



Annual Report

Exploration Licence EL23121

3rd March 2011 to 2nd March 2012

Holder: Legend International Holdings Inc.

Operator: Legend International Holdings Inc.

Reporting Period: 3rd March 2011 to 2nd March 2012

Sheet Reference: Bauhinia Downs (SD 53-03) 1:250,000

Due Date: 3rd May 2012

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SUMMARY

This annual report details exploration activity for diamond bearing kimberlite intrusives carried out by Legend International Holdings Inc. (Legend) over Exploration Lease EL 23121 for the period 3rd March 2011 to 2nd March 2012.

EL 23121 is located on the Bauhinia Downs (SE5303) 1:250,000 mapsheet and Glyde 1:50,000 mapsheet in the Northern Territory. EL 23121 is part of the Glyde Project and is located 8km to the south of the Merlin Diamond Mine, which is 90km south of Borroloola, the nearest populated centre. The northeast quarter of EL23121 can be accessed by two tracks originating for the Merlin Diamond Mine. The mine itself can be access via a 50km graded dirt track from the Carpentaria Hwy.

During the 2011-2012 reporting period a total of 6 loam samples were collected. All of the samples returned a negative result.

Exploration expenditure for the reporting period amounted to \$48,516.81.

1.0 INTRODUCTION

This report details exploration activity carried out by Legend International Holdings Inc. (Legend) over Exploration EL 23121 for the period 3rd March 2011 to 2nd March 2012. The target for exploration within this lease is diamond bearing kimberlite intrusives.

2.0 TENEMENT HISTORY

EL 23121 was granted on the 3rd March 2008, the tenement has undergone four reduction deferrals at the third, fourth, fifth and sixth anniversaries. An application for renewal was granted on 11th February 2009, expiring on the 2nd of March, 2011. A further renewal application was applied for on 16th February 2011.

3.0 LICENCE DETAILS

EL 23121 is part of the Glyde Project and is located 8km to the south of the Merlin Diamond Mine, which is 90km south of Borroloola, the nearest populated centre. The northeast quarter of EL23121 can be accessed by two tracks originating for the Merlin Diamond Mine. The mine itself can be access via a 50km graded dirt track from the Carpentaria Hwy. A tenement location map is shown as Figure 1.

Table 1: Tenement Details

Tenement No	Status	Application Date	Grant Date	Expiry Date	Blocks	Holder
EL 23121	Granted	2/4/2001	3/3/2008	2/3/2013	9	Legend International Holdings Inc.

4.0 GEOLOGY

The Glyde North Project area encompasses EL23121 and covers an area totalling 58km² and lies immediately south of the Merlin Kimberlite Field. Bukalara Sandstones make up the surface geology and overlie Proterozoic sediments, which form part of the McArthur Group. Major faults including the southern extension of the Emu Fault bisect the Licence. The northeast corner is considered the most prospective, and in addition, unlike the rest of the areas, the drainages are not contaminated by run-off from any of the known Merlin

Field pipes.

5.0 PREVIOUS EXPLORATION

Previous exploration by Legend reported numerous positive results from stream gravel samples draining a plateau. In 2010-2011 exploration the plateau was sampled for recovery of kimberlitic indicator minerals and diamonds.

A program of stream and loam sampling resulted in the collection of 8 loam samples and 1 stream gravel sample. Only one sample returned a positive result (10-019-009) with the recovery of a single chromite. The chromite was probed with a Scanning Electron Microscope (SEM) to determine mineral chemistry. Results suggested it was likely derived from a non-kimberlitic source although a single grain is not sufficient to warrant such a conclusion. To obtain additional chromites for SEM probing a 200kg loam sample was collected (11-219-001), however this returned negative results. This downgraded the prospectivity of the plateau. The sample data is shown in Table 2.

6.0 EXPLORATION COMPLETED DURING CURRENT REPORTING PERIOD

A total of 6 loam samples were collected during the current reporting period. The samples were processed for kimberlitic indicator minerals through the company laboratory in Perth. All of the samples returned a negative result. Results from these samples are detailed in Table 3.

