UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2013

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from: _____________ to _____________

Commission File Number 000-32551

LEGEND INTERNATIONAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**23-3067904**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

Level 8, 580 St Kilda Road Melbourne, Victoria, 3004, Australia
(Address of Principal Executive Office) (Zip Code)

011 (613) 8532 2866
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class
Common Stock, par value $.001 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or

Section 15(d) of the Act.

☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for any such shorter period that the registrant was required to submit and post such file).

☒ Yes ☐ No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

The aggregate market value based on the average bid and asked price on the over-the-counter market of the Registrant's common stock, ("Common Stock") held by non-affiliates of the Company was US$20,464,247 as at June 30, 2013.

There were 444,047,971 outstanding shares of Common Stock as of March 21, 2014.

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

DOCUMENTS INCORPORATED BY REFERENCE

Not Applicable

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PART I

Information Regarding Forward Looking Statements

This report and other reports, as well as other written and oral statements made or released by us, may contain forward looking statements. Forward looking statements are statements that describe, or that are based on, our current expectations, estimates, projections and beliefs. Forward looking statements are based on assumptions made by us, and on information currently available to us. Forward-looking statements describe our expectations today of what we believe is most likely to occur or may be reasonably achievable in the future, but such statements do not predict or assure any future occurrence and may turn out to be wrong. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. The words "believe," "anticipate," "intend," "expect," "estimate," "project", "predict", "hope", "should", "may", and "will", other words and expressions that have similar meanings, and variations of such words and expressions, among others, usually are intended to help identify forward-looking statements.

Forward-looking statements are subject to both known and unknown risks and uncertainties and can be affected by inaccurate assumptions we might make. Risks, uncertainties and inaccurate assumptions could cause actual results to differ materially from historical results or those currently anticipated. Consequently, no forward-looking statement can be guaranteed. The potential risks and uncertainties that could affect forward looking statements include, but are not limited to:

- the risks of mineral exploration stage projects,
- political risks in foreign countries,
- risks associated with environmental and other regulatory matters,
- exploration risks and competitors,
- the volatility of phosphate, diamond and other mineral prices,
- estimates of proven and probable reserves are subject to considerable uncertainty,
- movements in foreign exchange rates,
- increased competition, governmental regulation,
- performance of information systems,
- ability of the Company to hire, train and retain qualified employees,
- the availability of sufficient transportation, power and water resources,
- our ability to enter into key exploration and supply agreements and the performance of contract counterparties, and
- availability of financing.

In addition, other risks, uncertainties, assumptions, and factors that could affect the Company's results and prospects are described in this report, including under the heading “Risk Factors” and elsewhere and may further be described in the Company's prior and future filings with the Securities and Exchange Commission and other written and oral statements made or released by the Company.

We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date of this document. The information contained in this report is current only as of its date, and we assume no obligation to update any forward-looking statements.

Item 1. Business.

GENERAL

The terms “Legend,” “Company,” “we,” “our,” and “us” refer to Legend International Holdings, Inc. unless the context suggests otherwise.

Legend has been an exploration stage company since August 2006. During February 2011, the Company announced its maiden mineral reserve estimates for its 100% owned Paradise South phosphate project in accordance with SEC Industry Guide 7. As a result of establishing mineral reserve estimates, Legend has entered into the development stage for this project as it engages in the process of preparing the mineral deposit for extraction, while it continues with its other various exploration activities.

We have an additional objective to exploit our interest in certain exploration tenements which are in Queensland and the Northern Territory of Australia. Our exploration target is for base metals and diamonds and we are seeking to determine whether they are present in commercially economic quantities on our tenements to develop an operating mine.

Currency

We use the Australian dollar as our reporting currency, since we are headquartered in Australia and our exploration, development and administrative expenses are incurred in Australian dollars. References to dollars are to Australian dollars (A$) unless otherwise indicated as being United States dollars (US$). For the convenience of the reader, the Australian Dollar figures for the year ended December 31, 2013 have been translated into United States Dollars ("US$") using the rate of exchange at December 31, 2013 of A$1.00=US$0.8874.

History

Legend was incorporated in the State of Delaware on January 5, 2001 under the name Sundew International, Inc. On March 13, 2003, Legend filed for an Amendment to its Certificate of Incorporation pursuant to which the name of Sundew International, Inc. was changed to "Legend International Holdings, Inc."

Following the change of management in November 2004, the Company developed a new plan of operations, which was to engage in mineral exploration activities.

In March 2006, the Company acquired diamond exploration tenements in Northern Australia and in November 2007, Legend acquired a number of phosphate exploration interests in the State of Queensland in Australia.

In August 2009, Legend acquired a controlling interest in Merlin Diamonds Limited ("MED") (formerly North Australian Diamonds Limited), an Australian company with diamond interests in the Northern Territory of Australia. During 2013, Legend sold its interest in MED.

During the 2009 year, the Company took a private placement of shares in Northern Capital Resources Corp. ("NCRC"). During the 2010 and 2011 years, the Company took additional private placements in NCRC to increase its holding to 31.50% at December 31, 2012.

Legend has not been involved in any bankruptcy, receivership or similar proceeding. Legend has not been involved in any material reclassification, merger consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

SEC Reports

We file annual, quarterly, current and other reports and information with the SEC. These filings can be viewed and downloaded from the Internet at the SEC's website at www.sec.gov. In addition, these SEC filings are available at no cost as soon as reasonably practicable after the filing thereof on our website at www.lgdi.net. These reports are also available to be read and copied at the SEC's public reference room located at Judiciary Plaza, 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330.

RECENT DEVELOPMENTS

On February 13, 2012, the Company announced the restructuring of its phosphate assets in order to facilitate the financing of its 100% owned Paradise Phosphate Project.

The first step involved a transfer of all Legend's phosphate assets into a 100% owned subsidiary of Legend (Paradise Phosphate Limited)("Paradise"); the issue of 100 million ordinary shares (100% of the issued shares of Paradise) by Paradise to Legend; and funding via a A$10 million convertible note facility ("Convertible Note Agreement") which was injected into Paradise through Acorn Capital Ltd as manager of two Australian investment funds ("Acorn"), an Australian financial institution. The A$10 million was intended to convert into equity in the subsidiary upon a successful Initial Public Offering ("IPO") and listing of the subsidiary on the Australian Securities Exchange ("ASX") within 12 months of the note issue date.

The phosphate assets comprise the Paradise Phosphate rock deposits of Paradise North and Paradise South, the D-Tree deposit and the deposits associated with Legend's rights and obligations under the King Eagle Joint Venture agreement (i.e. Highland Plains, Lily & Sherrin Creek and Quita Creek). The assets include the exploration and mining permits and applications associated with the above deposits and related infrastructure.

Legend's senior management were of the opinion that a dedicated Australian company wholly focused on phosphate was best placed to bring the project into production and was in the best interests of all Legend's stockholders. The restructuring further intended to also assist us in seeking investment by Australian financial institutions and other global managed funds that have not been able to invest in stocks listed on the OTC Bulletin Board in the USA.

The convertible note facility of A$10 million to Paradise was repayable 12 months from the completion date of the agreement, which had been extended to March 10, 2013. The notes bore interest at the nominal rate of 10% per annum (the actual amount of effective interest depends upon the event that triggers repayment). The Convertible Note Agreement stated that if, within 12 months of the completion date of the agreement, Paradise conducted a public offering of securities in Australia and those securities were listed on ASX, then the convertible notes converted automatically to shares in Paradise at a conversion rate of A$0.50 (subject to adjustment in accordance with the formula provided in the Agreement). Paradise did not proceed with the IPO and listing on ASX due to market conditions and the advanced state of discussions with strategic partners at the time. Funds received under the convertible note facility were used to progress the project, its development, production and ultimately the export of phosphate rock from the phosphate deposits. The notes were secured by a security interest in the phosphate assets and in the shares of Paradise. The A$10 million convertible note was due for repayment on March 10, 2013. The note agreement called for an adjustment to the repayment factor if Paradise did not complete the public offering as defined. Acorn agreed to extend the repayment date for 2 months under certain conditions including the finalisation of a term sheet for an off-take agreement prior to March 10, 2013. Paradise entered into a term sheet with a third party and the repayment date was extended to May 10, 2013. The Company recorded a A$5,590,000 liability at December 31, 2012 representing an additional payment due in accordance with the term sheet.

On January 16, 2013, Legend announced that it had placed 150 million shares of common stock to a third party at a price of US$0.05 per share to raise US$7.5 million. Closing of the first tranche of this placement of 45 million shares raising US$2,250,000 occurred on February 20, 2013. Between January and March, 2013, Legend sold 59 million shares of MED for a total consideration of A$12,740,000 and used the funds from the capital raisings and sale of MED shares to repay the convertible note.

