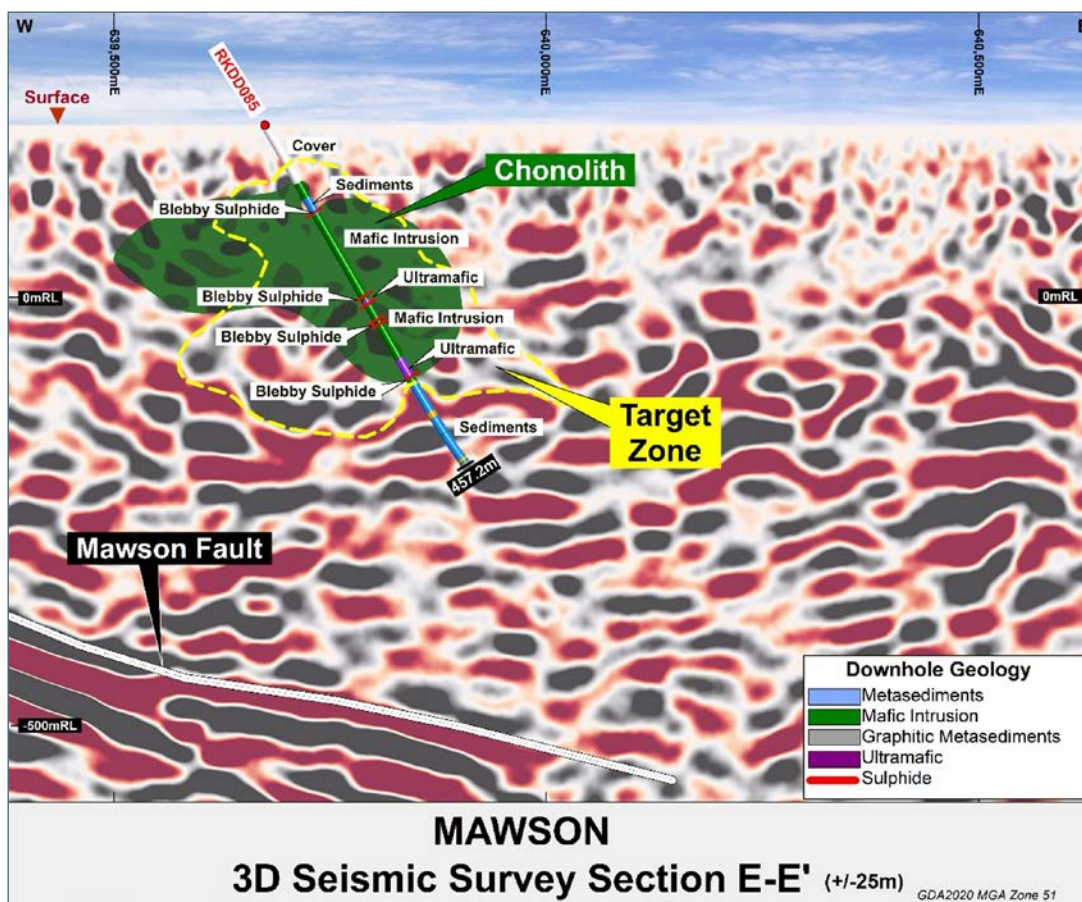


Figure 11: 3D Seismic section E-E' showing the Mawson chonolith with diamond drillhole RKDD085

Diamond drillhole RKDD085 was designed to intersect a seismic signature replication of that identified by diamond drilling ~150m south (see Figures 3 and 11). The geological, structural, and seismic interpretation was that the mineralised chonolith continues to the north-west of existing diamond drilling coverage. The drillhole intersected and extended the mineralised chonolith as predicted, confirming the chonolith extends and remains open to the north-west. The upper level of the main target zone encountered a prospective mafic intrusive with lesser ultramafic. The lower target zone intersected more ultramafic intrusive with variable zones of disseminated to blebby magmatic sulphide (see Photos 7 and 8).

The drillhole finished in a metasedimentary package as predicted by the seismic interpretation. Further data analysis is continuing, including structural vectoring and additional aircore drill planning, which will aid in refinement of this new target zone.

Petrophysical property measurements were undertaken with hand-held and downhole instrumentation.

Reprocessing of the 3D seismic data is underway to refine existing models, refine existing targets, and define new targets across the Mawson intrusion. Delivery of the final reprocessed 3D cube is scheduled for April 2023.



Photo 7: Ni-Cu sulphide mineralisation from RKDD085 from 234m



Photo 8: Ni-Cu sulphide mineralisation from RKDD085 from 237m downhole

Directors' Review of Activities

Mawson Mineral Resource Estimate

On 2 February 2023, Legend announced a maiden Mineral Resource Estimate (MRE) of 1.45Mt @ 1.14% Ni, 0.74% Cu and 0.07% Co (1.2% NiEq) at the Mawson Deposit. The details of the MRE are in Table 2 below and shown in Figures 12 and 13.

Table 2: Mawson Mineral Resource Estimate (Jorc 2012) – February 2023*

Classification	Tonnage	NiEq	Ni	Cu	Co	Ni Metal	Cu Metal	Co Metal
	Mt	%	%	%	%	t	t	t
Indicated	0.86	1.41	1.34	0.88	0.08	11,500	7,600	700
Inferred	0.59	0.90	0.85	0.52	0.07	5,000	3,100	400
Total	1.45	1.20	1.14	0.74	0.07	16,500	10,600	1,100

* Mawson Maiden Mineral Resource Estimate by classification reported above 0.5% NiEq cut-off.

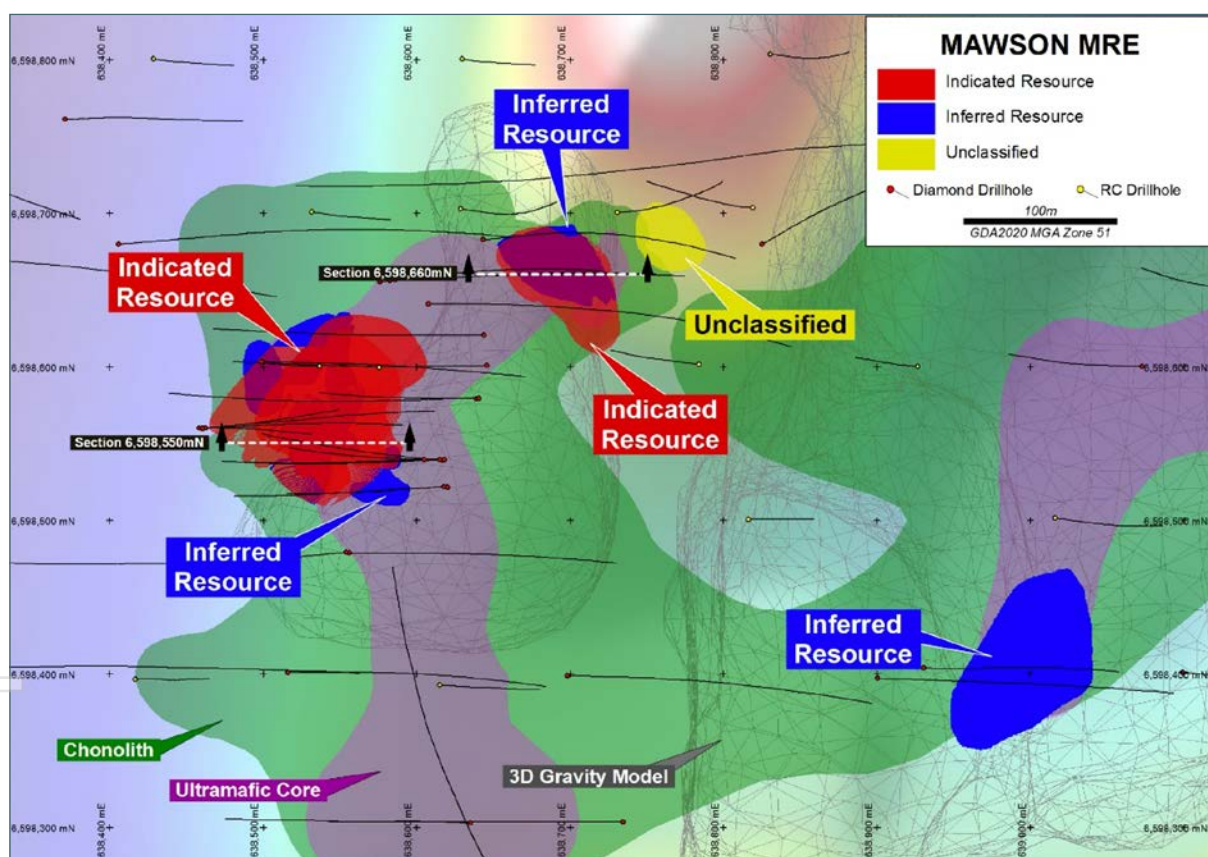


Figure 12: Mawson Mineral Resource Classification projected to surface with drillhole locations and chonolith projected to surface on AMAG

Directors' Review of Activities

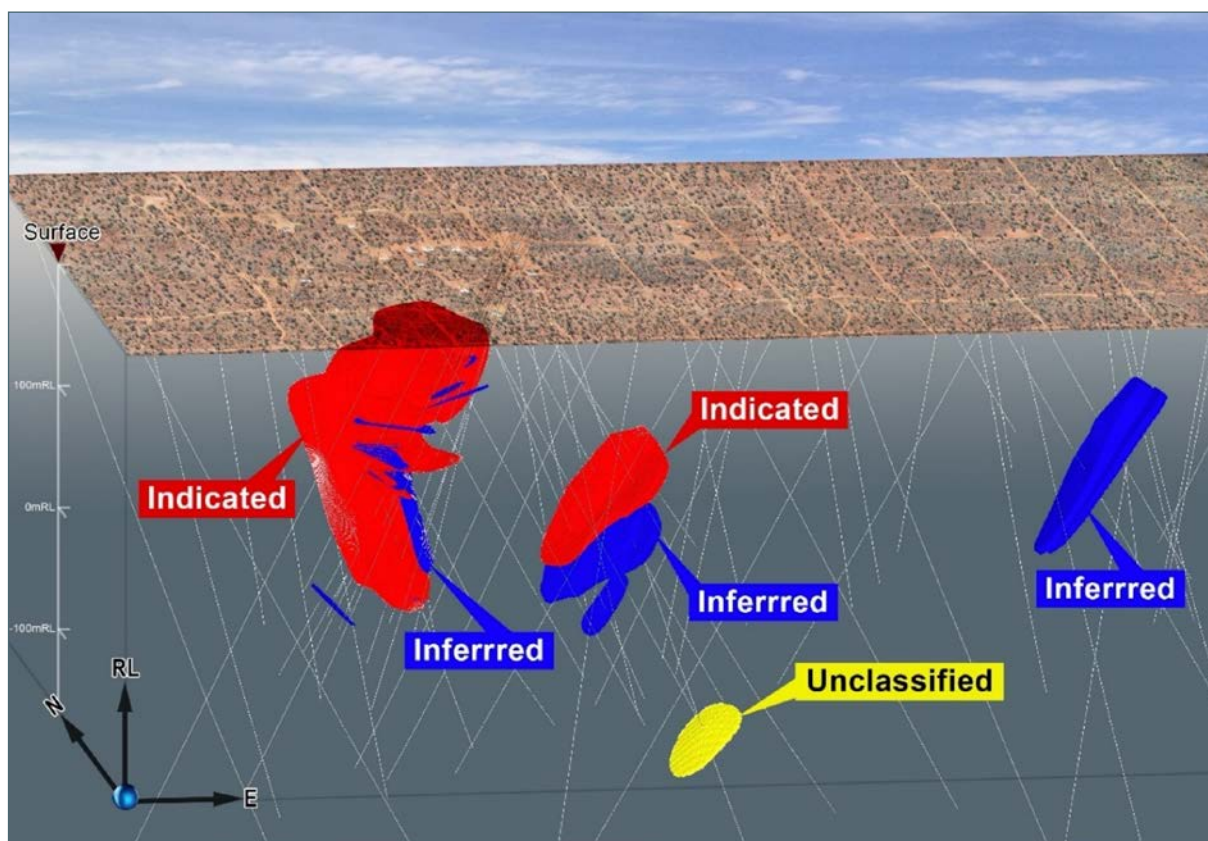


Figure 13: Mawson Mineral Resource Classification – oblique view facing north-west



Directors' Review of Activities

OCTAGONAL PROSPECT

HiSeis was engaged by Legend to conduct a 3D seismic survey at the highly prospective Octagonal prospect within the Rockford Project, Fraser Range, WA (see Figures 2 and 14). The aim of the survey was to define the architecture of the Octagonal Intrusive Complex in relation to the stratigraphic package, to a depth of investigation of a minimum 1500m below surface. The decision to conduct this +\$1M survey was based on the results Legend is generating from the drilling of seismic targets at the Mawson prospect.