7.0 EXPLORATION EXPENDITURE

Exploration expenditure for the reporting period amounted to \$48,516.81.

8.0 PROPOSED PROGRAMME AND BUDGET FOR 2012-2013

The initial focus of the proposed work program will include the collection of 15 follow-up

loam samples (80kg each). It is anticipated that ground geophysical surveys would then be undertaken to generate drilling targets.

Proposed budget breakdown below;

Collection and processing of 15 loam samples	\$20,000
Ground electromagnetic and penetrating radar surveys	\$10,000
Field logistics and administration	\$3,000
Total	\$33,000

9.0 REFERENCES

Pietsch, B.A., Rawlings D.J., Greaser P.M., Kruse P.D., Ahmad M., Ferenzi P.A., and Findhammer T.L.R., (1991) Bauhinia Downs SE5303, 1:250,000 Geological Map Series, Explanatory Notes, Northern Territory Geological Survey, Darwin.

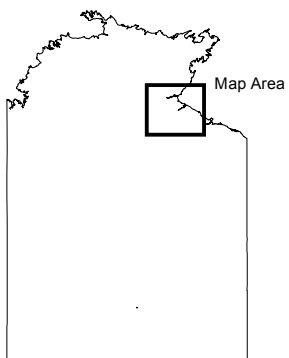
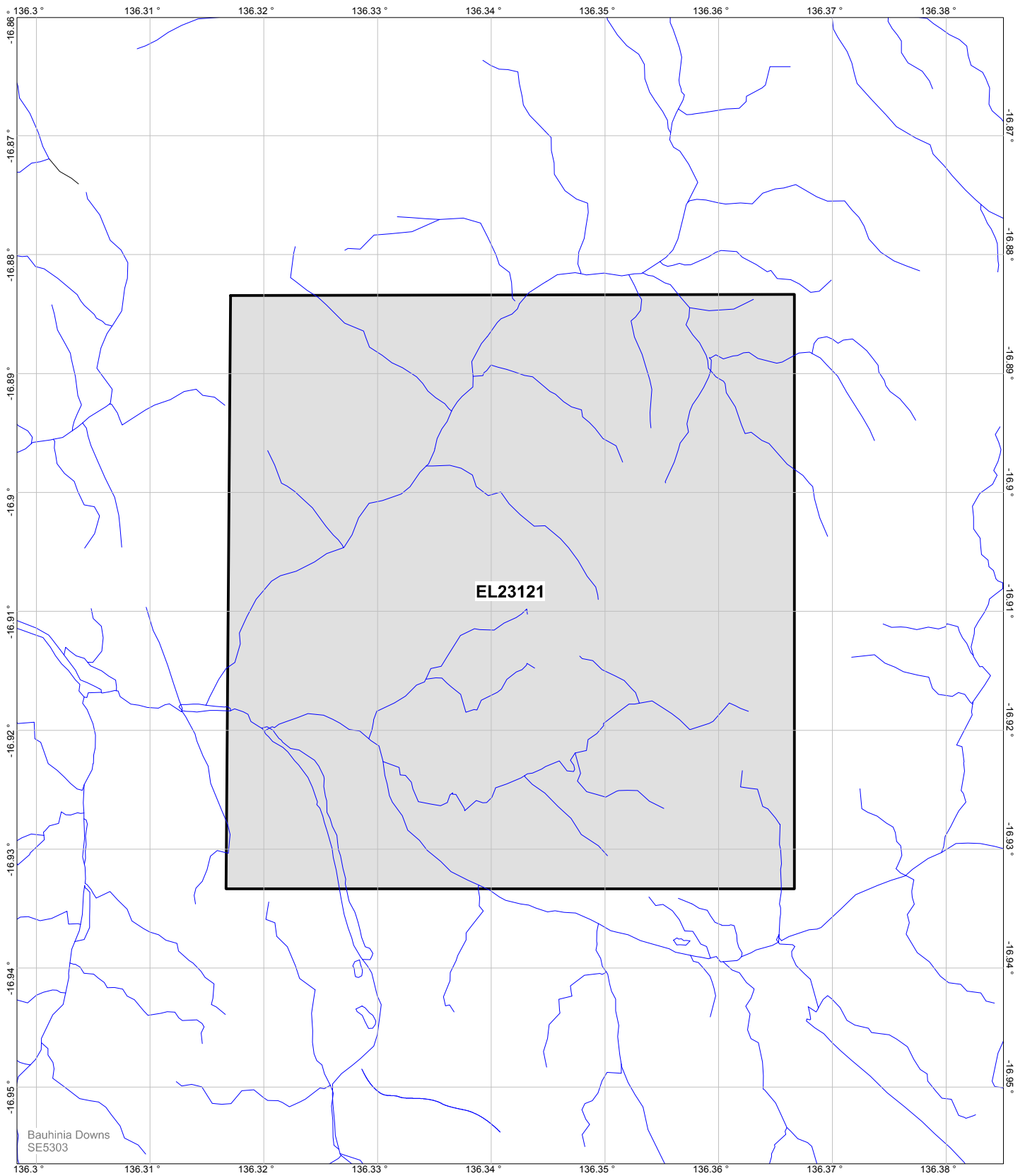
Kammermannn, M. (2011) Glyde Project Combined Annual Report for the Period 3rd August 2010 to 2nd August 2011, Ref: GR-142/10, Legend International Holdings Inc.