On March 1, 2013, shareholders representing more than 50% of the issued shares of Common Stock of Legend approved a resolution to increase the authorized shares of capital stock to 1,270,000,000 shares of capital stock consisting of 1,250,000,000 shares of Common Stock having a par value of $.001 per shares and 20,000,000 shares of Preferred Stock having a par value of $.001 per share and to be issued in such series and to have such rights, preferences, and designation as determined by the Board of Directors of the Corporation.

DESCRIPTION OF BUSINESS

Background

Legend has been an exploration stage company since August 2006. During February 2011, the Company announced its maiden mineral reserve for its 100% owned Paradise South phosphate project in accordance with SEC Industry Guide 7. As a result of establishing mineral reserve estimates, Legend has entered into the development stage for this project. We are currently engaged in the process of refining engineering requirements and gaining the remaining approvals required for construction and mineral extraction.

We have an additional objective to exploit our interest in certain exploration tenements in Queensland and the Northern Territory of Australia. Our exploration target is for diamonds.

Effective as of March 3, 2006, the Company entered into a Contract for the Sale of Mining Tenements with Astro Diamond Mines N.L. ("Astro") an Australian company pursuant to which the Company acquired certain diamond exploration tenements in Northern Australia from Astro. In November 2007, Legend acquired a number of phosphate exploration interests in the State of Queensland in Australia. In August 2009, Legend acquired a controlling interest in MED, an Australian company with diamond interests in the Northern Territory of Australia. During the 2009 year, the Company took a private placement of shares in Northern Capital Resources Corp. ("NCRC"). During the 2010 and 2011 years, the Company took additional private placements in NCRC to increase its holding to 31.50% at December 31, 2013.

Strategy

Legend is primarily focused on the commencement of mining, beneficiation and processing of its 100% owned (through Paradise) phosphate mineralization near Mount Isa in northwest Queensland, Australia. Legend has a phased implementation plan to become a leading supplier of phosphate fertilisers.

Phosphate rock is the primary source of phosphorus, a mineral which is an essential building block for all life on Earth and it is a vital nutrient for humans, animals and plants. Being essential for life means that we need to consume phosphorus in our food. Approximately 90% of mined phosphate rock is used in the production of phosphate fertilisers which are needed to maintain the high crop yields required for world food production. Legend plans to market a range of phosphate fertilisers.

We plan to supply direct shipping ore phosphate rockfrom Paradise North. This product may be used in direct fertiliser applications or as feedstock into high yield phosphate fertilizer manufacture.

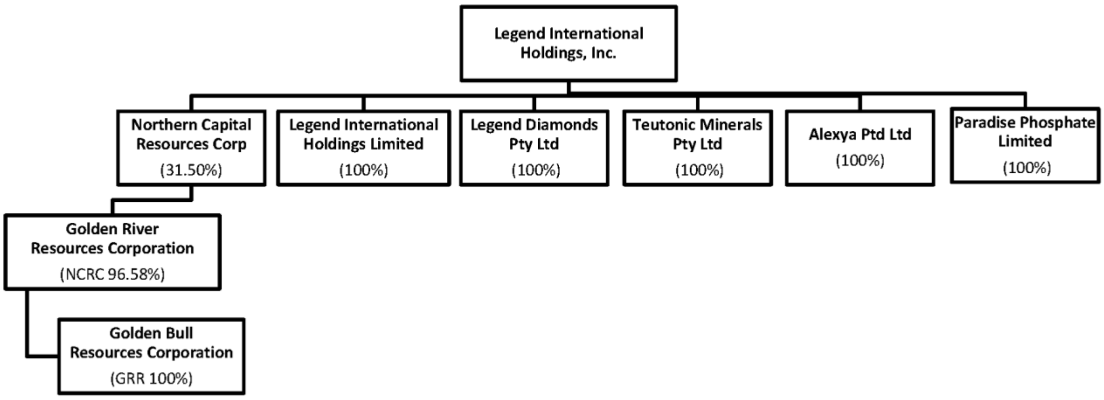
The planned beneficiation plant will use phosphate rock from Paradise South as feedstock and is planned to have a capacity to produce up to 2Mt per year of phosphate concentrate. This product may be used as feedstock to manufacture high analysis phosphate fertilizers DAP (Diammonium Phosphate), MAP (Monoammonium Phosphate) and superphosphates.

The manufacture and marketing of MAP and DAP fertilisers using feedstock from the Paradise South beneficiation plant is also being examined. A valuable by-product of DAP/MAP manufacture from Paradise South concentrate is Aluminum Fluoride (AlF_3), an important input into the aluminum smelting process.

Legend's flagship project is the Paradise South phosphate project in which phosphate ore reserves have been estimated. The Paradise South phosphate project has also been the subject of a detailed feasibility study in 2011..

The Company has an investment in NCRC which has an investment in Golden River Resources Corporation ("GRR").

The following chart sets forth the Company's corporate organization as of December 31, 2013:

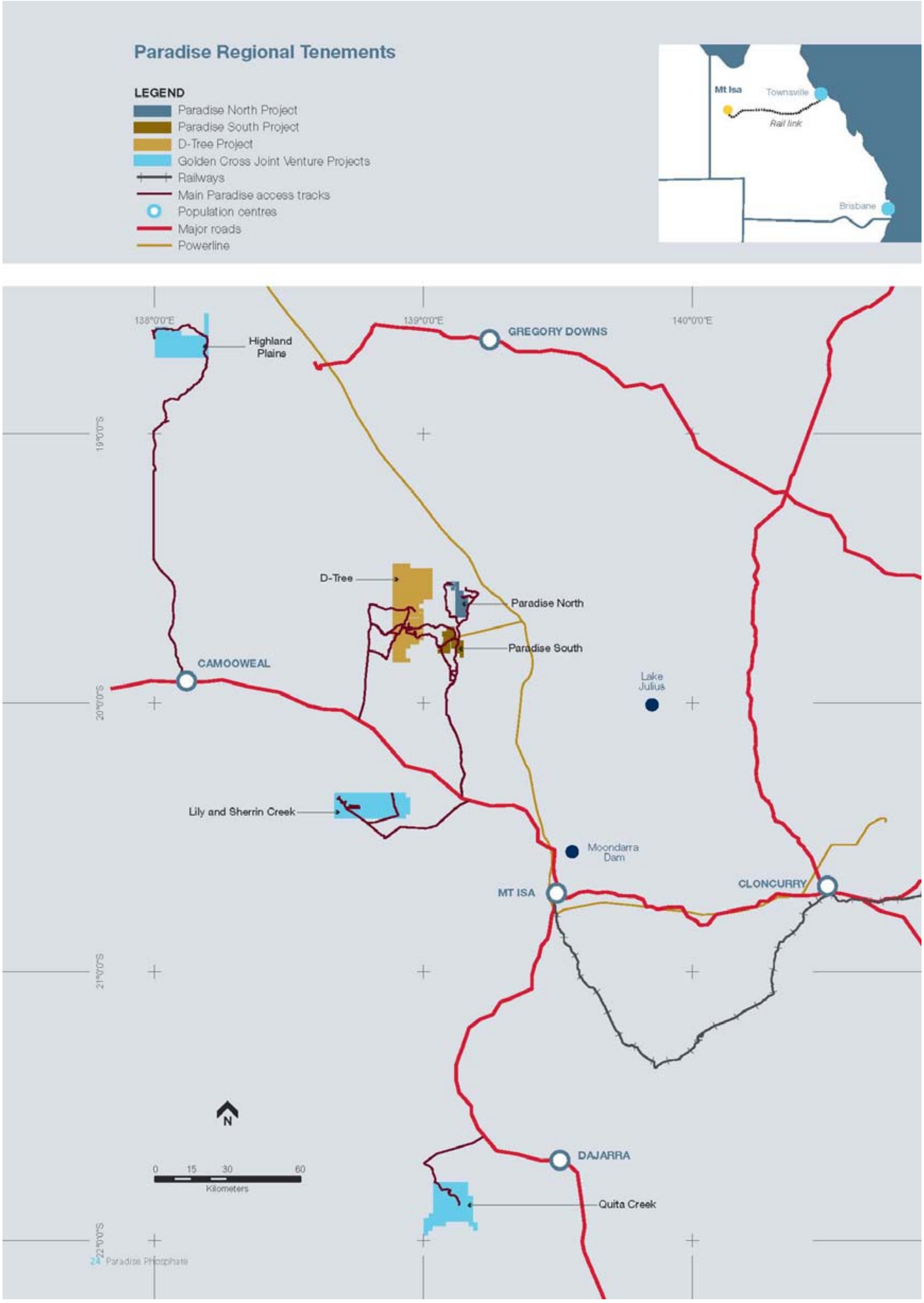


Paradise Phosphate Limited (100% owned subsidiary)

Strategy

Paradise's goal is the development of its phosphate mineralisation and the commencement of mining and processing operations. Paradise aims to become an integrated, reliable and low cost supplier of quality phosphate fertiliser products to support the growing global population.

Paradise's properties consist of exploration and mining licenses within approximately 200km from Mt Isa in the state of Queensland, Australia. The licences are grouped into projects called Paradise North, Paradise South, D-Tree and the Golden Cross Joint Venture project.