HiSeis mobilised to site in mid-October 2022 to commence the data acquisition phase of the 3D seismic survey, which was completed by the end of November 2022. Processing of the data and delivery of the final 3D model is scheduled for April 2023.

On receipt of the results of this 3D seismic survey, Legend will conduct an intensive process of

interrogation, including incorporation of existing geophysical, geological, geochemical, and structural datasets with the aim to define and rank new diamond drilling targets for the 2023 field season at Octagonal.

Octagonal Prospect Background

The Octagonal Intrusive Complex ("Octagonal") was originally targeted by the Creasy Group due to its distinctive "eye" aeromagnetic feature, which has remarkably similar shape and size characteristics with the Nova "eye" (see Figure 15). Soil sampling and aircore drilling across Octagonal returned anomalous Ni-Cu values and identified highly favourable Ni-Cu host rocks including olivine gabbro-norite, troctolite, peridotite, gabbro-norite and norite. RC and diamond drilling was then undertaken, mainly on the south-eastern and southern margins of the intrusive complex targeting EM conductors and IP features.

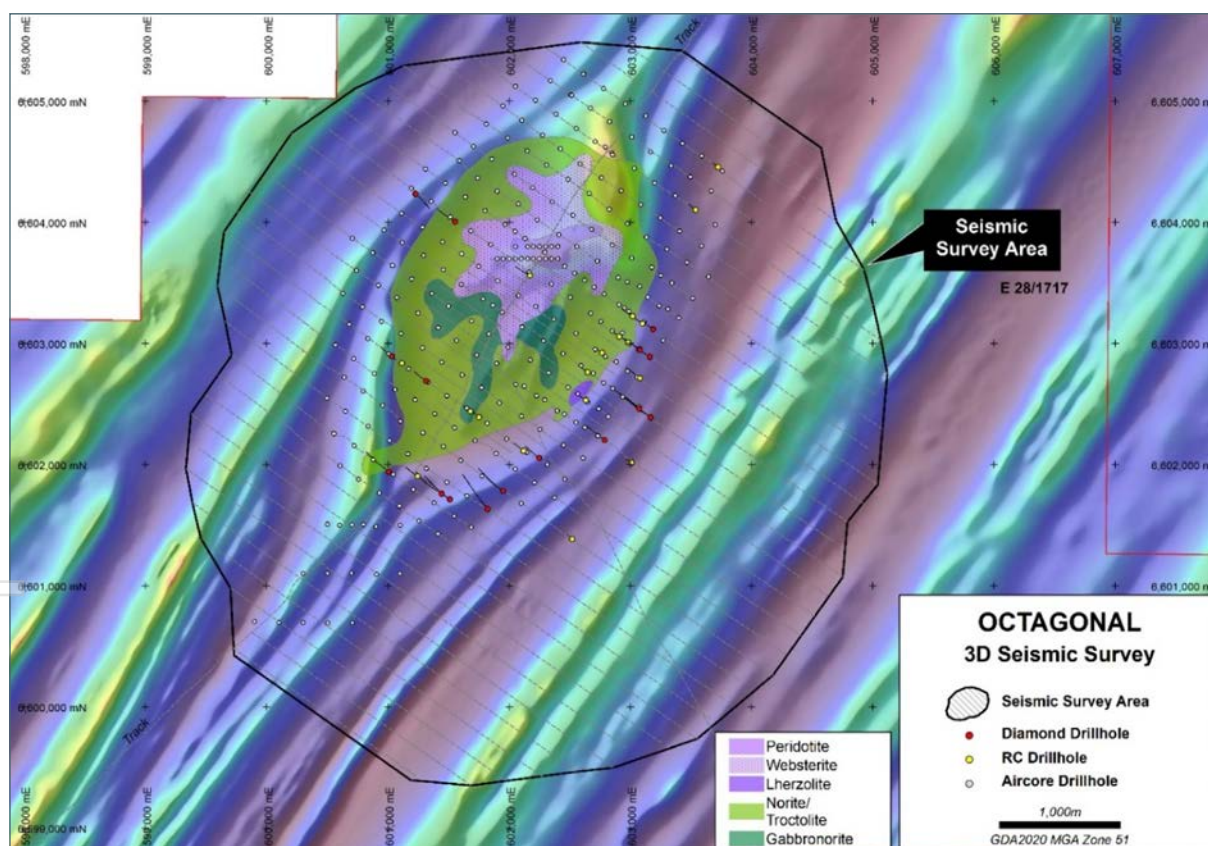


Figure 14: 3D Seismic Survey lines across the Octagonal Intrusive Complex with geology map

Directors' Review of Activities

Significantly, the RC and diamond drilling intersected multiple intervals of massive, semi-massive, net textured, stringer and disseminated pyrrhotite-pentlandite-chalcopyrite sulphides associated with the mafic/ultramafic intrusives. The mineralisation identified to date is discontinuous, however it demonstrates all the characteristics of a fertile magmatic Ni-Cu sulphide system, akin to the known deposits of Nova-Bollinger and Silver Knight in the

Albany-Fraser Belt. Significantly, Octagonal sits within the same structural corridor that hosts the Nova and Silver Knight intrusions and Ni-Cu-Co deposits.

Legend drilled its first diamond hole into the Octagonal Intrusive Complex in August 2021 (see ASX Announcement 20th September 2021 and Photo 9 below).

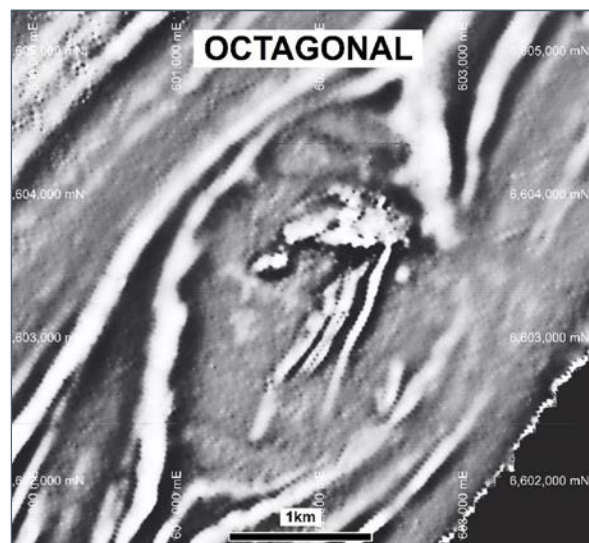
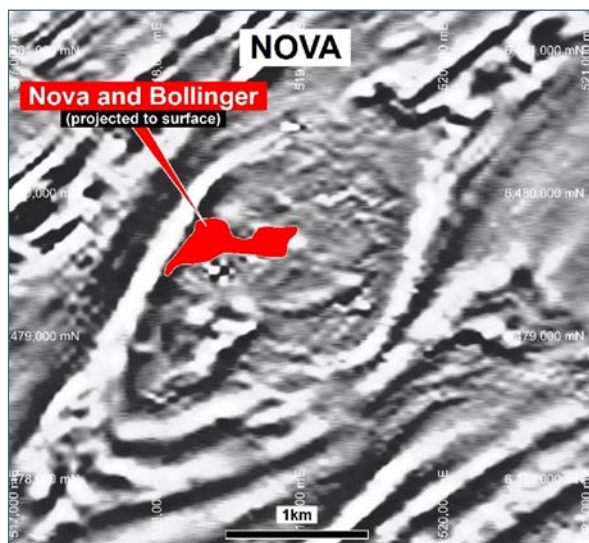


Figure 15: Nova AMAG 'eye feature' left and Octagonal AMAG 'eye feature' right (scale 1:1)



Photo 9: Ni-Cu sulphide mineralisation from OCDD001 from 545.2m and 579.5m at the Octagonal Prospect

Directors' Review of Activities

REGIONAL ROCKFORD

A total of 238 aircore holes (RKAC1480-1717) for 18,571m and innovative EM surveys have been completed for the 2022 field season over selected areas within the greater Rockford Project (see Figure 16).

The completed drilling was targeting a combination of aeromagnetic and gravity features interpreted to represent ultramafic and mafic intrusives within the same structural domain as Mawson. This domain is characterised by an elevated gravity and low magnetic response which extends southwest and northeast of Mawson and has only been tested with limited aircore drilling to date. Encouragingly, prospective mafic and ultramafic host rocks were encountered across target areas. Detailed analysis, including geochemical ranking and petrology is ongoing.

Newly identified Areas W, X, and Y are discussed in detail below and significant assay results from these Areas are detailed in Table 3.

Area W

Area W was selected for first pass aircore drilling targeting a folded "eye" like feature in aeromagnetic data. The drilling intersected anomalous nickel and copper associated with olivine bearing websterite in multiple drillholes, within a regional metasedimentary package. The assay result from RKAC1566 of 12m @ 0.1% and 0.09%Cu from 58m in a favourable ultramafic host rock is an encouraging first pass result. Geochemically, three wide-spaced aircore drillholes across Area W display the key indicator elements associated with fertile Ni-Cu intrusions when plotted against the fertile intrusion datasets of the Fraser Range including Nova, Mawson, and Octagonal (see Figures 17, 18 and 19).

Innovative high power MLTEM surveying over the area identified a deep, poorly constrained conductor located west south-west of the anomalous aircore holes. Follow up FLTEM surveying to better define the feature identified a conductor plate with modelled parameters of ~300m x 300m in size, with a conductance of 2,500-4,500S at a depth of 600-650m (see Table 4). Further evaluation of this conductor and anomalous aircore geochemistry is planned.

Area X and Area Y

First pass aircore drilling was completed over Area X and Area Y, located 5-10km directly south-west of Mawson, targeting a combination of aeromagnetic and gravity features. The drilling has intersected extensive ultramafic and mafic intrusives including olivine websterite and gabbro-norite, visually similar to those which host Ni-Cu mineralisation at Mawson. Geochemistry supports the visual assessment that these identified intrusions plot on or proximal to prospective trends as defined in Figures 17, 18, and 19. Given the wide-spaced nature of first pass aircore, these results are encouraging as early indications suggest a potential cluster of newly identified fertile Ni-Cu intrusions.

Infill aircore and high-power moving loop electromagnetic surveying is planned to further evaluate Areas W, X, and Y.