Table 2. Sample Data 2010-2011

SAMPLE	TYPE	EASTING	NORTHING	DATUM	ZONE	RESULT	DIAMOND	CHROMITE
10-019-009	LOAM	645126	8129658	GDA94	53	POSITIVE	0	1
10-019-010	LOAM	645130	8130153	GDA94	53	NEGATIVE	0	0
10-019-014	STREAM GRAVEL	644987	8130707	GDA94	53	NEGATIVE	0	0
GLH000082	LOAM	645121	8129408	GDA94	53	NEGATIVE	0	0
GLH000085	LOAM	645376	8129667	GDA94	53	NEGATIVE	0	0
GLH000086	LOAM	644910	8129665	GDA94	53	NEGATIVE	0	0
GLH000087	LOAM	645134	8129912	GDA94	53	NEGATIVE	0	0
GLH000092	LOAM	645346	8130182	GDA94	53	NEGATIVE	0	0

Table 3. Sample Data 2011-2012


SAMPLE	TYPE	EASTING	NORTHING	DATUM	ZONE	RESULTS	CHROMITE	DIAMONDS
LEG-11-204-001	LOAM	645121	8129408	GDA94	53	NEGATIVE	0	0
LEG-11-204-004	LOAM	645376	8129667	GDA94	53	NEGATIVE	0	0
LEG-11-204-005	LOAM	N/A	N/A	GDA94	53	NEGATIVE	0	0
LEG-11-204-006	LOAM	645134	8129912	GDA94	53	NEGATIVE	0	0
LEG-11-204-011	LOAM	645346	8130182	GDA94	53	NEGATIVE	0	0
LEG-11-219-001	LOAM	645387	8129502	AGD66	53	NEGATIVE	0	0