Paradise's initial business objective is the development of the Paradise North project to mine and deliver phosphate Direct Shipping Ore ("DSO") to potential customers in the Australasian and South Asian regions. DSO refers to ore which needs negligible processing to meet customer requirements, often needing only crushing and screening, before it can be used as feedstock for phosphate fertiliser manufacture or as a direct application fertiliser.

While Paradise is focussed on near term production from the Paradise North project, its longer term business objective is to pursue additional growth opportunities by undertaking work to progress plans for the development of a phosphate beneficiation plant at the Paradise South project. Paradise aims to attract a strategic partner to finance the development of its phosphate mineralisation. This could involve a range of possible transactions including entering into joint venture arrangements, accepting direct investment into the projects or the issue of new shares in Paradise.

2013 Paradise Highlights:

- Resolution of two objections in relation to the granting of Mine Leases for Infrastructure for Paradise South. Following negotiations with the pastoralist and neigbouring mining company both objections were withdrawn.

- Ongoing discussions with Ballance Agri-Nutrients Ltd regarding the supply of phosphate rock for their single superphosphate plants in New Zealand.

- Continued and ongoing discussions with infrastructure owners and potential phosphate rock off-take partners.

- Phosphate exploration tenements have been granted 'Project Status' pursuant to the Department of Natural Resources and Mines 'Project Based Tenure Administration Guideline'. This status enables Paradise to allocate exploration expenditure equally across all of the projects tenements rather than individual tenements only.

Phosphate Industry

Phosphorus is an essential building block for all life on earth and it is a vital nutrient for humans, animals and plants. It forms the backbone of the double helix shape of our DNA and the DNA of every other living organism on the planet.

Being essential for life means that we need to consume phosphorus in our food. Phosphorus is absorbed by plants from the soil. Phosphate fertilisers are applied to agricultural soils to replenish the phosphate consumed by plants and to improve and maintain high crop yields. In addition to nitrogen and potassium, phosphorus is one of the three key macronutrients required for plant growth. Phosphorus has no substitute in food production and an expanding global human population means a corresponding expansion in the global demand for phosphorus.

Mined phosphate rock is the primary source of phosphorus, with over 90% of the world's mined rock being used to produce phosphate fertilisers. Other uses include the production of livestock feed, domestic detergents and other specialty chemicals used in the pharmaceutical, technological and food manufacturing industries. Phosphate fertiliser is sold in many forms with differing concentrations of phosphorus, other nutrient additives and solubility. The simplest form is crushed phosphate rock, known as reactive phosphate rock ("RPR"), which releases phosphorus from water soluble minerals when applied to weakly acidic soils. RPR can be blended with types of organic fertilisers to increase the phosphorus content of these fertilisers.

Phosphate deposits can occur as either marine sedimentary, biogenic (bat or bird guano) or igneous formations. Over 75% of the world's phosphate resources originate from marine sedimentary deposits.

The main phosphate bearing mineral is apatite, a calcium phosphate mineral. Paradise's phosphate ore was deposited in an ancient sedimentary basin known as the Georgina Basin which covers large parts of central and northern Australia in Queensland and the Northern Territory. The sedimentary phosphate rock was deposited approximately 500 million years ago in a shallow marine environment and is flat lying, close to the surface and relatively soft.

Shallow sedimentary rocks such as Paradise's phosphate deposits are often mined in open pits using large mining equipment such as draglines or excavators and trucks.

To be economically viable, phosphate orebodies generally need to satisfy the following key criteria:

- be close to the earth's surface to allow cost effective mining;
- contain at least 28% P_2O_5 or have ore that is suitable for upgrading to 28% P_2O_5 through beneficiation;
- contain levels of oxides such as iron oxide, aluminium oxide and magnesium oxide that maximise the efficiency of the chemical reactions which produce phosphoric acid (these levels vary for different types of rocks and different fertiliser producers); and
- contain low levels of heavy metals such as cadmium (the Food and Agriculture Organization of the United Nations ("FAO") recommends under 27 ppm for cadmium for RPR. Cadmium may cause adverse health effects if introduced into the food chain in high concentrations.

Processing of mined rock is sometimes needed to remove impurities and increase the concentration of phosphate to meet fertiliser manufacturer specifications. A concentrate of greater than 28% P_2O_5 is generally desirable for phosphate rock to be used in fertiliser production.

Concentration, or beneficiation, of phosphate can take place over a number of steps depending on the properties of the mined rock, Screening is used to remove hard waste followed by grinding and flotation to remove other impurities. The concentrate is then dried before being used as feedstock for fertiliser manufacturing.

Paradise South

Ore Reserve estimate for Paradise South ore and beneficiated phosphate concentrate.

	Ore Reserves[1,2]					
	Metric Tonnes (Millions)	*%P_2O_5*	*Average BPL*	*%Fe_2O_3*	*%Al_2O_3*	*%MgO*
Proven	129.9	13.2	28.8	5.9	2.4	0.8
Probable	68.7	11.9	26.0	5.6	2.3	1.0
Total	198.6	12.7	27.8	5.8	2.3	0.8
	Average Phosphate Concentrate Grade Post Processing[3]					
	Metric Tonnes	*%P_2O_5*	*Average BPL*	*%Fe_2O_3*	*%Al_2O_3*	*%MgO*

1 *These Ore Reserves are estimated based upon information compiled under the guidance of Mr. Dean Basile MAusIMM (Mining One Pty Ltd) who is a competent person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Reserves were estimated at an effective "mine gate" commodity price of US$90 per concentrate tonne (US$155 F.O.B Townsville), with P_2O_5 >30%, Fe_2O_3<3% and MgO<1%. The commodity price was derived from the previous three years historical averages as reported by CRU Strategies Ltd. The financial model associated with this Ore Reserve estimate assumes 100% equity financing (0% debt financing) for the estimated project capital requirement.*

2 *Ore reserves are defined here as the phosphorite ore material for the beneficiation plant. It is "as-mined" material and is before screening and processing in the proposed flotation beneficiation plant to be located at Paradise South. All ore reserves are in areas that are fully accessible for mining; free of surface or subsurface encumbrance, legal setbacks, environmental reserves and other legal restrictions that preclude permittable access for mining; believed by us to be permittable within approximately one to two years; and meet specified minimum physical, economic and chemical criteria related to current mining and production practices of the industry.*

3 *Mineral reserves are defined here as the recoverable rock concentrate post screening and processing of the ore through the proposed flotation beneficiation plant to be located at Paradise South. This material is therefore a subset of the ore reserves and cannot be aggregated with the ore reserves. These reserves are in areas that are fully accessible for mining; free of surface or subsurface encumbrance, legal setbacks, environmental reserves and other legal restrictions that preclude permittable access for mining; believed by us to be permittable within approximately one to two years; and meet specified minimum physical, economic and chemical criteria related to current mining and production practices of the industry.*

	(Millions)					
Proven	35.5	32.2	70.4	3.0	0.8	0.6
Probable	17.2	31.9	69.7	2.9	0.8	0.8
Total	52.7	32.1	70.1	3.0	0.8	0.7

Ownership and Tenement Status

The Paradise South project tenements and applications are 100% owned by Paradise, pending registration by the Queensland Department of Natural Resources and Mines of the transfer of these tenements from Legend to Paradise.

Granted Tenements for the Paradise South project

Lease	**Lease Status**	**Project**	**Grant Date**	**Expiry Date**	**Acres**	**Annual Commitment (AUD)**
EPM16942	Granted	Paradise South	28-Aug-09	27-Aug-14	14,310	$155,000
EPM17447	Granted	Paradise South	23-Feb-10	22-Feb-18	7,155	$10,000

Tenements under application for Paradise South project.

Lease	**Lease Status**	**Purpose**	**Application Date**	**Acres**
ML90197	Application	Mining Paradise South	23-Nov-09	5,619
ML90221	Application	Tailings/Settling Dam	1-Jul-11	528
ML90222	Application	Water Supply	1-Jul-11	1,643
ML90223	Application	Power Lines/Aerials	29-Jul-11	475
ML90224	Application	Power Lines/Aerials	29-Jul-11	126
ML90225	Application	Power Lines/Aerials	29-Jul-11	24
ML90226	Application	Slurry Pipeline	29-Jul-11	554
ML90227	Application	Slurry Pipeline	29-Jul-11	496

Project History

Phosphate mineralisation was discovered at Paradise South by Broken Hill South Ltd in 1967. By 1972 over 55,000 metres of rotary percussion holes were drilled and 33 shafts sunk across both Paradise South and Paradise North. At Paradise South, 64,000 tonnes of phosphate ore was extracted to supply a 100 tonne per day beneficiation plant. This plant produced concentrate of up to 34% P_2O_5 which was used for testing by fertiliser manufacturers.