Table 3: Aircore Drill Assays >0.05% Ni

Hole	From	To	Int	Ni%	Cu%	Co%	Cr%	Fe%
RKAC1491	54	66	12	0.06	0.01	0.01	0.09	10.83
RKAC1498	63	67	4	0.05	0.02	0.01	0.04	11.11
RKAC1509	79	83	4	0.05	0.01	0.01	0.14	12.66
RKAC1510	80	112	32	0.05	0.02	0.01	0.14	10.50
RKAC1566	58	70	12	0.10	0.09	0.02	0.38	15.11
RKAC1571	58	66	8	0.06	0.02	0.02	0.20	15.00
RKAC1605	65	68 EOH	3	0.05	0.06	0.01	0.02	9.09

Directors' Review of Activities

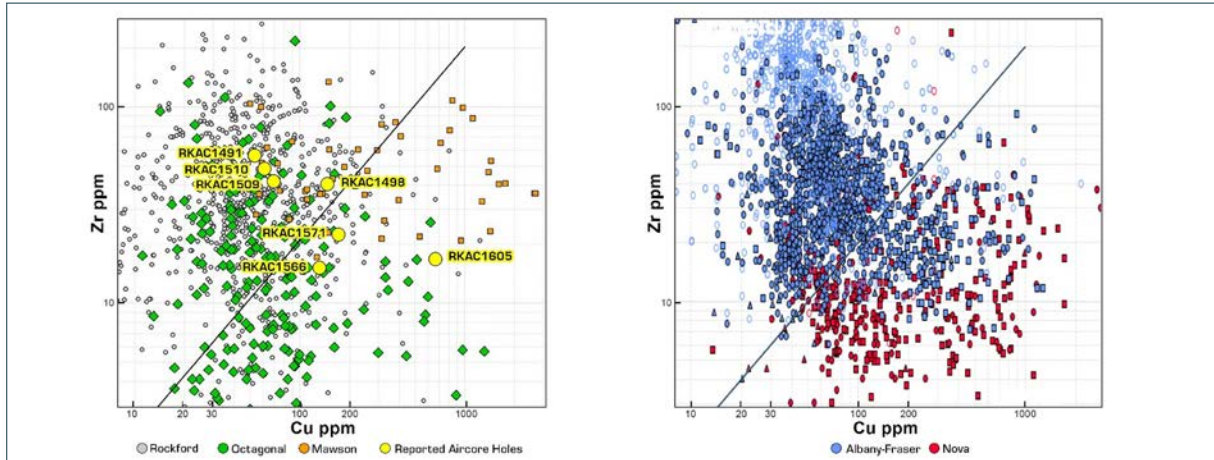


Figure 17: Zr vs Cu for Table 3 bottom of hole aircore for Areas W, X, Y and Fraser Range mafics compared with the Nova, Mawson, and Octagonal mineralised intrusions. Mineralised intrusion samples are defined by Zr-Cu values on the Cu-rich side of the mantle line. These compositions are interpreted as fractionated sulphide magmas which have the ability to form orebodies. *

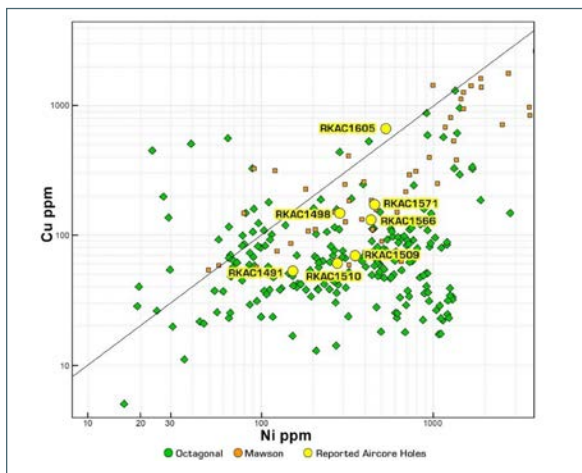


Figure 18: Cu vs Ni plot highlighting Table 3 bottom of hole aircore drillholes from Areas W, X, and Y compared to known mineralised intrusions of Mawson and Octagonal.

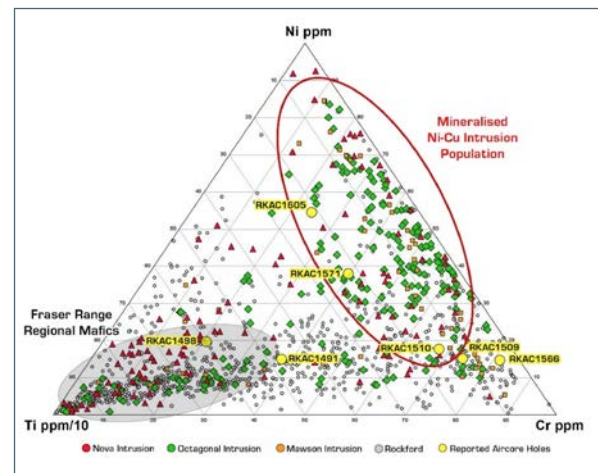


Figure 19: Ni-Cr-Ti plot comparing mineralised intrusion of Nova, Mawson, and Octagonal with Table 3 bottom of hole aircore samples for Areas W, X, and Y. Plot of immobile elements applicable as a proxy in the weathered environment to identify prospective mineralised intrusions. *

* Figures 15 & 17 data sourced from WAMEX open file No.96247. Geochemical plots referenced from *Lithogeochemistry in exploration for intrusion-hosted magmatic Ni-Cu-Co deposits*, Stephen J Barnes 2022.

EM Surveying

Following a review of regional aeromagnetic and gravity datasets, previous aircore drilling, and lithological domain mapping, 12 areas were selected for follow up with innovative high power electromagnetic surveying. The fifth of the twelve

areas was completed in the December 2022 Quarter. Conductors have been identified at the first four areas surveyed (see Table 4 and Figure 16). This technique has proven successful in detecting conductive bodies beneath thick, conductive transported cover for Legend across the Rockford Project.

Directors' Review of Activities

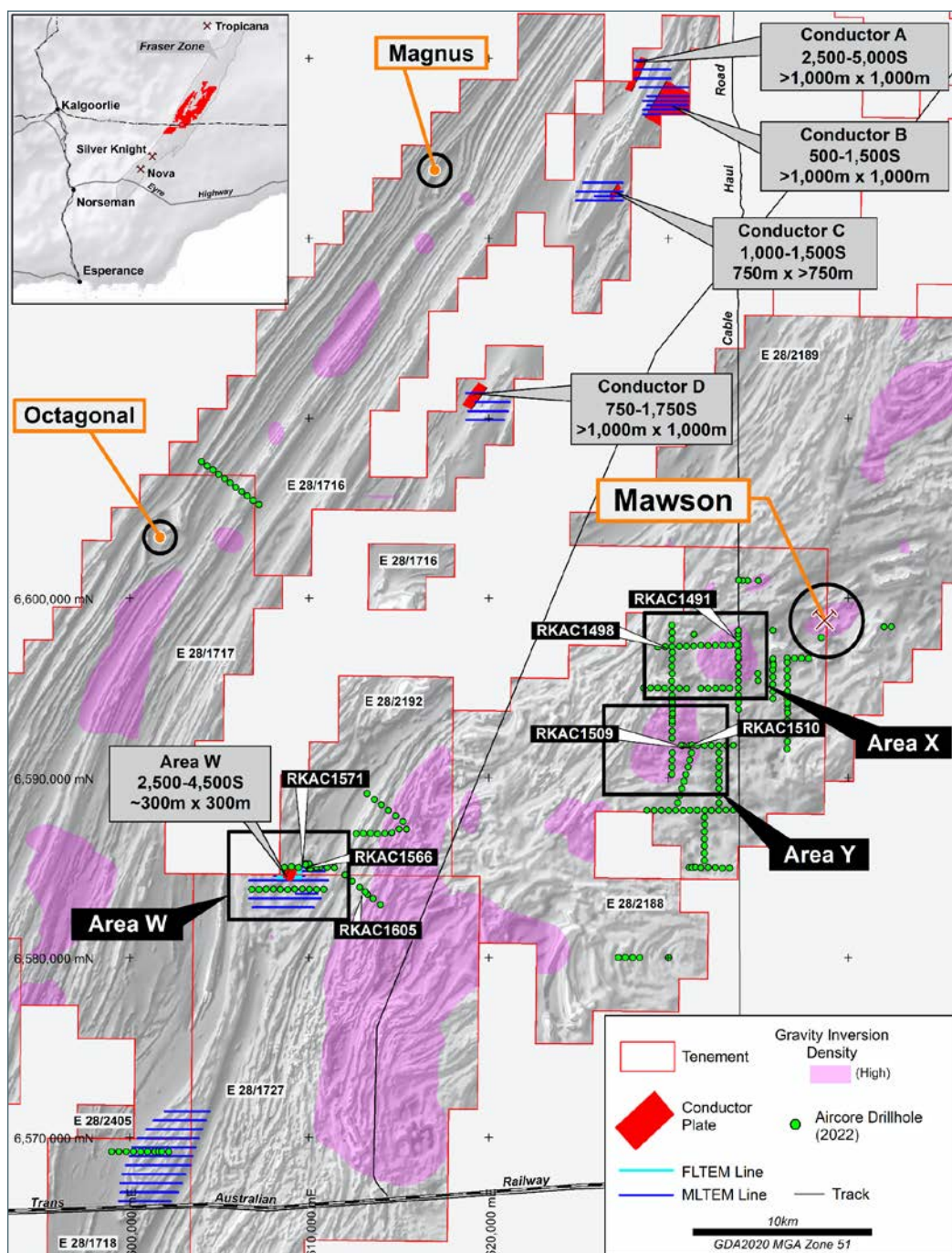


Figure 16: Aircore and EM activity over aeromagnetic image and gravity inversion highs

Table 4: Modelled MLTEM/FLTEM Conductor Parameters

Conductor	Conductance	Dimensions	Depth to Top	Plate Orientation	Plate Dip
Conductor A	2,500-5,000S	>1,000m x 1,000m	75-125m	NE-SW	55-750 NW
Conductor B	500-1,500S	>1,000m x 1,000m	50-100m	NE-SW	30-500 SE
Conductor C	1,000-1,500S	750m x >750m	50-75m	NNE-SSW	65-750 ESE
Conductor D	750-1,750S	>1,000m x 1,000m	75-125m	NE-SW	65-750 NW
Area W (FLTEM)	2,500-4,500S	~300m x 300m	600-650m	NE-SW	20-400 SE

Directors' Review of Activities

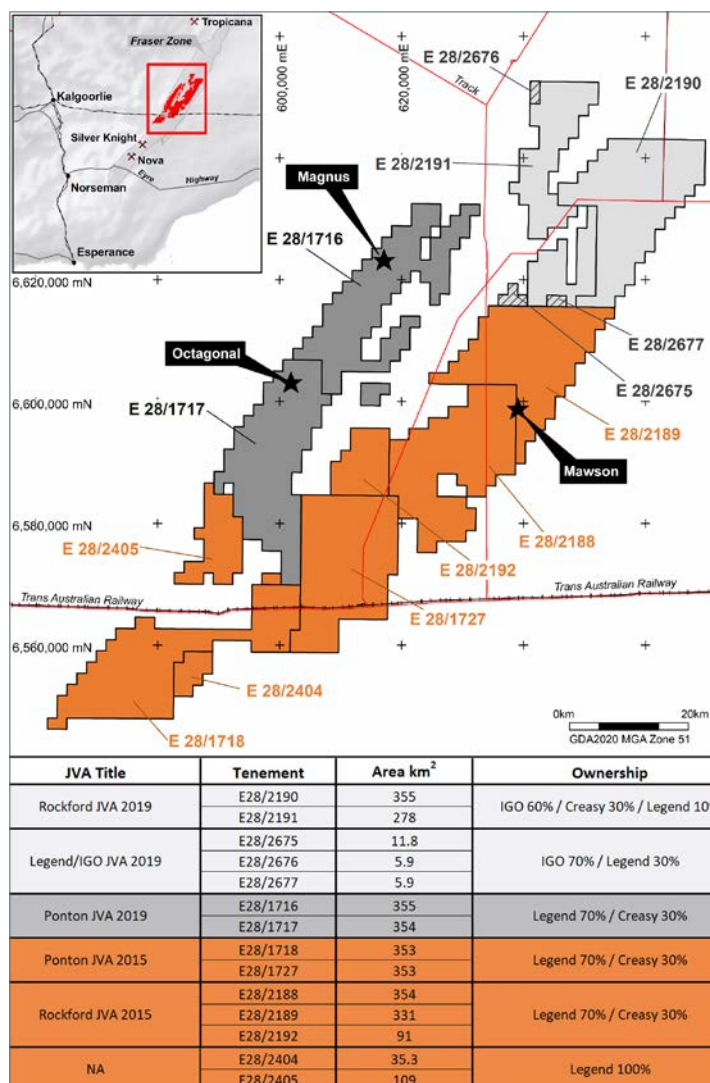


Figure 20: Rockford Project – Tenure Including Joint Ventures

COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Mr Oliver Kiddie, a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of Legend Mining Limited. Mr Kiddie 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 Kiddie consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Legend's Exploration Results is a compilation of previously released to ASX by Legend Mining (15 February 2022, 17 March 2022, 11 April 2022, 9 June 2022, 29 July 2022, 17 August 2022, 15 September 2022, 17 November 2022) and Mr Oliver Kiddie consent to the inclusion of these Results in this report. Mr Kiddie have advised that this consent remains in place for subsequent releases by Legend of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. Legend confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters in the market announcements continue to apply and have not materially changed. Legend confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

The information in this report that relates to Legend's Mineral Resource for the Mawson Deposit is a compilation of a previously reported release to ASX by Legend Mining on 2 February 2023 and Mr Shaun Searle's consent to the inclusion of Legend's Mineral Resource for the Mawson Deposit in that report. Mr Searle has advised that this consent remains in place for subsequent releases by Legend of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. Legend confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters in the market announcement continue to apply and have not materially changed. Legend confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

Directors' Review of Activities

CORPORATE

Director Appointment

On 6 September 2022, Legend bolstered its team with the appointment of experienced corporate and mining lawyer, Hilary Macdonald, as a non-executive director. Ms Macdonald's previous experience as Legend's external legal adviser gives her an invaluable insight into Legend, its people and the Rockford Project. For further details on Ms Macdonald, please see the Directors' Report.