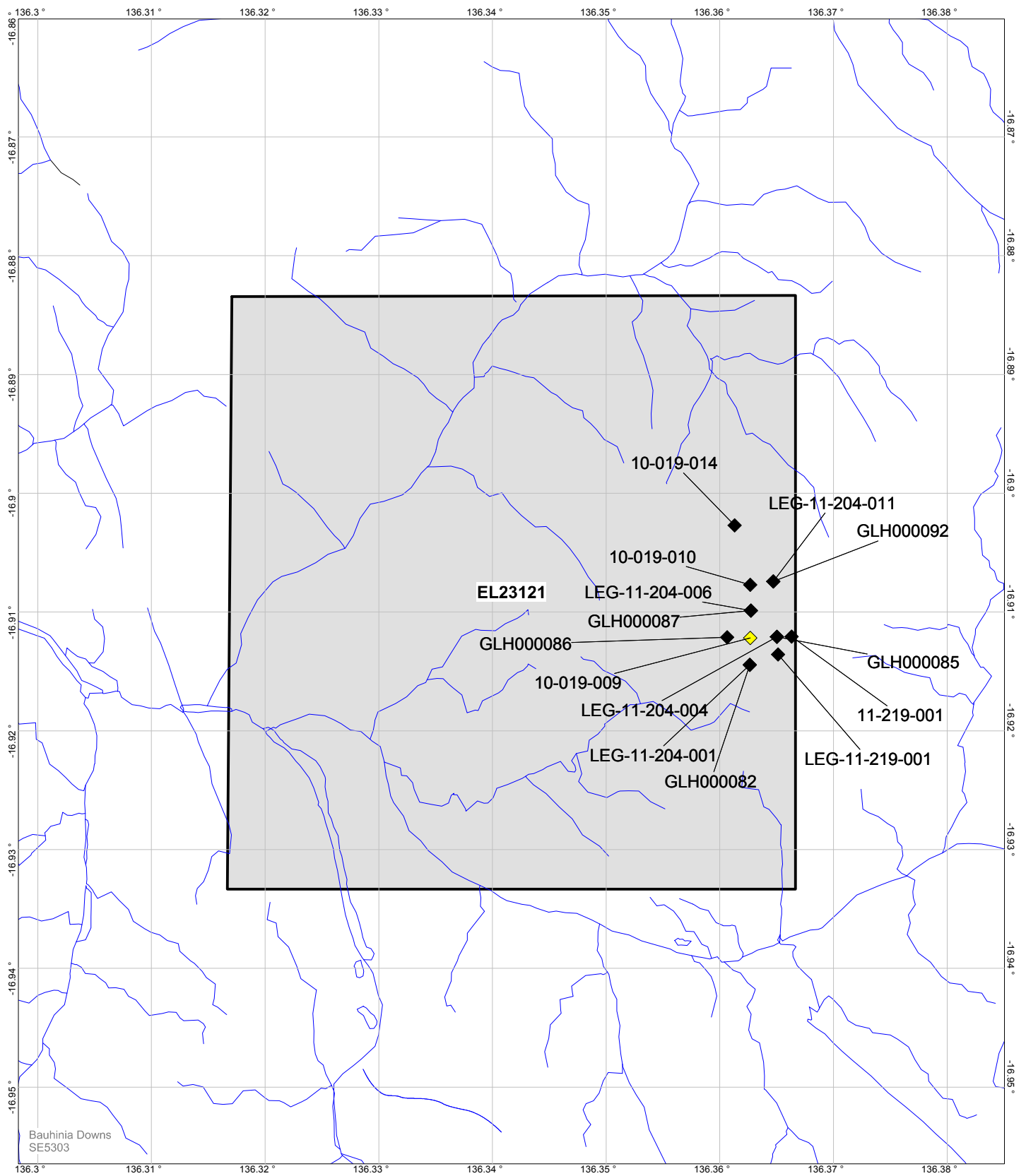


Legend

- Tenement
- Drainage

Legend International Holdings Inc.

	<div>Figure 1</div> <div>Location Plan</div>
Date: 24/4/2012	
Author:	
Office:	
Drawing:	
Scale: 1:50000	Projection: Longitude / Latitude (Australia GDA94)
<div>00.512</div> <div></div> <div>kilometres</div>	



Legend

- Tenement
- Sample Location
- Chromite Positive
- Drainage

Legend International Holdings Inc.	
	<p>Figure 2</p> <p>Sample Location Plan</p>
Date: 24/4/2012	
Author:	
Office:	
Drawing:	
Scale: 1:50000	Projection: Longitude / Latitude (Australia GDA94)
<p>0 0.5 1 2</p> <p>kilometres</p>	