During the 2009 and 2010 drilling programs, 7,218m of reverse circulation and 1,191m of diamond holes were drilled and sampled. In 2009, a pilot beneficiation plant was constructed in Adelaide to confirm the suitability of Paradise's proprietary metallurgical flotation process. Two 40 tonne samples from the Paradise South project were processed in Adelaide which successfully upgraded the rock phosphate content from 14.3% P_2O_5 and 18.7% P_2O_5 to 31.7% P_2O_5 and 34.4% P_2O_5 respectively. Subsequent geological modelling and further metallurgical tests were used to define a detailed open pit design and mining schedule.

In 2009 Legend applied for a patent for the phosphate flotation methodology which Paradise intends to use at the Paradise South project. The flotation method recovers ultra-fine phosphate particles which conventional beneficiation methods would treat as waste. The patented process uses a Jameson flotation cell which has been used for many years to recover fine particles in potash and coal. The Jameson cell is considered to be well suited to the flotation of fine particles since it generates smaller bubbles than both conventional and column cells. The Jameson cell is a mature technology, and under this patent, is being uniquely applied to phosphate flotation. Pilot plant trials in 2009 using two 40 tonne samples of phosphate from the Paradise South project successfully achieved high phosphate recovery which was supported by the additional recovery of the fine material. This result indicates that the use of this methodology at the Paradise South project would maximise the recovery of saleable phosphate concentrate from the proposed beneficiation plant.

Mining Lease Applications have been made for mining and processing operations and associated infrastructure at the Paradise South project.

Environmental Permitting Requirements

The level of environmental approval for mining projects in Queensland depends on the size and nature of the proposed mining operation. The proposed mining operation at the Paradise South project includes a beneficiation processing plant requiring power and water infrastructure and accordingly has been approved through an Environmental Impact Statement ("EIS") with a supporting Environmental Management Plan. The EIS for the Paradise South project has been completed by the Legend development team with support from an independent engineering consultancy and was submitted to Queensland Government Department of Environment and Heritage Protection ("DEHP") in August 2011. The EIS was made available for public comment and a Supplementary EIS was submitted on 1 June 2012 as a response to comments received on the EIS. The DEHP approved the EIS in July 2012.

The Company undertook a final revision of the EMP to progress the application for the Environmental Authority for the Paradise South Project. The draft Environmental Authority conditions were negotiated with government and a draft Environmental Authority was issued in October 2012. This Environmental Authority was subject public comment and one comment was received. This comment is being dealt with by the Land Court. The Company believes the Environmental Authority will be approved later in 2014.

Throughout 2012, baseline surveys of environmental conditions were undertaken at Paradise South project. These surveys included quality measurements of ground and surface water and will be used to define water quality objectives for future mining and beneficiation activities.

Project Schedule Update

The Paradise South Project is currently at an advanced stage in regards to permitting with the Mining Lease expected to be granted by the end of 2014. The key Environmental Impact Statement has been approved by the DEHP and the full Environmental Authority is expected to be granted upon resolution of one outstanding objection from a local member of the public. The objection concerns the supply of water for the mining and beneficiation operation on MLA 90197. This objection is currently being heard by the Land Court of Queensland which, following hearing of the objection, will make a recommendation to the relevant Minister who will ultimately determine whether to grant the Environmental Authority and if so, on what conditions. The Minister is not bound to accept the recommendation of the Land Court of Queensland. Given the rigorous process undertaken so far in preparing the Environmental Impact Statement, Environmental Management Plan and their review by the Department of Environment and Heritage Protection which resulted in the Department recommending the issue of an Environmental Authority on the stated conditions, Legend considers that it is unlikely that the Minister will refuse to issue the Environmental Authority. The objection is limited to the issue of the water supply and would not affect other aspects of the project. At its highest, Legend reasonably expect that the objection would only result in some additional conditions for the issue of one of the Mining Leases, but considers it more likely that the objection will not result in any adverse finding against the draft Environmental Authority approved by the Department.

The timeframe of settling the above item is partially dependant upon the progress of matters in the Land Court and the willingness of other parties to come to agreement. However the Company reasonably believes that all outstanding matters will be resolved over the next 9 months with grant of the Mining Lease Applications potentially by the end of 2014.

The Paradise South Project has significant capital requirements and achieving this financing will be the main potential impediment to achieving the project schedule. If finance can be obtained and the final permitting is achieved by the end of 2014, construction could commence and be completed within 18–24 months. This would allow production to commence in 2017 for the Paradise South Project.

Paradise North

Ore Reserves for the Paradise North Project

No Ore Reserve estimate has been declared for the Paradise North project.

Ownership and Tenement Status

The Paradise North project tenements and applications are 100% owned by Paradise, pending registration by the Queensland Department of Natural Resources and Mines of the transfer of these tenements from Legend to Paradise.

Granted Tenements for the Paradise North project

Lease	Lease Status	Project	Grant Date	Expiry Date	Acres	Annual Commitment (AUD)
EPM17330	Granted	Paradise North	23-Jul-09	22-Jul-14	3,180	$335,000
EPM17441	Granted	Paradise North	6-Oct-09	5-Oct-14	14,310	$110,000
ML90191	Granted	Paradise North	7-Apr-11	30-Apr-26	484	NA

Project History

In the 1960s exploration at the Paradise North project, formerly known as Lady Jane, identified phosphate mineralization in the geographic area currently covered by Paradise's tenements. The extent of the mineralisation was identified from 66 drill holes, of which 36 are located on Paradise tenements EPM 17330 and EPM 17441. Paradise has used data from these 36 drill holes to estimate the grade and tonnage of phosphate mineralisation located within Paradise's tenements.

Exploration at Paradise North since 2009 consisted of 417 drill holes with a total length of over 9,800 metres of drilling. The drilling was aimed at identifying material with phosphate grades higher than 28% P_2O_5 which may be suitable as phosphate DSO. Subsequent test work was conducted to define the mineralisation characteristics of the rock as they relate to high analysis phosphate fertilizer production and use as direct application fertiliser reactive phosphate rock.

In April 2011 Mining Lease 90191 was granted for the Paradise North project allowing Paradise to commence mining operations up to 1 million tonnes per year of ore, subject to the approval of a plan of operations by the DEHP.

Environmental Permitting Requirements;Plan of Operations

Paradise holds an Environmental Authority over the Paradise North mining lease allowing mining activity subject to an approved Plan of Operations.

Throughout 2012, baseline surveys of environmental conditions were undertaken at Paradise North project. These surveys included quality measurements of ground and surface water and will be used to define water quality objectives for future mining activities.

The Paradise North deposit has an in-situ phosphate grade of greater than 28% P_2O_5 making it potentially suitable to be used as feed for fertilizer production and as RPR. Paradise North phosphate DSO does not require any concentration (beneficiation) of the phosphate content resulting in significantly lower capital expenditure as no beneficiation plant needs to be built to bring the Paradise North Project into production. The current mineralized material model indicates that the deposit is close to the surface, amenable to bulk open pit mining methods and will have low strip ratios. Paradise proposes to mine phosphate DSO, screen and crush the rock, load it into covered containers and transport via road train to Mount Isa. The containers can then be transferred to flat-bed rail wagons for rail transport to the Port of Townsville. The phosphate rock would then be loaded into ships bound for potential customers in the Australasian and South Asian region.

The Paradise North Project has an estimate for capital expenditure of approximately A$26.4 million which is anticipated to provide all of the necessary infrastructure required to deliver phosphate DSO to the Port of Townsville. A bulk mining phosphate DSO operation requires minimal mine infrastructure and is based on contract mining. A majority of the capital expenditure is allocated to haul road upgrades and rail access security.

2013 Exploration program

During the year, work focused on undertaking rehabilitation of previous exploration activities.

D-Tree

Ore Reserves for the D-Tree Project

No Ore Reserve has been declared for the D-Tree project.

Ownership and Tenement Status

The D-Tree project tenements and applications are 100% owned by Paradise, pending registration by the Queensland Department of Natural Resources and Mines of the transfer of these tenements from Legend to Paradise.

Granted Tenements for the D-Tree project

Lease	Lease Status	Project	Grant Date	Expiry Date	Acres	Annual Commitment (AUD)
EPM14753	Granted	D-Tree	21-Apr-08	20-Apr-15	11,925	$10,000
EPM15763	Granted	D-Tree	26-Jun-08	25-Jun-15	34,980	$10,000
EPM17333	Granted	D-Tree	29-Sep-09	28-Sep-16	16,695	$10,000
EPM17446	Granted	D-Tree	29-Sep-09	28-Sep-16	4,770	$10,000
ML90190	Granted	D-Tree	12-Aug-10	31-Aug-15	104	NA

Project History

Explorers in the 1960s identified mineralized phosphate material at the D-Tree project. The D-Tree project deposit spans several of Paradise's exploration tenements, EPM's 15763, 14753, 17446 and 17333 and Mining Lease 90190, and is located approximately 10km west of the Paradise South Project. The exploration campaign at the D-Tree project commenced in 2008 and concluded in 2009. In total, over 19,500 metres of drilling was completed in this period which covered approximately 35% by area of the mineralised material discovered in the 1960's. Legend subsequently reported mineralised material which contains a core zone of high grade phosphate mineralisation. Mining Lease 90190 was granted in 2010 over this high grade portion of the deposit, allowing for a 0.5Mtpa phosphate DSO operation.