Jindal Receivable

Legend received the final principal payment owing from Jindal of \$500,000 at the end of March 2022. The total amount of interest on delayed payments received from Jindal for the period of December 2015 to March 2022 was \$656,803.

Lapse of Options

On 11 July 2022, 102,217,540 unlisted options exercisable at 7.2 cents lapsed unexercised. In addition, 44,743,571 unlisted options exercisable at 7.2 cents lapsed unexercised on 30 September 2022.

Change of Directors Interest

Late in December 2022 and early in January 2023, the Company's Managing Director, Mark Wilson, increased his interests in the Company by the acquisition on-market of 2,500,000 ordinary shares, increasing his relevant interest in the Company to 177,248,200 ordinary shares, being a 6.43% interest in the Company.

Options Vesting

During the year, 1.5 million zero exercise price options issued to Mr Oliver Kiddie in August 2020, vested on their terms in the September 2022 Quarter. The expiry date of these options is 10 August 2025.

R&D refund received

Legend lodged its FY2022 tax return in December 2022 and in late December 2022 received a Research and Development Cash Refund from the Australian Taxation Office of \$2.93 million.

Annual General Meeting

On 29 April 2022, the 2022 Annual General Meeting was held in compliance with the Australian government's restrictions on public gatherings at that time. Due to the COVID-19 situation at that time, shareholders attended the meeting in person and online. All resolutions considered at the 2022 Annual General Meeting were passed on a poll.

The 2023 Annual General Meeting is planned to be held at 3.00pm on Friday, 5 May 2022. All AGM resolutions will be decided on a poll.



Directors' Report

For the year ended 31 December 2022

The Directors submit their report for the year ended 31 December 2022.

1. DIRECTORS

The names and details of the Company's directors in office during the financial year 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)

Oliver Kiddie (Executive Director)

On 6 September 2022, Hilary Macdonald was appointed as an independent Non-Executive Director of the Company.

2. INFORMATION ON DIRECTORS AND COMPANY SECRETARY

Michael Atkins, BComm FAICD, is a Fellow of the Australian Institute of Company Directors and was previously a Fellow of the Institute of Chartered Accountants in Australia. Since 1987 he has been involved in the executive management and as a non-executive Chairman of numerous publicly listed resource companies with operations in Australia, USA, South East Asia and Africa, including as managing director of Claremont Petroleum NL and Beach Petroleum NL during their reconstruction phase, and as founder and executive chairman of Botswana gold company Gallery Gold Ltd. Michael has been non-executive Chairman of numerous ASX listed companies, including Westgold Resources and Azumah Resources. Until November 2022 he was a Senior Corporate Advisor to Canaccord Genuity (Australia) Ltd. He is currently a non-executive chairman of Castle Minerals Ltd, and a non-executive director of SRG Global Limited, all ASX listed entities, and a non-executive director of Warrego Energy Limited (delisted from the ASX on 9 March 2023). Mr Atkins has not held any other former public company directorships in the last three years.

Mark Wilson, MIEAust CPEng, is a Member of the Institution of Engineers, Australia and a Chartered Professional Engineer with an Associateship in Civil Engineering from Curtin University in Western Australia. He has an extensive business background, mainly in corporate management and project engineering. This has included site management of remote construction projects and ten years of commercial construction as a founding proprietor of a Perth based company. Since 1995 he has held executive, non-executive, consulting and owner roles in resource focused companies. Mr Wilson has not held any former public company directorships in the last three years.

Oliver Kiddie, BSc App Geol, MAusIMM, MAICD, is a geologist with over 20 years' experience across exploration, resource definition, project development, and production throughout Australia and internationally. He has extensive experience in base metal and gold exploration through senior management and executive positions, working for companies including Dominion Mining, European Goldfields, and most recently as GM Exploration for the Creasy Group. He led the exploration team of the Fraser Range project for the Creasy Group, including the discovery, resource definition, and mining lease application for the Silver Knight Ni-Cu-Co deposit. Mr Kiddie possesses a strong corporate background having managed numerous transactions and joint ventures as key responsibilities of senior management and executive positions. Mr Kiddie is a member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Company Directors. Mr Kiddie has not held any former public company directorships in the last three years.

Hilary Macdonald LLB (HONS), FGIA (appointed 6 September 2022) is a lawyer with 30 years' experience in private practice and industry in the UK and Australia, with particular focus on corporate and mining law. A law graduate of Bristol University, England, Ms Macdonald qualified as a solicitor in London and was admitted to the Supreme Court of England and Wales in 1990, and to the Supreme Court of Western Australia in 1995. Ms Macdonald was Legend Mining's external legal adviser from 2005-2016, prior to her current, continuing role as Northern Star Resources Ltd's Chief Legal Officer and Company Secretary. Ms Macdonald has been instrumental in many project and company acquisitions, divestments and capital raisings. Hilary also brings extensive ASX listed company experience in leadership, safety culture, risk and governance, executive remuneration, people & culture, sustainability and stakeholder relationships. Ms Macdonald has not held any former public company directorships in the last three years.

Tony Walsh, BComm, MBA, FCIS, FCA was appointed Company Secretary effective on 12 December 2016. Mr Walsh has over 35 years experience in dealing with listed companies, ASX, ASIC and corporate transactions including 14 years with the ASX in Perth where he acted as ASX liaison with the JORC committee, four years as Chairman of an ASX listed mining explorer and as a director of a London AIM listed explorer. Tony is also currently Company Secretary of Great Western Exploration Limited and was Company Secretary of Battery Minerals Mining Ltd and a Director of XCD Energy Limited until his resignation in November 2022 and July 2021 respectively. Mr Walsh is a member of the Australian Institute of Company Directors, a Fellow of the Governance Institute of Australia, the Institute of Chartered Secretaries and the Institute of Chartered Accountants in Australia. He is currently a non-executive chair of the Board of the Women's and Infants Research Foundation.

Directors' Report

For the year ended 31 December 2022

3. EARNINGS PER SHARE

Basic loss per share: 0.0526cents

Diluted loss per share: 0.0526cents

4. DIVIDENDS

No dividend has been paid or recommended during the financial year.

5. CORPORATE INFORMATION

Corporate Structure

Legend Mining Limited is a Company limited by shares that is incorporated and domiciled in Australia. Legend Mining Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. During the year, Legend Mining Limited had one wholly owned subsidiary, Legend Cameroon Pty Ltd. In July 2022, Legend Cameroon Pty Ltd was deregistered and thus as at the date of this report, Legend Mining do not have a subsidiary.

Nature of Operations and Principal Activities

The principal activities during the year of the entities within the consolidated entity were:

- exploration for nickel and copper deposits in Australia.

Employees

The consolidated entity had a staff of nine employees at 31 December 2022 (2021: fourteen employees).

6. OPERATING AND FINANCIAL REVIEW

Results of Operations

The net loss after income tax of the consolidated entity for the year was \$1,491,051 (2021: loss of \$66,179).

Review of Operations

The Directors' Review of Activities for the year ended 31 December 2022 is contained on pages 3 to 22 of the Annual Report.

Summarised Operating Results

Deferred Exploration Costs: Total acquisition costs and deferred expenditure on tenements capitalised during the year, net of amounts reimbursed through the research and development incentive grant amounted to \$5,246,355 (2021: \$12,633,443).

7. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes during the year.

8. ENVIRONMENTAL REGULATION AND PERFORMANCE

The consolidated entity's operations are subject to various environmental regulations under both Commonwealth and State legislation in Australia. The Directors have complied with these regulations and are not aware of any breaches of the legislation during the financial year which are material in nature.

9. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in the operations of the consolidated entity and expected results of those operations in subsequent financial years have been discussed, where appropriate, in the Chairman's Report and Review of Activities.

10. SHARE OPTIONS

Unissued shares

As at the date of this report, there were 8,250,000 unissued ordinary shares under options. Refer to note 17 for further details of the options outstanding on 31 December 2022.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of the exercise of options

There were Nil shares issued as a result of the exercise of options during the financial year. See note 17 for full details.

Directors' Report

For the year ended 31 December 2022

11. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 13 January 2023, 750,000 ESOP options lapsed on their own terms because the conditions have not been, or have become incapable of being, satisfied.

No other matters or circumstance has arisen since the end of the financial year which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

12. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has not, during or since the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate:

- (i) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- (ii) paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

13. INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

14. REMUNERATION REPORT (AUDITED)

The compensation arrangements in place for key management personnel of Legend are set out below:

Details of key management personnel

Directors

M Atkins	Chairman (non-executive)
M Wilson	Managing Director
O Kiddie	Executive Director
H Macdonald	Director (non-executive appointed 6 September 2022)

Compensation Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

The Company embodies the following principle in its compensation framework:

- Provide competitive rewards to attract high-calibre executives.

Group Performance

- The Group's financial performance for the last five years has been as follows:

	December 2022	December 2021	December 2020	December 2019	December 2018
Revenue	\$218,247	\$132,577	\$262,488	\$231,690	\$223,469
Net loss after tax	(\$1,491,051)	(\$66,179)	(\$1,062,610)	(\$401,801)	(267,602\$1,)
Basic loss per share (cents per share)	(0.0526)	(0.0023)	(0.0383)	(0.0152)	(0.062)
Diluted loss per share (cents per share)	(0.0526)	(0.0023)	(0.0383)	(0.0152)	(0.062)
Net assets	\$52,156,821	\$53,521,982	\$49,863,081	\$24,795,193	\$13,082,152
Share price (at balance date)	\$0.040	\$0.058	\$0.115	\$0.09	\$0.03

As the Group is currently in exploration and evaluation phases, historical earnings are not yet an accurate reflection of Group performance and cannot be used as a long-term incentive measure. Consideration of the Group's earnings will be more relevant as the Group matures.

Remuneration Committee

Due to the size of Legend, remuneration is considered by the full Board. The Board reviews remuneration packages and policies applicable to the directors and senior executives. Remuneration levels are competitively set to attract the most qualified and experienced directors and senior executives.

Directors' Report

For the year ended 31 December 2022

14. REMUNERATION REPORT (CONTD)

Compensation Structure

In accordance with best practice corporate governance, the structure of non-executive director and other senior manager remuneration is separate and distinct.

Objective of Non-Executive Director Compensation

The Board seeks to set aggregate compensation at a level that provides the company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

Structure of Non-Executive Director Compensation

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The latest determination was at the Annual General Meeting held on 16 May 2012 when shareholders approved the aggregate remuneration for non-executive directors of \$300,000 per year.

The amount of aggregate compensation sought to be approved by shareholders and the manner in which it is apportioned amongst non-executive directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Objective of Executive Director Compensation

The company aims to reward executives with a level and mix of compensation commensurate with their position and responsibilities within the company and so as to:

- reward executives for Company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders; and
- ensure total compensation is competitive by market standards.

Structure of Executive Director Compensation

In determining the level and make-up of executive compensation, the Board may engage external consultants to provide independent advice. No external advice was obtained during the 2022 year.

It is the Board's policy that an employment contract is entered into with key executives.

Compensation consists of a fixed compensation element and the issue of options from time to time at the directors' discretion under the Employee Share Option Plan. Any issue of options to directors under the Employee Share Option Plan requires prior shareholder approval.

Fixed Compensation

Fixed compensation is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative compensation in the market and internally and, where appropriate, external advice on policies and practices. No external advice was obtained during the 2022 year.