A 40 tonne sample of phosphate rock from the D-Tree Project was tested in the 2009 pilot beneficiation plant trials in Adelaide. The sample successfully produced a marketable grade rock concentrate of 33% P_2O_5 from 17.5% P_2O_5 ore feed.

Recent citric solubility testing on a high grade sample also indicated the suitability of portions of the D-Tree Project as reactive phosphate rock direct application fertiliser.

2013 Exploration program

During the year, work focused on undertaking rehabilitation of previous exploration activities.

Golden Cross Joint Venture Project

Ore Reserves for the Golden Cross JV Project

No Ore Reserve estimate has been declared for the Golden Cross JV project.

Ownership and Tenement Status

The tenements comprising the Golden Cross Joint Venture project are registered in the name of King Eagle Resources Pty Ltd, a wholly owned subsidiary of Golden Cross Resources Ltd. Legend entered into an earn-in joint venture with Golden Cross Resources Ltd in May 2008. The terms of the agreement required the Company to spend $3 million over 5 years on the Golden Cross Joint Venture project to earn an 80% participating interest. Legend has assigned its rights under this agreement to Paradise and the total expenditure on the project is $3.06 million as of December 2012. In August 2013 Paradise Phosphate Ltd and King Eagle Resources Pty Ltd signed a Deed of Acknowledgement confirming that Paradise Phosphate Ltd has acquired its 80% participating interest in the Golden Cross Joint Venture project.

The tenements for the Golden Cross Joint Venture Project are summarised in the table below.

Granted Tenements for Queensland Projects

Lease	Lease Status	Project	Grant Date	Expiry Date	Acres	Annual Commitment (AUD)
EPM14905*	Granted	Golden Cross	12-Dec-06	11-Dec-16	73,140	$100,000
EPM14906*	Granted	Golden Cross	24-Aug-07	23-Aug-17	58,830	$50,000
EPM14912*	Granted	Golden Cross	30-Jan-07	29-Jan-17	79,500	$50,000

** 80% interest*

Project History

The Lily and Sherrin Creek phosphate mineralised zones were defined in the 1970s. The Quita Creek and Highland Plains phosphate deposits were also defined at that time.

Legend commenced drilling programs at Lily and Sherrin Creek in 2008 with the latest program concluding in 2011. During this period 2,250 metres of drilling was completed. The programs successfully confirmed the presence of phosphate mineralisation. The first drilling program at Highland Plains and Quita Creek commenced in 2011 and drilled 1,248 metres and 597 metres respectively.

2013 Exploration program

During the year, work focused on undertaking rehabilitation of previous exploration activities.

Government Regulations, Declarations & Conditions

The Company’s exploration operations are subject to Australian Federal and State laws and regulations governing the method of acquisition and ownership of mining rights, exploration, development, mining, production, taxes, labour standards, occupational health, mine safety, toxic substances and other matters. Australian Federal and State legislation also governs environmental management and native title issues. We are committed to and, to our knowledge, are in compliance with all governmental legislation and regulations.

Government Requirements for Maintenance of Licences

To ensure that licences are kept in good standing the Company is required to pay the annual rent amount for each licence on its respective anniversary date. The amount due is dependent upon the size of the licence. The Company is also required to work the licences and meet the annual expenditure commitments. Annual reporting is required, specifying details of the exploration programme which has occurred and which is anticipated for the following year. Failure to comply would place the licences at risk of cancellation and therefore forfeit the right to explore on that ground.

License Conditions

The Company is required to meet certain standard conditions and obligations as specified by the Queensland Mineral Resources Act, Exploration Permits. These include conducting activities in a way which minimise environmental damage, rehabilitation, avoiding interference with registered native title sites or areas and ensuring compliance with any other relevant legislation. Programmes of Work are to be submitted at the time of application for any ground disturbance or exploration works, the conditions of which are clearly specified and adhered to. Security bonds are payable on the grant of the permits and additional conditions can be imposed by the government State Minister.

Native Title

The rights and obligations of the Company with respect to native title obligations differ depending upon the permit's proposed impact on the land. All the exploration permit applications held by the company will need to comply with the Native Title Act. The overwhelming majority on permit applications will be advertised under the expedited procedure and require advertising to determine whether there are any objections. If there are no objections, the Queensland Government can grant the permit and will impose the Native Title Protection Conditions on the permit before grant. These conditions ensure that any native title claimants are aware of the proposed exploration work and gives them an opportunity to identify any culturally sensitive areas. If there are objections, the company will need to negotiate an agreement with the native title claimants. Following lodgement of this agreement with the Queensland government the permit will be granted.

Environment

The rights and obligations of the Company with respect to environmental management and rehabilitation are based upon the principles of disturbance minimisation, including such things as preservation of mature trees, preventing the spread of noxious weeds, avoiding the disturbance of waterways and waste management. Rehabilitation is a condition of the Security bond and requires such things as sealing of collars, plugging of casings and replacement of topsoils.

Royalties

The royalty rate for phosphate rock is the higher of the following: (a) 80 cents for each tonne of phosphate rock; or (b) the rate, rounded down to 2 decimal places, for each tonne of phosphate rock worked out using the following formula –

$$R = \$1 \times \frac{G}{32.3} \times \frac{P_{curr}}{\$72.50}$$

where R is the royalty rate, G is the average P_2O_5 content of the phosphate rock for the return period, and P_{curr} is the average price for the return period, converted to Australian dollars at the average hedge settlement rate for the return period, of Moroccan phosphate rock with 32.3% P_2O_5 content.

The royalty is payable to the State of Queensland.

Contractual Agreements in relation to Queensland Phosphate Interests

(i) On November 2, 2007, we entered into an agreement with Iron Duyfken Pty Ltd to acquire three (3) project areas in the Georgina Basin of Queensland, Australia. Each project hosts a known and well documented, substantial deposit of phosphate rock (Cook, P.J, 1989, Howard, P.F, 1986). These deposits were delineated by earlier work conducted by previous major companies since 1967 and have been named the Lady Annie, Lady Jane and Thorntonia phosphate deposits. The deposits were defined in times when phosphate prices were low. Phosphate prices have risen considerably since those times due to increased world demand especially from China and India. Past feasibility studies on these deposits will be reassessed with a view to commercialization of the deposits, based on current prices. Legend paid A$500,000 and issue 500,000 shares of Common Stock as consideration.

(ii) Effective November 7, 2007, we entered into an agreement with Ansett Resources & Industries Pty Ltd to acquire one (1) project area in the Georgina Basin of Queensland, Australia. The project hosts a known and well documented, substantial deposit of phosphate rock (Cook, P.J, 1989, Howard, P.F, 1986). The deposit was delineated by earlier work conducted by previous major companies since 1967 and have been named the D-Tree phosphate deposit. As set out above, the deposit was defined in times when phosphate prices were low. Phosphate prices have risen considerably since those times due to increased world demand especially from China and India. Past feasibility studies on this deposit will be reassessed with a view to commercialization of the deposit, based on current prices. Legend paid A$300,000 as consideration.

(iii) We entered into a farm-in and joint venture heads of agreement with King Eagle Resources Pty Limited on December 7, 2007 pursuant to which Legend can earn an 80% interest in phosphate on three tenement blocks named Quita Creek, Highland Plains and Lily and Sherrin Creek by spending $3 million on phosphate exploration over five years. Legend has no rights to any other minerals on the three tenement blocks.

(iv) Effective February 27, 2008, we entered into a Share Sale Agreement whereby the Company agreed to purchase all of the issued and outstanding shares of Teutonic Minerals Pty Ltd. As a result, Teutonic became a subsidiary of the Company from that date. Teutonic held an application for a mineral licence over phosphate in the Georgina Basin in the State of Queensland, Australia which has subsequently been withdrawn, allowing Legend's application to take priority. The consideration payable to the vendors was A$300,000, and the Company granted a 1% gross revenue royalty from production from the mineral licence.

(v) On October 27, 2008, we entered into a Heads of agreement with Mt. Isa Metals Ltd. ("MET") for the formation of a Joint Venture ("JV") over each party's respective interest in tenements overlying the D-Tree phosphate deposit. Under the JV, Legend contributed tenements EPM 14753, EPMA's 17333, 17437, 17443 and 17446, and MET contributed tenement EPM 15763 (D-Tree West). Legend managed and held an 80% interest in the JV and MET held a 20% contributing interest in the JV. The JV has access to plant and infrastructure at Legend's 100% owned proposed Lady Annie phosphate development, which lies 9 miles to the east of D-Tree. The Heads of Agreement was replaced by a formal JV agreement dated April 18, 2009. Effective September 30, 2009, MET exited the JV. Legend, as manager of the D-Tree JV, had invoiced MET A$1.739 million for MET's 20% interest in the D-Tree project for the period September 1, 2008 to June 30, 2009. MET decided to dilute its interest rather than pay the invoices and in accordance with the JV agreement, MET's interest has reduced to less than 5%, thus requiring MET to exit the JV. MET retains a royalty of A$0.50 per tonne from product from the D-Tree Joint Venture tenements.

(vi) On December 24, 2008, we entered into a Sale and Purchase Agreement with Elkedra Diamonds Pty Ltd and Uramet Minerals Limited to purchase a 100% interest in EPM 15014, EPM 15015 and application for EPM 17930 for a consideration of

A$900,000. The purchase by Legend was subject to a number of pre-conditions including the receipt by the vendors of any necessary consents and approvals required under the Mining Act and approval for the purchase under the Foreign Acquisition and Takeovers Act 1975 (Cth). These pre-conditions were satisfied in February 2009 and the purchase by Legend settled. As part of the purchase, all parties provided standard warranties for such a transaction to each other. The tenements covered by this purchase are located immediately north of the Queensland phosphate project and are prospective for phosphate and diamonds.

Northern Territory Exploration Interests

The entire exploration interests of Legend are highly prospective for diamonds and uranium. Legend's exploration team is currently focused on discovering further diamond deposits in the Northern Territory, Australia. Numerous diamond indicator mineral, microdiamond occurrences and other anomalies are being followed up across all projects.

Acquisition of Northern Territory Tenements

Effective as of March 3, 2006, Legend entered into a Contract for the Sale of Exploration Tenements ("Contract") with Astro Diamond Mines N.L. ("Astro") an Australian company pursuant to which the Company acquired certain diamond exploration tenements in Northern Australia from Astro. The consideration payable by Legend to Astro was Australian dollars $1.5 million and Legend was also required to pay to Astro any costs incurred on the tenements after February 1, 2006. Astro provided commercial warranties which are usual for a transaction of this nature in favour of Legend. Under Australian law, Astro was required to provide an independent experts report to shareholders for this transaction. In order to prepare the independent experts report, a mineral valuation was prepared on behalf of Astro which indicated that the preferred value for the tenements that are the subject of the transaction was A$1.5 million. This formed the basis of the consideration agreed by the parties. The President and Chief Executive Officer of the Company, Mr. J. I. Gutnick was Chairman and Managing Director of Astro at the time of entering into the Contract and Dr DS Tyrwhitt, an independent Director of the Company, who is also a Director of Astro and was a Director of Astro at the time of entering into the Contract. The tenements are located in the Northern Territory of Australia and are prospective for diamonds.

Legend has entered into an agreement with Ashton Mining Limited ("Ashton") and Rio Tinto Exploration Pty Ltd ("Ashton Agreement") dated December 4, 2009 and a second agreement with Mwana Africa plc, Gravity Diamonds Limited and Diamond Mines Australia Pty Ltd dated April 24, 2009 ("Gravity Agreement"). Under these two agreements, Legend has acquired further diamond interests in the Northern Territory of Australia. As way of background, in April and July 2004, Ashton, MED and certain of MED's 100% owned subsidiaries entered into agreements whereby MED purchased certain diamond assets (including the Merlin diamond mine and diamond exploration tenements) from Ashton and Ashton retained rights over these diamond assets including royalty rights, marketing rights and earn back rights. In addition, Rio Tinto and Gravity had entered into an agreement in July 2003 whereby Gravity acquired certain diamond interests from Rio Tinto in the McArthur Basin, which is in the broad vicinity of Legend and MED's diamond interests in the Northern Territory, with Rio Tinto retaining certain residual rights. During the year, in accordance with agreements entered into in 2004 between various third parties and MED (prior to Legend holding an equity interest in MED), and Legend being assigned certain rights under those agreements by the third parties in 2009, MED paid Legend A$2,000,000 on the commissioning of the plant at the Merlin diamond mine and a further amount of A$551,000 is due. Further payments may be made in the future depending on the success of exploration and mining operations at the Merlin diamond mine.

Under the Ashton Agreement, Legend purchased all of the Ashton and Rio Tinto's mining information, rights under three agreements and interests in four (4) exploration licences, six (6) applications for exploration licences, five (5) substitute exploration licences and one (1) mining lease for an amount of A$1,000,000. Rio Tinto retained the royalty payable by MED in respect of the Merlin diamond mine and rights to conduct exploration, development and production activities for non-diamond minerals. Under the Gravity

Agreement, Legend purchased Gravity’s interest in twelve (12) exploration licences, nine (9) applications for exploration licences and one (1) substitute exploration licence; Gravity’s rights, interests and obligations under the Red Metal Agreement and all exploration and data bases relevant to historical exploration; and Legend paid Gravity A$400,000 for these assets.

In summary, under the Ashton Agreement and Gravity Agreement, Legend has acquired all of Ashton’s, Rio Tinto’s and Gravity’s rights under previous agreement between those parties, not already held by Legend or MED.

Investment in Northern Capital Resources Corp

Legend holds a 31.50% interest in NCRC, an unlisted US corporation. NCRC’s subsidiary Golden River Resources Corporation (“Golden River”) (GORV:OTCBB) acquired a controlling interest in Acadian Mining Corporation (“Acadian”), a Canadian company listed on Toronto Stock Exchange (TSX:ADA) in 2009. During fiscal 2013, Golden River sold its interest in Acadian.

NCRC also holds exploration interests in Australia.

Item 1A. Risk Factors.

We Lack an Operating History And Have Losses Which We Expect To Continue Into the Future.

To date we have had no material source of revenue. We have no operating history as a mining company upon which an evaluation of our future success or failure can be made. Our ability to achieve and maintain profitability and positive cash flow is dependent upon:

– exploration and development of any mineral property we identify; and

– our ability to generate revenues and profitably operate a mine on any mineral property we identify.

We Will Require Further Financing To Determine If There Is Commercial Minerals, Develop Any Minerals We Identify And To Maintain The Mineral Claims.

Our success may depend on our ability to raise further capital. We will require further substantial additional funds to conduct mineral exploration and development activities on all of our tenements. There is no assurance whatsoever that funds will be available from any source or, if available, that they can be obtained on terms acceptable to us to make investments. In this regard, Paradise was unable to complete an initial public offering in Australia in 2012 due in part to adverse financial market conditions. If funds are not available in the amounts required to achieve our business strategy, we would be unable to reach our objective. This could cause the loss of all or part of your investment.

The Report Of Our Independent Registered Public Accounting Firm Contains An Explanatory Paragraph Questioning Our Ability To Continue As A Going Concern.

The report of our independent registered public accounting firm on our financial statements as of December 31, 2013 and 2012, and for the years ended December 31, 2013 and 2012, includes a paragraph questioning our ability to continue as a going concern. This paragraph indicates that we have not yet commenced revenue producing operations, have incurred net losses from inception, and have an accumulated (deficit) of $171,921,000 which conditions raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustment that might result from the outcome of this uncertainty.

There are Risks Related to the Construction, Development and Operation of Our Proposed Phosphate Mining and Beneficiation Facilities

The planning, construction and operation of phosphate mining and beneficiation facilities is a complex undertaking that involves various elements including engineering, design, procurement of equipment, transportation, water resources, construction and obtaining financing and permits required related thereto.

We will need to obtain substantial equity and/or debt financing from third parties to fund the construction and development of our proposed phosphate mining and beneficiation facilities. We do not have any definitive agreements or understandings at this time to obtain this financing and there can be no assurance that we will be successful in doing so.

If we are not successful obtaining the necessary permits and approvals or raising the necessary funds, in a timely manner, or at all, in order to plan, construct or operate the mining and beneficiation facilities, this would have material adverse affect on our business and financial condition.

Phosphate market, price and demand and the need to enter into off-take agreement/s

Paradise intends to derive its revenue from the extraction and sale of phosphate rock from the Paradise North Project. The price which Paradise may receive for its phosphate products depends on numerous factors that are beyond Paradise's control and are inherently unpredictable, including general global economic conditions, currency exchange rates, increases of supply by competitors, shipping costs, alternative product development and changes in the demand for phosphate.

The viability of the Paradise North Project is dependent upon Paradise entering into a joint venture arrangement or off-take agreement with a customer or customers on acceptable terms and there is a risk that acceptable off-take arrangements may not eventuate.

The additional growth opportunities are also exposed to a risk that Paradise may not be able to achieve an acceptable price for the phosphate products which it hopes to produce, or be able to enter into viable off-take agreements for its anticipated fertiliser products.

World Economic Conditions Could Adversely Affect Our Results of Operations and Financial Condition

The effects of the continuing global financial crisis are difficult to accurately predict. As a result of this crisis, conditions in the credit markets have continued to be uncertain and risk adverse. These adverse conditions may make it harder for the Company to raise additional funds to finance the continued development of its business and may reduce the demand for phosphate and diamonds, which, at least in the short term, could reduce the value of the Company's mineral exploration properties. Continued adverse economic conditions could adversely affect our liquidity, results of operations and financial condition.