Structure

Executive Directors are given the opportunity to receive their fixed (primary) compensation in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Employment Contracts

Mr Mark Wilson, is employed under contract. The current contract commenced on 1 July 2011 and is effective until terminated in accordance with the contract. The significant terms of the contract are:

- Mr Wilson receives remuneration of \$360,000 per annum exclusive of superannuation;
- Mr Wilson may resign from his position and thus terminate his contract by giving one month written notice;
- The company may terminate Mr Wilson's employment contract by providing six months' written notice if the position has become redundant, or three months' written notice in all other circumstances; and
- The Company may terminate Mr Wilson's contract at any time without notice if serious misconduct has occurred.

Directors' Report

For the year ended 31 December 2022

14. REMUNERATION REPORT (CONTD)

Mr Michael Atkins, is employed under contract. The current contract commenced on 1 July 2012 and is effective until terminated in accordance with the contract. The significant terms of the contract are:

- Mr Atkins receives remuneration of \$90,000 per annum exclusive of superannuation;
- Mr Atkins' agreement provides for engagement of consultancy services outside of the scope of the ordinary duties of a non-executive chairman. In addition to the director's fees above, Mr Atkins is paid \$2,000 per day (inclusive of superannuation) for the provision of these consultancy services.
- Mr Atkins' appointment is contingent upon satisfactory performance and successful re-election by shareholders of the Company;
- Mr Atkins may resign from his position and thus terminate his engagement by giving written notification of his resignation as a director; and
- The Company may terminate Mr Atkins' engagement by way of resolution of the Company's shareholders.

Mr Oliver Kiddie, (Executive Director effective from 10 August 2021), is employed under contract. The current contract commenced on 10 August 2021 and is effective until terminated in accordance with the contract. The significant terms of the contract are:

- Mr Kiddie receives remuneration of \$300,000 per annum exclusive of superannuation;
- Mr Kiddie may resign from his position and thus terminate his contract by giving three months' written notice;
- The Company may terminate Mr Kiddie's employment contract by providing three months' written notice if the position has become redundant, or one months' written notice in all other circumstances; and
- The Company may terminate Mr Kiddie's contract at any time without notice if serious misconduct has occurred.

Ms Hilary Macdonald is employed under contract. The current contract commenced on 6 September 2022 and is effective until terminated in accordance with the contract. The significant terms of the contract are:

- Ms Macdonald receives remuneration of \$50,000 per annum exclusive of superannuation;
- Ms Macdonald's appointment is contingent upon satisfactory performance and successful election and then subsequent re-election by shareholders of the Company;
- Ms Macdonald may resign from her position and thus terminate her engagement by giving written notification of her resignation as a director; and
- The Company may terminate Ms Macdonald's engagement by way of resolution of the Company's shareholders.

Employee Share Option Plan

The Board has in place an Employee Share Option Plan (ESOP) allowing share options to be issued to eligible employees in order to provide them with an incentive to provide growth and value to all shareholders.

At the 2020 Annual General Meeting (AGM) on 14 May 2020, shareholders approved the implementation of the current Employee Share Option Plan. A summary of the current Employee Share Option Plan was included in the 2020 Notice of AGM. At the 2023 Annual General Meeting (AGM) scheduled for 5 May 2023, the Company intends to seek shareholder approval for the renewal of the Employee Share Option Plan.

Award of share options under the ESOP is linked directly to achievement of strategic Company objectives such as share price growth.

Share-based Payments

During the year the Company granted Nil incentive options as part of their remuneration. On 26 March 2021, 1.25 million zero exercise price options expiring on 10 August 2025 issued under the Company's Employee Incentive Plan Rules approved at the 2021 AGM (ESOP) to staff as follows:

- 1,250,000 zero exercise price options vesting when the 20-day VWAP of share is greater than the Vesting Price of 28 cents per share for a minimum period of 20 continuous ASX trading days during the life of the zero exercise price options, subject to the employees remaining in employment during the vesting period and other terms and conditions determined by the Company's ESOP (Incentive Options Class C). The vesting period, being the period over which the options are expensed, is based on the initial estimate of the vesting period when the options were granted.

Directors' Report

For the year ended 31 December 2022

14. REMUNERATION REPORT (CONTD)

Compensation of Key Management Personnel for Years Ended 31 December 2022 and 31 December 2021

Name	Year	Short term Salary and Fees ⁽¹⁾	Post-Employment Super-annuation	Long-term benefits Long Service Leave	Share based payments options	Total	Compensation granted as options	Performance related remuneration
		\$	\$	\$	\$	\$	%	%
Director								
M Atkins	2022	90,000	9,225	-	-	99,225	-	-
	2021	90,000	8,775	-	-	98,775	-	-
M Wilson	2022	349,919	27,581	6,000	-	383,501	-	-
	2021	374,769	26,250	6,500	-	407,519	-	-
O Kiddie	2022	308,923	28,932	-	9,145	346,999	3	-
	2021	313,846	29,250	-	435,418	778,514	56	-
H Macdonald	2022	16,536	1,253	-	-	17,789	-	-
	2021	-	-	-	-	-	-	-
Total	2022	765,378	66,991	6,000	9,145	847,514	-	-
	2021	778,615	64,275	6,500	435,418	1,284,808	-	-

(1) Short term salary and fees includes net movements in annual leave provisions.

Option holdings of Key Management Personnel

Movement of options held in Legend Mining Limited during the year ended 31 December 2022

Name	Balance at beginning of year 1 Jan 2022	Granted as Remuneration	Exercised during the year	Net Change Other	Balance at end of year 31 Dec 2022	Not Vested & Not Exercisable	Vested & Exercisable
Directors							
M Atkins	-	-	-	-	-	-	-
M Wilson	-	-	-	-	-	-	-
O Kiddie	7,000,000	-	-	-	7,000,000	4,000,000	3,000,000
H Macdonald	-	-	-	-	-	-	-
Total	7,000,000	-	-		7,000,000	4,000,000	3,000,000

Shareholdings of Key Management Personnel⁽¹⁾

Movement of shares held in Legend Mining Limited during the year ended 31 December 2022

Name	Balance 1 Jan 22	Granted as remuneration	On exercise of options	Net change other ⁽²⁾	Balance 31 Dec 2022
Directors					
M Atkins (Windamurah P/L), (Alkali Exploration P/L)	17,108,334	-	-	-	17,108,334
M Wilson (Chester Nominees WA P/L) (Mrs MM Wilson)	174,748,200	-	-	2,490,535	177,238,735
O Kiddie (held by spouse: LSJ Windsor)	3,000,000	-	-	-	3,000,000
H Macdonald	-	-	-	408,163	408,163
Total	194,856,534	-	-	2,898,698	197,755,232

(1) Includes shares held directly, indirectly and beneficially by KMP.

(2) Mark Wilson: On-market purchases and sales made during the year. Hilary Macdonald: Shares held when appointed on 6 September 2022.

END OF REMUNERATION REPORT

Directors' Report

For the year ended 31 December 2022

15. DIRECTORS' MEETINGS

The number of Meetings of Directors held during the year and the number of Meetings attended by each Director was as follows:

Name	No. of Board Meetings Attended	No. of Meetings Held Whilst A Director	No of Audit Committee Meetings Attended	No of Audit Committee Meetings Held
Attended by:				
Michael Atkins	9	9	2	2
Mark Wilson	9	9	2	2
Oliver Kiddie	9	9	2	2
Hilary Macdonald	3	3	0	0

16. DIRECTORS' INTERESTS

The relevant interest of each director in the shares and options issued by the company in accordance with the Corporations Act 2001, at the date of signing this report is as follows:

Name	Ordinary shares	Options over ordinary shares
M Atkins (Windamurah P/L), (MW Atkins)	17,108,334	-
M Wilson (Chester Nominees WA P/L) (Hostyle Pty Ltd) (SMT Investments WA P/L)	174,748,200	-
O Kiddie (held by spouse LSJ Windsor)	3,000,000	7,000,000
H Macdonald	408,163	-

17. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Non-audit services

There were no non-audit services provided by the Company's auditor, Ernst & Young during the 2022 financial year.

We have received the Declaration of Auditor Independence from Ernst & Young, the Company's Auditor. This is available for review on page 56 and forms part of this report.

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



Mark Wilson
Managing Director

Dated this 16th day of March 2023

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

	Note	2022 \$	2021 \$
Finance revenue	4(a)	218,247	132,577
Income on recovery of receivable	9	500,000	1,500,000
Other Income	4(b)	13,074	26,696
Employee benefit expenses	4(c)	(285,134)	(232,132)
Financial expenses	4(d)	(2,261)	(3,921)
Other expenses	4(d)	(80,812)	(67,762)
Corporate and administration expenses	4(e)	(1,116,343)	(944,799)
Share-based payments expense	16	(225,890)	(546,638)
Loss before income tax		(979,119)	(135,979)
Income tax benefit/(expense)	6	(511,932)	69,800
Net loss for the year attributable to Members of Legend Mining Limited		(1,491,051)	(66,179)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to Members of Legend Mining Limited		(1,491,051)	(66,179)
EARNINGS PER SHARE (cents per share)			
Basic loss per share	5	(0.0526)	(0.0023)
Diluted loss per share	5	(0.0526)	(0.0023)

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8	12,710,577	18,258,467
Receivables	9	160,773	33,907
Other financial assets	10	100,000	100,000
Total Current Assets		<u>12,971,350</u>	<u>18,392,374</u>
Non-current Assets			
Other financial assets	10	5,775	5,775
Property, Plant and Equipment	11	572,204	762,719
Right of use assets		62,822	104,611
Deferred exploration costs	12	40,175,915	34,929,556
Total Non-current Assets		<u>40,816,716</u>	<u>35,802,661</u>
TOTAL ASSETS		<u>53,788,066</u>	<u>54,195,035</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	13	710,692	327,465
Employee benefit provisions	14	173,671	179,410
Lease liability		43,821	90,257
Total Current Liabilities		<u>928,184</u>	<u>597,132</u>
Non-current Liabilities			
Employee benefit provisions	14	153,302	141,635
Lease liability		19,918	16,377
Deferred tax liability	6	529,841	17,909
Total Non-current Liabilities		<u>703,061</u>	<u>175,921</u>
TOTAL LIABILITIES		<u>1,631,245</u>	<u>773,053</u>
NET ASSETS		<u>52,156,821</u>	<u>53,421,982</u>
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	15	101,451,503	101,451,503
Share option premium reserve	16	24,624,327	24,398,437
Accumulated losses		(73,919,009)	(72,427,958)
TOTAL EQUITY		<u>52,156,821</u>	<u>53,521,982</u>

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,147,110)	(1,430,327)
Proceeds from Jindal Receivable		500,000	1,500,000
Interest received		165,377	131,418
Other income		13,074	26,696
Payment for financial assets		(3,121)	(5,213)
Net cash flows from/(used) in operating activities	20(ii)	(471,780)	222,574
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11	(4,652)	(441,454)
Payments for deferred exploration costs		(7,912,201)	(13,112,984)
Receipt of research and development tax incentive grant		2,935,147	3,379,840
Net cash flows used in investing activities		(4,981,706)	(10,174,598)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Capital Raising		-	3,140,000
Payment of transaction costs relating to capital raising		-	(29,543)
Principal elements of lease payments		(94,404)	(91,112)
Net cash flows from financing activities		(94,404)	3,019,345
Net decrease in cash and cash equivalents		(5,547,890)	(6,932,679)
Cash and cash equivalents at the beginning of year		18,258,467	25,191,146
Cash and cash equivalents at end of year	20(i)	12,710,577	18,258,467

The accompanying notes form part of these financial statement

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Contributed Equity	Share Option Premium Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$
At 1 January 2022	101,451,503	24,398,437	(72,427,958)	53,421,982
Loss for the year	-	-	(1,491,051)	(1,491,051)
Total comprehensive loss for the year	-	-	(1,491,051)	(1,491,051)
Issued capital (note 15)	-	-	-	-
Capital raising cost (note 15)	-	-	-	-
Employee and director options (note 16)	-	225,890	-	225,890
At 31 December 2022	101,451,503	24,624,327	(73,919,009)	52,156,821
At 1 January 2021	98,373,061	23,851,799	(72,361,779)	49,863,081
Loss for the year	-	-	(66,179)	(66,179)
Total comprehensive loss for the year	-	-	(66,179)	(66,179)
Issued capital	3,140,000	-	-	3,140,000
Capital raising cost	(61,558)	-	-	(61,558)
Employee and director options	-	546,638	-	546,638
At 31 December 2021	101,451,503	24,398,437	(72,427,958)	53,421,982

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 1: CORPORATE INFORMATION

The consolidated financial statements of Legend Mining Limited and its subsidiaries (collectively, the Group) for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 16 March 2023.