We Could Encounter Delays Due To Regulatory And Permitting Delays.

We could face delays in obtaining mining permits and environmental permits. Such delays, could jeopardize financing, if any, in which case we would have to delay or abandon work on the properties.

There Are Uncertainties Inherent In The Estimation Of Mineral Reserves.

Reserve estimates, including the economic recovery of ore, will require us to make assumptions about recovery costs and market prices. Reserve estimation is, by its nature, an imprecise and subjective process and the accuracy of such estimates is a function of the quality of available data and of engineering and geological interpretation, judgment and experience. The economic feasibility of properties will be based upon our estimates of the size and grade of ore reserves, metallurgical recoveries, production rates, capital and operating costs, and the future price of phosphate and diamonds. If such estimates are incorrect or vary substantially it could affect our ability to develop an economical mine and would reduce the value of your investment. Further, it may take many years from the initial phase of drilling before production is possible and, during that time, the economic feasibility of exploiting a discovery may change.

If We Define An Economic Ore Reserve And Achieve Production, It Will Decline In The Future. An Ore Reserve Is A Wasting Asset.

Our future ore reserve and production, if any, will decline as a result of the exhaustion of reserves and possible closure of any mine that might be developed. Eventually, at some unknown time in the future, all of the economically extractable ore will be removed from the properties, and there will be no ore remaining unless this Company is successful in near mine site exploration to extend the life of the mining operation. This is called depletion of reserves. Ultimately, we must acquire or operate other properties in order to continue as an on going business. Our success in continuing to develop reserves, if any, will affect the value of your investment.

Unforeseen changes in the phosphate rock properties may result in the product failing to meet the required specifications, and accordingly the Company can make no assurance that the product will meet required specifications at this time.

The mineralogical composition of phosphate bearing rocks is subject to natural variability resulting in differences in physical properties, levels of impurities and available phosphorus content. Fertiliser manufacturers and farmers require phosphate concentrate or rock to be delivered which meet specified tolerances on elemental impurities and quantity of available phosphorus.

The Company has conducted a range of tests on phosphate rock from the Paradise North Project (and the Company's other Projects). These tests are necessarily conducted on discrete samples of rock taken from drill holes or excavations. Assumptions are then made regarding the spatial continuity of the phosphate rock properties. Unforeseen changes in the phosphate rock properties may result in the product failing to meet the required specifications, and accordingly the Company can make no assurance that the product will meet required specifications at this time.

There Are Significant Risks Associated With Mining Activities.

The mining business is generally subject to risks and hazards, including quantity of production, quality of the ore, environmental hazards, industrial accidents, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, our mineral properties or production facilities, personal injury or death, environmental damage, reduced production and delays in mining, asset write-downs, monetary losses and possible legal liability. We could incur significant costs that could adversely affect our results of operation. Insurance fully covering many environmental risks (including potential liability for pollution or other hazards as a result of disposal of waste products occurring from exploration and production) is not generally available to us or to other companies in the industry. What liability insurance we carry may not be adequate to cover any claim.

We May Be Subject To Significant Environmental And Other Governmental Regulations That Can Require Substantial Capital Expenditure, And Can Be Time-Consuming.

We may be required to comply with various laws and regulations pertaining to exploration, development and the discharge of materials into the environment or otherwise relating to the protection of the environment in the countries that we operate, all of which can increase the costs and time required to attain operations. We may have to obtain exploration, development and environmental permits, licenses or approvals that may be required for our operations. There can be no assurance that we will be successful in obtaining, if required, a permit to commence exploration, development and operation, or that such permit can be obtained in a timely basis. If we are unsuccessful in obtaining the required permits it may adversely affect our ability to carry on business and cause you to lose part or all of your investment.

Mining Accidents Or Other Adverse Events At Our Property Could Reduce Our Production Levels.

If and when we reach production it may fall below estimated levels as a result of mining accidents, cave-ins or flooding on the properties. In addition, production may be unexpectedly reduced if, during the course of mining, unfavourable ground conditions or seismic activity are encountered, ore grades are lower than expected, or the physical or metallurgical characteristics of the ore are less amenable to mining or processing than expected. The happening of these types of events would reduce our profitably or could cause us to cease operations which would cause you to lose part or all of your investment.

The acquisition of mineral properties is subject to substantial competition. If we must pursue alternative properties, companies with greater financial resources, larger staffs, more experience, and more equipment for exploration and development may be in a better position than us to compete for properties. We may have to undertake greater risks than more established companies in order to compete which could affect the value of your investment.

We May Lose Our Claims If We Do No Maintain A Minimum Level of Work On The Claims

We will be required to carry out a minimum level of work on each claim to maintain our claims in good standing. If we cannot afford to carry out the work or pay the fees we could lose our interest in claims. The loss of some or all of our mineral claims would adversely affect the value of your investment.

Failure to obtain access to suitable transportation infrastructure could delay and/or increase the costs of the Company meeting its objectives.

Phosphate DSO from the Paradise North Project is intended to be transported to the Port of Townsville for shipping to local and international customers. The Company intends to move phosphate DSO using a combination of road and/or rail. A number of factors, including natural disasters or extreme weather events, could disrupt these transport routes.

There is currently sufficient capacity on both the Mount Isa to Townsville railway line and at the Port of Townsville to transport the Company's planned phosphate DSO production. However, both these transport options have constraints on capacity and there is no certainty that any currently available capacity will be available or any further capacity will be able to be made available when required by the Company. The Company is in discussions with potential transport providers. To date no binding agreements have been entered into with these providers. The Company can make no assurance that it will be able to secure agreements to transport any phosphate it produces on acceptable terms. Failure to obtain access to suitable transportation infrastructure could delay and/or increase the costs of the Company meeting its objectives.

Approximately 25% Of Our Common Stock Is Controlled By Certain Stockholders, Including Our Chairman And Chief Executive Officer, Who Have The Ability To Substantially Influence The Election Of Directors And Other Matters Submitted To Stockholders

Mr Joseph Gutnick, our Chairman and Chief Executive Officer, and his wife, beneficially owned 75.9 million shares of our common stock, which represented 17.10% of our shares outstanding as of December 31, 2013. In addition, Mr Gutnick is a party to a stockholders agreement with IFFCO, which beneficially owned 7.72% of our common stock as of December 31, 2012. Pursuant to the stockholders agreement, Mr Gutnick and IFFCO have agreed to vote their shares together on certain matters, including the election of directors. As a result, they have and are expected to continue to have the ability to significantly influence the election of our Board of Directors and the outcome of all other issues submitted to our stockholders. The interests of these principal stockholders may not always coincide with our interests or the interests of other stockholders, and they may act in a manner that advances their best interests and not necessarily those of other stockholders. One consequence to this substantial influence or control is that it may be difficult for investors to remove management of the Company. It could also deter unsolicited takeover, including transactions in which stockholders might otherwise receive a premium for their shares over then current market prices.

We are substantially dependent upon AXIS Consultants To Carry Out Our Activities

Legend holds a 9.09% interest in AXIS at a cost of A$1 and which is accounted for under the cost method and any profits generated by AXIS are returned to its shareholders in the form of dividends. The majority shareholder (72.73%) of AXIS is a third party independent of Legend Directors and management (J I Gutnick and his family or any of their private companies do not hold any shares in AXIS).

We are substantially dependent upon AXIS for our senior management, financial and accounting, corporate legal and other corporate headquarters functions. For example, each of our officers is employed by AXIS and, as such, is required by AXIS to devote substantial amounts of time to the business and affairs of the other shareholders of AXIS.

Pursuant to a services agreement, AXIS provides us with office facilities, administrative personnel and services, management and geological staff and services. No fixed fee is set in the agreement and we are required to reimburse AXIS for any direct costs incurred by AXIS for us. In addition, we pay a proportion of AXIS indirect costs based on a measure of our utilization of the facilities and activities of AXIS plus a service fee of not more than 15% of the direct and indirect costs. This service agreement may be terminated by us or AXIS on 60 days' notice. See "Certain Relationships and Related Party Transactions."

We are one of nine affiliated companies. Each of the companies has some common Directors, officers and shareholders. In addition, each of the companies is substantially dependent upon AXIS for its senior management and certain mining and exploration staff. A number of arrangements and transactions have been entered into from time to time between such companies. Currently, there are no material arrangements or planned transactions between the Company and any of the other affiliated companies other than AXIS. However, it is possible we may enter into such transactions in the future which could present conflicts of interest. In addition, there may be conflicts among the Company and the other companies that AXIS provides services to with respect to access to executive and administrative personnel and other resources.

Historically, AXIS has allocated corporate opportunities to each of the companies engaged in the exploration and mining industry after considering the location of each of the companies' operations and the type of commodity for which each company explores within its geographic region. At present, there are no conflicts among the ten companies with respect to the principal geographic areas in which they operate and/or the principal commodities that they are searching for.