Legend Mining Limited (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The address of the registered office is Level 1, 8 Kings Park Road, West Perth WA 6005.

The nature of the operations and principal activities of the Group are described in note 3.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for certain financial assets carried at fair value.

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

The consolidated financial statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the ordinary course of business.

The financial report also complies with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

Changes in accounting policy, disclosures, standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except for the impact of new and amended accounting standards and interpretations as discussed below.

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 which did not have a material impact on the consolidated financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the Group's financial statements are not deemed to have a material impact on the consolidated financial statements of the Group. The Group intends to adopt these new standards and interpretations, if applicable, when they become effective.

Summary of significant accounting policies

(i) Basis of consolidation

The consolidated financial statements comprise the financial statements of Legend Mining Limited and its subsidiaries ('the Group') as at 31 December 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (ie existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(ii) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Group measures the cost of equity-settled share-based payments at fair value at the grant date using a Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted.

Impairment of capitalised exploration and evaluation expenditure

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.

Factors which could impact the future recoverability include the level of proved, probable and inferred mineral resources, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

The assessment of whether there are any impairment indicators in respect of a mining exploration property involves a number of judgements. These include whether the Group has the right to explore in the specific area of interest, whether ongoing expenditure is planned or budgeted and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which the determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent that it is determined in the future that this capitalised expenditure should be written off or impaired, this will reduce profits and net assets in the period in which this determination is made.

(iii) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a diminishing value basis over the useful life of the asset from the time the asset is held ready for use.

The depreciation rates used for each class are:

Buildings	10%
Plant and equipment	7.5% - 50%

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

Impairment

The carrying values of property, plant and equipment are reviewed for impairment as required, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(iv) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(v) Financial Assets

Financial assets at amortised cost (debt instruments)

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises the lifetime expected credit loss for trade receivables carried at amortised cost. The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

Financial assets at fair value through profit or loss (equity investments)

Financial assets at fair value through profit or loss include financial assets held for trading, e.g., financial assets designated upon initial recognition at fair value through profit or loss, e.g., debt or equity instruments, or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that do not pass the SPPI test are required to be classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

(vi) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, amounts are deducted from the cost of the related asset. The Group receives grants in relation to Research and Development expenditure. These amounts are deducted from the exploration and expenditure on tenements capitalised during the year.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

(vii) Deferred exploration costs

Deferred exploration and evaluation costs

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing.

Farm-outs and carried interest— in the exploration and evaluation phase

The Group does not record any expenditure made by the farm-inee on Legend's account. The Group also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements. Any cash consideration received directly from the farm-inee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the Group as a gain on disposal.

For carried interests Legend recognises the expenditure when they are providing the carry to the other parties. Where the Group are being carried Legend does not recognise any expenditure paid for on their behalf.

Impairment

The carrying values of exploration and evaluation costs are reviewed for impairment when facts and circumstances indicate the carrying value may not be recoverable.

The recoverable amount of exploration and evaluation costs is the greater of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the fair value of money and the risks specific to the asset.

Accumulated costs in relation to an abandoned area are written off in full against the income statement in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Each area of interest is limited to the size related to known or probable mineral resources capable of supporting a mining operation.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

(viii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(ix) Interest income

Interest revenue is recognised as it accrues, using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(x) Taxes

Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax law used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- Except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amounts of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- Where the amount of the GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are classed as operating cash flows.

(xi) Trade and or other payables

Liabilities for trade creditors and other amounts are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of these goods and services. The amounts are unsecured and are usually paid within 30 days.

(xii) Share based payment transactions

The Group provides benefits to employees (including directors) of the Group and to the providers of services to the Group in the form of share based payment transactions, whereby employees or service providers render services in exchange for shares or rights over shares ('equity-settled transactions').

There are currently three scenarios in place to provide these services:

- (a) 'Employees Share Option Plan', which provides benefits to eligible persons;
- (b) Capital raising costs, which provide payment to stockbrokers and finance institutions for capital raising services and commissions; and
- (c) Other grants of options to directors on an ad hoc basis.

The cost of the equity-settled transactions with stockbrokers and finance institutions is measured by reference to the fair value of the service received at the date they are granted.

For transactions with employees (including directors), the cost of these equity-settled transactions is measured by reference to the fair value of the options provided. The fair value is determined by an external valuer using a Black-Scholes or Monte Carlo valuation model.

The cost of these equity-settled transactions with employees is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award ('vesting date').

In valuing these equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Legend Mining Limited (market conditions) if applicable.

The cumulative expense recognised for these equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expenses recognised as at the beginning and end of the period.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

For transactions with other service providers, the cost of these equity-settled transactions is measured by reference to the value of the services provided. The cost of these equity-settled transactions is recognised, together with a corresponding increase in equity, at the time the services are provided unless they are transaction costs arising on the issue of ordinary shares, in which case the transaction costs are recognised directly in equity as a reduction of the proceeds received on the issue of shares.

(xiii) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs net of tax arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

(xiv) Employee Benefits

Provision is made for employee benefits accumulated as a result of employee services up to the reporting date. These employee benefits include wages, salaries, annual leave and include related on-costs such as superannuation and payroll tax.

The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

No provision is made for non-vesting sick leave, as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting sick leave will never be paid.

Contributions to employee superannuation funds of choice are expensed as incurred.

(xv) Earnings per share

Basic earnings per share (EPS) is calculated as net profit or loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit or loss attributable to members, adjusted for:

- (a) Costs of servicing equity (other than dividends).
- (b) The after tax effect of dividends and interest associated with the dilutive potential ordinary shares that have been recognised as expenses; and
- (c) Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTD)

(xvi) Foreign currency translation

(a) Functional and presentation currency

The Group's consolidated financial statements are presented in Australian dollars, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (ie translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss respectively).

(xvii) Leases

Right-of-use asset

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and associated restoration provisions. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (between one and two years). Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTE 3: NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

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

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 4: REVENUE AND EXPENSES

	Note	2022 \$	2021 \$
a) Finance Revenue			
Bank interest received and receivable		218,247	77,578
Other finance income		-	54,999
		<u>218,247</u>	<u>132,577</u>
b) Other			
Other income		13,074	26,696
		<u>13,074</u>	<u>26,696</u>
c) Employee Benefits Expense			
Salaries, on-costs and other employee benefits		285,134	232,132
		<u>285,134</u>	<u>232,132</u>
d) Other Expenses			
Depreciation		8,280	7,839
Financial expenses		2,261	3,921
Depreciation – Office Lease		71,006	70,448
Other		1,525	(10,525)
		<u>83,072</u>	<u>71,683</u>
e) Corporate and administration expenses			
Fees – Audit/Tax		505,811	183,005
Fees – ASX		97,185	77,539
Fees – Share Registry		23,218	22,148
Consultancy Fees		106,380	115,830
Legal expenses		7,687	19,571
Sale of fixed assets		-	2,573
Travel expenses		25,509	19,701
Other expenses		350,553	504,432
		<u>1,116,343</u>	<u>944,799</u>

NOTE 5: EARNINGS PER SHARE

	2022 \$	2021 \$
(a) Reconciliation of earnings to net loss:		
Net Loss	(1,491,051)	(66,179)
Loss used in the calculation of basic earnings per share	<u>(1,491,051)</u>	<u>(66,179)</u>
(b) Weighted average number of shares on issue during the financial year used in the calculation of basic loss per share	<u>2,836,658,180</u>	<u>2,836,658,180</u>
Weighted average number of ordinary shares on issue used in the calculation of diluted loss per share	<u>2,836,658,180</u>	<u>2,836,658,180</u>

(c) Information on classification of options

For the year ended 31 December 2022, all options on issue were anti-dilutive as the Group made a loss. This has resulted in the diluted earnings per share being the same as the basic earnings per share. These options could potentially dilute basic earnings per share in the future. The number of anti-dilutive potentially issuable ordinary shares at 31 December 2022 is Nil (31 December 2021: 155,211,111)

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 6: INCOME TAX

The major components of income tax expense are:

Income Statement

Current income tax

Current year income tax charge (benefit)

Under/Over provision of prior tax year

Deferred income tax

Relating to origination and reversal of temporary differences

Under/Over provision of prior tax year

Income tax benefit reported in the income statement

2022

\$

2021

\$

-

-

511,932

-

511,932

(69,800)

-

(69,800)

A reconciliation between tax expense and the product of accounting profit/(loss) before income tax multiplied by the Group's applicable income tax rate is as follows:

Accounting loss before tax from ordinary activities

Accounting loss before income tax

(979,119)

(979,119)

(135,979)

(135,979)

At the Group's statutory income tax rate of 30%

Expenditure not allowed for income tax purposes

Utilisation of previously unbooked tax losses

Deductible equity raising costs under s40-880

Income tax expense/(benefit) attributable to entity reported in the consolidated income statement

(293,736)

1,007,643

(150,000)

(51,975)

(511,932)

(40,794)

473,363

(450,000)

(52,369)

(69,800)

Income tax expensed directly to equity

Relating to equity costs

Deferred tax expense/(income) recognised in equity

Current Income Tax Asset/(Liability)

-

-

-

(48,431)

(48,431)

-

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 6: INCOME TAX (CONTD)

	2022 \$ 30%	2021 \$ 30%
Deferred Income Tax		
Deferred income tax at 31 December related to the following:		
Consolidated		
Recognised deferred tax liabilities		
Capitalised exploration and evaluation expenditure	(10,842,412)	(9,145,194)
Property, Plant and Equipment	(171,386)	(219,133)
Other	(19,607)	(1,746))
Amounts disclosed as deferred tax liability	(11,033,405)	(9,366,073)
Set-off of deferred tax assets	10,503,564	9,348,164
Net deferred tax liabilities disclosed	(529,841)	(17,909)
Recognised deferred tax assets		
Tax losses available to offset against future taxable income	10,316,576	9,110,232
Other provisions	106,492	104,714
Share based costs on equity	79,742	131,717
Other future blackhole deductions	754	1,501
Gross deferred tax assets	10,503,564	9,348,164
Set-off of deferred tax assets	(10,503,564)	(9,346,164)
Net deferred tax assets recognised	-	-
Unrecognised deferred tax assets		
Deferred tax assets have not been recognised in respect of the following as the statutory requirements for recognising those deferred tax assets have not been met		
Deductible temporary differences	217,800	367,800
Tax revenue losses	-	-
Tax capital losses	2,242,325	2,242,325
Net deferred tax assets not recognised	2,460,125	2,610,125

Tax Consolidation

Legend Mining Limited and its 100% owned Australian resident subsidiary formed a tax consolidated group with effect from 1 July 2004. Legend Mining Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement in order to allocate the income tax liabilities between the entities within the Group should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Tax effect accounting by members of the tax consolidated group

Tax expense / income, deferred tax liabilities and deferred tax assets arising from temporary differences are recognised in the separate financial statements of the members of the tax consolidated group using the separate taxpayer within a group method. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax consolidated group).

Members of the tax consolidated group have not entered into a tax funding agreement. As a result, the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, assumed by the Company, are recognised as a contribution from (or distribution to) equity participants. There were no contributions (or distributions) made during the year ended 31 December 2022.

During the year, Legend Mining Limited had one wholly owned subsidiary, Legend Cameroon Pty Ltd. In July 2022, Legend Cameroon Pty Ltd was deregistered and thus there is no tax consolidated group as at the date of this report.

2022 Tax Return

On 6 December 2022, the Company lodged its tax return for the tax year ended 30 June 2022 and claimed a refundable Research and Development (R&D) tax offset of \$2,935,146.77. On 24 December 2022, the Company received this refund.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 7: SEGMENT INFORMATION

Operating Segments

The group has one reportable operating segment, being exploration and evaluation activities in Australia.

NOTE 8: CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash at bank and in hand	410,577	1,258,467
Deposits	12,300,000	17,000,000
	<u>12,710,577</u>	<u>18,258,467</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Deposits at call earn interest on a 30, 60 and 90 day term basis at bank deposit rates at an average rate of 0.04%.

NOTE 9: RECEIVABLES

	2022	2021
	\$	\$
Current		
Other receivables (a)	160,773	33,907
Receivable from Jindal Mining & Exploration Limited (b)	-	500,000
Provision for Jindal receivable	-	(500,000)
	<u>160,773</u>	<u>33,907</u>

Terms and conditions relating to the above financial instruments:

- (a) Other receivables are non-interest bearing and have repayment terms of between 30 and 60 days.
- (b) 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 to the ASX as soon as an agreement of new payment terms was reached.

On 6 May 2019, Legend and Jindal agreed to a payment schedule for the final amount of \$3 million owing to Legend from the sale of the Cameroon Iron Ore project. Four payments of \$250,000 plus interest were received between October 2019 and December 2020. On 23 April 2021, Legend received a further payment of \$518,005 from Jindal representing January 2021 and March 2021 principal and interest of \$18,005. As at 30 June 2021 the loan amount outstanding was \$1,500,000. On 7 September 2021, Legend received \$1,000,000 in principal and \$12,500 in interest from Jindal. At 7 September 2021, the loan outstanding was \$500,000 and the provision was adjusted to \$500,000.

On 30 March 2022, Legend received the final payment of \$500,000 from Jindal representing the remaining outstanding receivable.

NOTE 10: OTHER FINANCIAL ASSETS

	2022	2021
	\$	\$
Current		
Security bond – at amortised cost (a)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Non-current		
Rental property bond (b)	5,775	5,775

Details of the above financial instruments:

- (a) Security bond – bank deposit held as security for credit cards. At 31 December 2022, this deposit is held on a 12 month term deposit with an interest rate of 4% per annum (31 December 2021, at 0.3%pa).
- (b) Rental Property Bond – this bond relates to a rental property in Boulder WA. No interest is received on this bond.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2022 \$	2021 \$
Plant and equipment		
At 31 December		
Gross carrying amount at cost	1,225,046	1,220,394
Accumulated depreciation	(652,841)	(457,675)
Net carrying amount	572,204	762,719
At 1 January		
Net of accumulated depreciation	762,719	536,121
Additions	4,652	464,829
Disposals	-	(2,573)
Depreciation expense - Admin	(8,281)	(7,839)
Depreciation expense - Exploration	(186,886)	(227,819)
At 31 December		
Net of accumulated depreciation	572,204	762,719

NOTE 12: DEFERRED EXPLORATION COSTS

	Note	2022 \$	2021 \$
Deferred exploration costs		40,175,911	34,929,556
Deferred exploration and evaluation costs			
At 1 January, at cost		34,929,556	22,296,113
Reimbursement of exploration expenditure – R&D Rebate		(2,935,147)	(781,446)
Expenditure incurred during the year		8,181,502	13,414,889
At 31 December, at cost	(i)	40,175,911	34,929,556

Note:

- (i) 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.

NOTE 13: TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
Current – unsecured		
Trade payables	710,692	327,465
	710,692	327,465

Terms and conditions relating to the above financial instruments

- (i) Trade payables are non-interest bearing and normally settled on 30 day terms.
- (ii) There are no trade payables past due for payment.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 14: EMPLOYEE BENEFITS PROVISIONS

	2022	2021
Current	\$	\$
Employee benefits	173,671	179,410
Non-Current		
Employee benefits	153,302	141,635
Number of employees at year end	11	9

NOTE 15: CONTRIBUTED EQUITY

	2022	2021
	\$	\$
Ordinary shares		
Issued and fully paid	101,451,503	98,373,061
\$3,140,000 raised by exercising of options in March 2021		
• 76,900,000 ESOP options	-	3,140,000
Capital raising costs (net of tax)	-	(61,558)
	101,451,503	101,451,503
Movement in ordinary shares on issue 2022	#	\$
At 1 January 2022	2,755,135,721	101,451,503
Capital raising costs	-	-
At 31 December 2022	2,755,135,721	101,451,503
Movement in ordinary shares on issue 2021	#	\$
At 1 January 2021	2,678,235,721	98,373,061
76,900,000 exercising of options	76,900,000	3,140,000
Capital raising costs	-	(61,558)
At 31 December 2021	2,755,135,721	101,451,503

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

NOTE 16: RESERVES

	Share option premium reserve
	\$
Movement in reserves	
At 1 January 2022	24,398,437
Options issued to employees (refer note 18)	225,890
At 31 December 2022	24,624,327
At 1 January 2021	23,851,799
Options issued to employees(refer note 18)	546,638
At 31 December 2021	24,398,437

Share option premium reserve

The share option premium reserve is used to record the value of share based payments provided to employees, directors and contractors, as part of their remuneration and contingent share issues as part of the acquisition of tenements.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 17: SHARE OPTIONS

	Number #	Exercise price cents per share
2022		
Unlisted options – Expiry date 11 July 2022		
At 1 January 2022	102,217,540	7.2 cents
Expired	(102,217,540)	
At 31 December 2022	-	
Unlisted options – Expiry date 30 September 2022		
At 1 January 2022	44,743,571	7.2 cents
Exercised	-	
Expired	(44,743,571)	
At 31 December 2022	-	
Unlisted zero exercise price options – Expiry date 10 August 2025 subject to vesting criteria (see Note 18)		
At 1 January 2022	8,250,000	Zero cents
Exercised	-	
Vested	-	
At 31 December 2022	8,250,000	
2021		
Unlisted options – Expiry date 30 March 2021		
At 1 January 2021	74,900,000	4 cents
Exercised 1 March 2021	(74,900,000)	
At 31 December 2021	-	
Unlisted options – Expiry date 11 July 2022		
At 1 January 2021	102,217,540	7.2 cents
At 31 December 2021	102,217,540	
Unlisted options – Expiry date 30 September 2022		
At 1 January 2021	46,743,571	7.2 cents
Exercised 26 February 2021	(2,000,000)	
At 31 December 2021	44,743,571	
Unlisted zero exercise price options – Expiry date 10 August 2025 subject to vesting criteria (see Note 18)		
At 1 January 2021	7,000,000	Zero cents
Granted on 26 March 2021	1,250,000	
Exercised	-	
Vested	-	
At 31 December 2021	8,250,000	

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 18: SHARE BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

During the 2022 year there were Nil ESOP options issued (2021: 1,250,000).

On 26 March 2021, 1.25 million zero exercise price options expiring on 10 August 2025 issued under the Company's Employee Incentive Plan Rules approved at the 2021 AGM (ESOP) to staff as follows:

- 1,250,000 zero exercise price options vesting when the 20-day VWAP of share is greater than the Vesting Price of 28 cents per share for a minimum period of 20 continuous ASX trading days during the life of the zero exercise price options, subject to the employees remaining in employment during the vesting period and other terms and conditions determined by the Company's ESOP (Incentive Options Class C). The vesting period, being the period over which the options are expensed, is based on the initial estimate of the vesting period when the options were granted.

The fair values of the 1,250,000 Incentive Options Class C, were calculated by using the Black-Scholes or Monte Carlo valuation model applying the following inputs:

	Incentive-Options Class C
Exercise price (cents)	0.0
Life of the option (years)	5.0
Share price on grant date (cents)	0.1350
Expected share price volatility	80%
Risk free interest rate	0.4259%
Fair value at measurement date	0.1135

The Board has in place an Employee Share Option Plan (ESOP) allowing share options to be issued to eligible employees in order to provide them with an incentive to provide growth and value to all shareholders.

At the 2020 Annual General Meeting (AGM) on 14 May 2020 shareholders approved the implementation of the current ESOP. A summary of the current ESOP was included in the 2021 Notice of AGM. At the 2023 Annual General Meeting (AGM) scheduled for 5 May 2023, the Company intends to seek shareholder approval for the renewal of the Employee Share Option Plan.

(b) Summaries of options granted

ESOP: The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2022 No.	2022 WAEP \$	2021 No.	2021 WAEP \$
Outstanding balance at the beginning of the year	19,100,000	0.041	94,750,000	0.041
Granted during the year (see note 17)	-	-	1,250,000	-
Exercised during the year (i), (ii)	-	0.042	(76,900,000)	0.042
Expired/lapsed during the year	(10,850,000)	-	-	-
Outstanding at the end of the year	8,250,000	-	19,100,000	0.041
Exercisable at the end of the year	3,000,000	-	12,350,000	0.045
Unvested at the end of the year	5,250,000	-	6,750,000	-

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 18: SHARE BASED PAYMENT PLAN (CONTD)

Other Options: The following table illustrates the number Nil and weighted average exercise prices (WAEP) of, and movements in, share options issued during the year:

	2022	2022 WAEP	2021	2021 WAEP
	No.	\$	No.	\$
Outstanding balance at the beginning of the year	136,111,111	0.072	136,111,111	0.072
Granted during the year	-	-	-	-
Exercised during the year (iii), (iv)	-	-	-	-
Expired/lapsed during the year	(136,111,111)	-	-	-
Outstanding at the end of the year	-	-	136,111,111	0.072
Exercisable at the end of the year	-	-	136,111,111	0.072

The following ESOP options Expired as at 13 January 2023

750,000 ESOP options lapsed on their own terms because the conditions have not been, or have become incapable of being satisfied.

NOTE 19: RELATED PARTIES

(i) Wholly owned group transactions

Loans made by Legend Mining Limited to wholly owned subsidiaries are repayable on demand and are not interest bearing.

(ii) Other related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(iii) Ultimate parent

Legend Mining Limited is the ultimate parent company.

(iv) Compensation of key management personnel of the Group

	2022	2021
	\$	\$
Short-term employee benefits	765,378	778,615
Long term benefits	6,000	6,500
Post-employment benefits	66,991	64,275
Share-based payments expense	187,110	435,418
Total compensation paid to Key Management Personnel	1,025,479	1,284,808

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

NOTE 20: CASH FLOW INFORMATION

(i) Reconciliation of Cash

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2022	2021
		\$	\$
Cash on hand		500	500
Cash at bank		410,077	1,257,967
Deposits at call		12,300,000	17,000,000
	8	12,710,577	18,258,467

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 20: CASH FLOW INFORMATION (CONTD)

(ii) Reconciliation of net loss after income tax to net cash used in operating activities

	2022 \$	2021 \$
Net loss after tax	(1,491,051)	(66,179)
Net loss on disposal of property, plant & equipment	-	2,573
Depreciation	8,281	7,839
Depreciation – Lease	71,006	70,448
Interest expense – lease capitalised to deferred exploration	(860)	(1,292)
Share-based payments expense	225,890	546,638
Fair value (gain)/loss on investments	-	-
Deferred exploration expenses	1,525	(10,525)
Movement in provisions and other	5,928	21,422
Income Tax Expense	511,932	(69,800)
	(667,349)	501,124
<i>Change in operating assets and liabilities:</i>		
(Increase)/decrease in receivables	(137,668)	(51,648)
Increase/(decrease) in payables	333,237	(226,902)
Net cash from/(used) in operating activities	(471,780)	222,574

Non-cash financing and investing activities

Other than listed above there were no other non-cash financing or investing activities during the 2022 or 2021 years.

NOTE 21: COMMITMENTS

(a) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay approximately \$2,373,000 (2021: \$2,373,000) in the following twelve months in respect of tenement lease rentals and to meet minimum expenditure requirements of the Department of Mines, Industry Regulation & Safety (DMIRS). These obligations are expected to be fulfilled in the normal course of operations and have not been provided for in the financial report.

NOTE 22: INVESTMENTS IN CONTROLLED ENTITIES

Details of subsidiaries

Set out below are the Group's subsidiaries at 31 December 2022 and 31 December 2021. All the subsidiaries as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group, and the proportion of ownership interests held equals to the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Place of Business / Country of Incorporation	Ownership Interest Held by the Group		Ownership Interest Held by Non-Controlling Interests	
		2022 %	2021 %	2022 %	2021 %
Legend Cameroon Pty Ltd	Australia	-	100	-	-

During the year, Legend Mining Limited had one wholly owned subsidiary, Legend Cameroon Pty Ltd. In July 2022, Legend Cameroon Pty Ltd was deregistered and thus as at the date of this report, Legend Mining Limited does not have a subsidiary.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 23: FINANCIAL INSTRUMENTS DISCLOSURE

The Group's principal financial instruments comprise cash and short-term deposits, receivables and investments held for trading.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arise from the Group's financial instruments are interest rate risks, liquidity risk, credit risk and equity price risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Fair value interest risk

The Group's exposure to fair value interest risk is minimal.

Commodity price risk

The Group's exposure to price risk is minimal as the group is still in an exploration phase and has no revenues from mining.

Credit risk

The Group trades only with recognised, creditworthy third parties.

The only significant concentration of credit risk within the Group is the loan receivable from Jindal. Exposure to credit risk is managed through regular analysis of Jindal's ability and willingness to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure. The Group has provided for all of the \$500,000 receivable from Jindal (see note 9 for full details on this impairment). No collateral is held as security.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The Group trades with investment grade institutions with a credit rating of AA-.

Since the Group only trades with recognised third parties, there is no requirement for collateral.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of a mixture of long and short term debt.

(a) Interest Rate Risk

The consolidated entity's exposure to cash flow interest rate risk is as follows:

2022	Weighted Average Interest Rate	Floating Interest \$	Fixed Interest \$	Non-Interest Bearing \$	Total \$
Financial assets:					
Cash and cash equivalents	1.41%	410,077	12,300,000	500	12,710,577
Other financial assets		-	105,775	-	105,775
		410,077	12,405,775	500	12,816,352
2021					
Financial assets:					
Cash and cash equivalents	0.61%	1,257,967	17,000,000	500	18,258,467
Other financial assets		-	105,775	-	105,775
		1,257,967	17,105,775	500	18,364,242

The maturity date for all financial instruments included in the above tables is 1 year or less from balance date.

A change of 100 basis points in interest rates would result in a net gain/loss before taxation of \$249,301 (2021: \$174,912). This is based on the interest bearing financial assets as detailed above.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 23: FINANCIAL INSTRUMENTS DISCLOSURE (CONTD)

(b) Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	Carrying Amount 2022 \$	2021 \$
Cash and cash equivalents	8	12,710,577	18,258,467
Trade and other receivables	9	160,773	33,907
Rental Bond/Security bond	10	105,775	105,775
		<u>12,977,125</u>	<u>18,398,149</u>

Except for the amount receivable from Jindal, all other trade and other receivables are current, apart from the rental bond \$5,775 (2021: \$5,775) and have not been impaired.

(c) Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2022

	Carrying Amount \$	Contractual cash flows \$	Six months or less \$	Greater than six months \$
Non-derivative financial liabilities				
Trade and other payables	710,692	710,692	710,692	-
Lease liability	63,740	63,740	43,821	19,918
	<u>774,432</u>	<u>774,432</u>	<u>754,513</u>	<u>19,918</u>

31 December 2021

	Carrying Amount \$	Contractual cash flows \$	Six months or less \$
Non-derivative financial liabilities			
Trade and other payables	327,465	327,465	327,465
Lease liability	106,634	106,634	42,612
	<u>434,099</u>	<u>434,099</u>	<u>370,077</u>

(d) Net Fair Value of Financial Assets and Liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	31 December 2022		31 December 2021	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Cash and cash equivalents	12,710,577	12,710,577	18,258,467	18,258,467
Security bond	105,775	105,775	105,775	105,775
Trade and other receivables	160,773	160,773	33,907	33,907
Trade and other payables	(710,692)	(710,692)	(327,465)	(327,465)
	<u>12,266,433</u>	<u>12,266,433</u>	<u>18,070,684</u>	<u>18,070,684</u>

NOTE 24: FAIR VALUES

Management assessed that cash and cash equivalents, trade and other receivables, and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the Financial Statements

For the year ended 31 December 2022

NOTE 25: INFORMATION RELATING TO LEGEND MINING LIMITED ("THE PARENT ENTITY")

	2022	2021
	\$	\$
Current assets	12,971,350	18,392,374
Total assets	53,788,066	54,195,035
Current liabilities	928,184	597,132
Total liabilities	1,631,245	773,053
Net assets	52,156,821	53,421,982
Contributed equity	101,451,503	101,451,503
Accumulated losses	(73,919,009)	(72,427,958)
Share option premium reserve	24,624,327	24,398,437
	52,156,821	53,421,982
Loss of the parent entity after tax	(1,491,051)	(66,179)
Total comprehensive loss of the parent entity	(1,491,051)	(66,179)

There have been no guarantees entered into by the Parent Entity in relation to any debts of its subsidiaries.

The Parent has no contingent liabilities as at date of this report.

The Parent Entity has no contractual commitments for the acquisition of property, plant or equipment.

NOTE 26: AUDITOR'S REMUNERATION

The auditor of Legend Mining Limited is Ernst & Young Australia.

	Consolidated	
	2022	2021
	\$	\$
Amounts received or due and receivable by Ernst & Young Australia for:		
- An audit or review of the financial report of the entity and any other entity in the consolidated group	38,693	37,270
	38,693	37,270

NOTE 27: CONTINGENT LIABILITIES

There are no contingent liabilities at the date of this report.

The consolidated entity's activities in Australia are subject to the Native Titles Act and the Department of Environment. Uncertainty associated with Native Title issues may impact on the Group's future plans.

There are no unresolved Native Title issues and the consolidated entity is not aware of any other matters that may impact upon its access to the land that comprises its project areas.

NOTE 28: EVENTS AFTER THE BALANCE SHEET DATE

On the 13 January 2023, 750,000 ESOP Option lapsed on their own terms because the conditions have not been, or have become incapable of being, satisfied.

No other matter or circumstance has arisen since the end of the financial year which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

NOTE 29: DIVIDENDS PAID AND PROPOSED

No dividends were paid or proposed this financial year. There are no franking credits available for future reporting periods.

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 on pages 30-54, and the remuneration disclosures that are contained in the Remuneration Report in the Directors Report pages 23-29, 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 31 December 2022 and of its performance for the year ended on that date; and
 - ii Complying with Australian Accounting Standards' and the Corporations Regulations 2001; and
 - iii The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; 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.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 December 2022.

On behalf of the Board.



Mark Wilson
Managing Director

Dated this 16th day of March 2023

Declaration of Auditor's Independence



**Building a better
working world**

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Auditor's independence declaration to the directors of Legend Mining Limited

As lead auditor for the audit of the financial report of Legend Mining Limited for the financial year ended 31 December 2022, 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 audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Jared Jaworski
Partner
Perth
16 March 2023

Independent Auditor's Report



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

Report on the audit of the financial report

Opinion

We have audited the financial report of Legend Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the accompanying financial report of the Group is 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 31 December 2022 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report



We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial report.

Accounting for and carrying value assessment of deferred exploration costs

Why significant	How our audit addressed the key audit matter
<p>As disclosed in Note 12 of the financial report at 31 December 2022 the Group recognised a deferred exploration and evaluation expenditure asset of \$40.2 million relating to its exploration tenements.</p> <p>Included in deferred exploration and evaluation expenditure, and treated as a reduction in the amount capitalised, is research and development (R&D) tax incentive benefits received. As detailed in Note 12, R&D tax incentives of \$2.9 million were recognised and received during the year ended 31 December 2022.</p> <p>Australian Accounting Standards require the carrying amount of deferred exploration and evaluation expenditure is assessed for impairment by the Group when facts and circumstances indicate that the exploration and evaluation expenditure may exceed its recoverable amount.</p> <p>The determination as to whether there are any indicators to require deferred exploration and evaluation expenditure to be assessed for impairment, involves a number of judgements, including assessing the intention of the Group to carry out significant exploration and evaluation activities in the near future, and, whether there is sufficient information available to conclude that the area of interest is not commercially viable. The Group's significant accounting judgements are detailed in Note 2 to the financial report.</p> <p>Due to the size of the deferred exploration and evaluation expenditure asset relative to the Group's total assets and the judgement involved in assessing whether indicators of impairment exist at 31 December 2022, this was considered a key audit matter.</p>	<p>We evaluated the Group's assessment of the carrying amount of deferred exploration and evaluation asset.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none">▶ Considering the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as license agreements and extension of term applications.▶ Considering the Group's intention to carry out significant exploration and evaluation activity in the relevant exploration area which included assessment of the Group's cash-flow forecast models, inquiries with senior management and Directors as to the intentions and strategy of the Group.▶ Assessing whether any exploration and evaluation data existed to indicate that the carrying amount of capitalised exploration and evaluation assets is unlikely to be recovered through development or sale.▶ Assessing the work of management's external expert in measuring and preparing the Group's R&D tax incentive claims and engaged our own tax specialists to review the form and nature of the claim submitted; and agreed the receipt of R&D tax incentive claims monies by the Group to supporting documentation.▶ Assessing the adequacy of the disclosure included in the financial report.

Independent Auditor's Report



Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

Independent Auditor's Report



As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report



Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 28 of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Legend Mining Limited for the year ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

The Ernst & Young logo is written in a stylized, cursive script.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Jared Jaworski'.

Jared Jaworski
Partner
Perth
16 March 2023

Shareholder Information

For the year ended 31 December 2022

SHAREHOLDER INFORMATION AT 8 MARCH 2023

The issued capital of the company is **2,755,135,721** ordinary fully paid shares.

Distribution of Share Holders

Fully Paid Shares	Shares	Holders
1 – 1,000	28,958	142
1,001 – 5,000	2,162,593	548
5,001 – 10,000	8,514,308	1,041
10,001 – 100,000	139,093,846	3,343
100,001 and over	2,605,336,016	1,598
TOTAL	2,755,135,721	6,672
<i>Number of holdings less than a marketable parcel</i>	11,929,423	1,843

Top 20 Shareholders

Rank	Name	Units	% of Units
1	CREASY GROUP	823,153,914	29.88
2	IGO LIMITED	356,578,323	12.94
3	WILSON GROUP	177,248,200	6.43
4	BAILEY GROUP	153,749,674	5.58
5	NI 28 PTY LTD	28,000,000	1.02
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,634,314	0.71
7	THREE CHEEKY MONKEYS HOLDINGS PTY LTD	19,404,000	0.7
8	PHH PTY LIMITED	17,800,000	0.65
9	ATKINS GROUP	17,108,334	0.62
10	CITICORP NOMINEES PTY LIMITED	14,702,339	0.53
11	NINO CONSTRUCTIONS PTY LTD	13,161,547	0.48
12	WATERFIELD GROUP	12,867,925	0.47
13	MUSGRAVE MINERALS LIMITED	12,500,000	0.45
14	MICHAELMAS ISLAND PTY LTD	11,216,945	0.41
15	LISTOGA PTY LTD <PETER MANIOTIS FAMILY A/C>	10,000,000	0.36
16	ZERO NOMINEES PTY LTD	10,000,000	0.36
17	MR THOMAS BENJAMIN WILSON	9,400,000	0.34
18	MATTHEW & KIM LI HOWARD SUPERANNUATION PTY LTD	9,000,000	0.33
19	MS DANIELLE SHARON TUDEHOPE	9,000,000	0.33
20	MR RAYMOND MATTHEW SCIBERRAS	8,900,000	0.32
TOTAL		1,733,425,515	62.91

Substantial shareholders

Name	Shares	% of Units
CREASY GROUP	823,153,914	29.88
IGO LIMITED	356,578,323	12.94
WILSON GROUP	177,248,200	6.43
BAILEY GROUP	153,749,674	5.58

Unlisted Option holders

Class of options	Options	Holders
10 August 2025 zero exercise price subject to three relevant vesting conditions	7,500,000	2

Tenement Listing

For the year ended 31 December 2022

AUSTRALIA – FRASER RANGE – ROCKFORD PROJECT

Tenements held at 8 March 2023

Tenement	Status	Percentage Interest
E28/1716	Granted	70%
E28/1717	Granted	70%
E28/1718	Granted	70%
E28/1727	Granted	70%
E28/2188	Granted	70%
E28/2189	Granted	70%
E28/2190	Granted	10%
E28/2191	Granted	10%
E28/2192	Granted	70%
E28/2404	Granted	100%
E28/2405	Granted	100%
E28/2675	Granted	30%
E28/2676	Granted	30%
E28/2677	Granted	30%