The Company has made advances to AXIS in connection with the ongoing business relationship between the two parties, which have been disclosed in the Company's SEC reports and which bear interest at market rates, but which are not specifically provided for in the AXIS Services Agreement. The purpose of such advances is to assist AXIS in meeting its ongoing cash flow requirements in order to assure that AXIS has the necessary resources to provide services to the Company on an as needed basis. The Company has not suffered any financial losses to date on account of such advances. On March 25, 2014, the Company and AXIS entered into a loan agreement and grantor security deed (floating charge). Under the loan agreement, interest is charged at the ANZ Banking Group Ltd reference rate and the amount is due to be repaid on March 25, 2015. The grantor security deed (floating charge) provides security to the Company in the form of a floating charge over the assets of AXIS. See "Item 13-Certain Relationships and Related Transactions, and Director Independence."

Our Common Stock Is Traded Over the Counter, Which May Deprive Stockholders Of The Full Value Of Their Shares

Our Common Stock is quoted via the Over The Counter Bulletin Board (OTCBB). As such, our Common Stock may have fewer market makers, lower trading volumes and larger spreads between bid and asked prices than securities listed on an exchange such as the New York Stock Exchange or the NASDAQ Stock Market. These factors may result in higher price volatility and less market liquidity for the Common Stock.

A Low Market Price May Severely Limit The Potential Market For Our Common Stock

Our Common Stock is currently trading at a price substantially below $5.00 per share, subjecting trading in the stock to certain SEC rules requiring additional disclosures by broker-dealers. These rules generally apply to any equity security that has a market price of less than $5.00 per share, subject to certain exceptions (a "penny stock"). Such rules require the delivery, prior to any penny stock transaction, of a disclosure schedule explaining the penny stock market and the risks associated therewith and impose various sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and institutional or wealthy investors. For these types of transactions, the broker-dealer must make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to the sale. The broker-dealer also must disclose the commissions payable to the broker-dealer, current bid and offer quotations for the penny stock and, if the broker-dealer is the sole market maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Such information must be provided to the customer orally or in writing before or with the written confirmation of trade sent to the customer. Monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stock. The additional burdens imposed upon broker-dealers by such requirements could discourage broker-dealers from effecting transactions in our Common Stock.

The Market Price Of Your Shares Will Be Volatile

The stock market price of mineral exploration companies like us has been volatile. Securities markets may experience price and volume volatility. The market price of our stock may experience wide fluctuations that could be unrelated to our financial and operating results. Such volatility or fluctuations could adversely affect your ability to sell your shares and the value you might receive for those shares.

Item 1B. Unresolved Staff Comments.

As of December 31, 2013, we do not have any Securities and Exchange Commission staff comments that have been unresolved for more than 180 days.

Item 2. Properties.

Legend has exploration properties as discussed in “Item 1 – Description of Business”. Legend occupies certain executive and office facilities in Melbourne, Victoria and certain regional areas in Australia to support field operations and AXIS also provides office facilities pursuant to the Service Agreement with AXIS. See “Item 1 – Business - Employees” and “Item 12 – Certain Relationships and Related Transactions”. Legend believes that its administrative space is adequate for its current needs.

Item 3. Legal Proceedings.

Except as discussed below, there are no pending legal proceedings to which the Company is a party, or to which any of its property is the subject, which the Company considers material.

On March 25, 2013, the Indian Farmers Fertilizer Cooperative Limited (“IFFCO”) and its subsidiary, Kisan International Trading FZE (“Kisan”,) commenced an arbitration proceeding against the Company before the Singapore International Arbitration Centre seeking damages for the Company’s alleged failure to enter into a long term rock off-take agreement (“ROTA”) with IFFCO for phosphate rock in accordance with the terms of the Share Options Agreement, dated as of July 14, 2008, between the Company and IFFCO. Under the Share Options Agreement, the Company and IFFCO had agreed to use their reasonable best efforts to negotiate and enter into the ROTA within 24 months following the execution of this Agreement, which time period was subsequently extended to July 14, 2012. On April 25, 2013, the Company submitted a response denying IFFCO’s claims on the basis that the Company had complied with its obligations under the Share Option Agreement. On May 6, 2013, IFFCO and Kisan filed a reply to the defense filed by Legend. The dispute was scheduled for arbitration in November 2013. In October 2013, IFFCO filed a revised claim and as a result, the Arbitration Commission abandoned the arbitration dates for November 2013 and awarded costs against IFFCO. The Company has filed a response to the new claims from IFFCO. The dispute is going through procedural matters and is listed for arbitration in mid May 2014.The proceeding is at a stage where it is difficult to determine the Company’s exposure, if any. In any event, the Company intends to vigorously defend this matter. No provision for losses has been recorded in connection with this litigation.

Item 4. Mine Safety Disclosure

Not applicable, as the Company has no mining operations in the United States of America.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Legend's Common Stock is quoted on the NASD Over-the-Counter Bulletin Board ("OTCBB") under the ticker symbol "LGDI" and CUSIP# 52467C 10 0. The Company's Common Stock was initially cleared for trading on the OTC-BB on September 26, 2003.

The following table sets out the high and low bid information for the Common Stock as reported by the National Quotation Service Bureau for each period/quarter indicated in US$:

Calendar Period	High Bid (1)	Low Bid (1)
2012		
First Quarter	0.18	0.10
Second Quarter	0.13	0.06
Third Quarter	0.11	0.07
Fourth Quarter	0.10	0.06
2013		
First Quarter	0.09	0.03
Second Quarter	0.10	0.04
Third Quarter	0.07	0.04
Fourth Quarter	0.06	0.04

(1) The quotations set out herein reflect inter-dealer prices without retail mark-up, mark-down or commission and may not necessarily reflect actual transactions.

As of March 21, 2014, there are 444,047,971 shares of Common Stock outstanding.

To date we have not paid dividends on our Common Stock and we do not expect to declare or pay any dividends on our Common Stock in the foreseeable future. Payment of any dividends will depend upon our future earnings, if any, our financial condition, and other factors deemed relevant by the Board of Directors.

Shareholders

As of March 21, 2014, there were approximately 54 record holders of the Company's Common Stock. Within the holders of record of the Company's Common Stock are depositories such as Cede & Co., a nominee for The Depository Trust Company (or DTC), that hold shares of stock for brokerage firms which, in turn, hold shares of stock for one or more beneficial owners. Accordingly, the Company believes there are many more beneficial owners of its Common Stock whose shares are held in "street name", not in the name of the individual shareholder..

Options

Effective as of December 12, 2005, the Board of Directors of Company approved the distribution to stockholders for no consideration of an aggregate of 36,135,500 non-transferable options, each of which is exercisable to purchase one share of Common Stock of the Company at an exercise price of US$0.25 (US$0.111, as adjusted) per share with a latest exercise date of December 31, 2012 and otherwise on the terms and conditions set out in Appendix A to the Form 8-K dated December 12, 2005. The options were issued on a pro-rata basis to all stockholders of record on December 31, 2005 on the basis of two (2) options for every one (1) share of Common Stock owned by a stockholder on the record date. The options may not be exercised until the shares underlying the options are registered under federal and state securities laws. On June 26, 2006, the Board of Directors amended the terms and conditions of the options and included a cashless exercise clause for the options in the terms and conditions. These options expired as of December 31, 2012.

Dividend Policy

The Company has not previously paid any cash dividends on Common Stock and does not anticipate or contemplate paying dividends on Common Stock in the foreseeable future. It is the present intention of management to utilize all available funds for the development of the Company's business. The only restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future, are those restrictions imposed by law. Under Delaware corporate law, no dividends or other distributions may be made which would render the Company insolvent or reduce assets to less than the sum of its liabilities plus the amount needed to satisfy any outstanding liquidation preferences.

Effective November 17, 2006, the Company's Board of Directors declared a 1-for-2 share bonus issue in the form of a dividend that was payable in December 2006 to stockholders of record as of November 17, 2006. An aggregate of 27,599,722 shares of Common Stock were issued in connection with this dividend.

In November 2006, the Company's Board of Directors declared a second 1-for-2 share bonus issue in the form of a dividend that was payable in January 2007 to stockholders of record as of December 31, 2006. An aggregate of 41,934,337 shares of Common Stock were issued in connection with this dividend.

Transfer Agent

The transfer agent and registrar for the Company's Common Stock is Continental Stock Transfer & Trust Company of 17 Battery Place, 8th Floor, New York, NY 10004.

Recent Sales of Unregistered Securities

We have issued no unregistered securities within the period covered by this report which have not been previously reported on Form 10-Q or Form 8-K.

Item 6. Selected Financial Data.

Our selected financial data presented below for each of the years in the two-year period ended December 31, 2013 and 2012, and the balance sheet data at December 31, 2013 and 2012 has been derived from financial statements, which have been audited by PKF O'Connor Davies, A Division of O'Connor Davies, LLP (PKF O'Connor Davies), New York, NY. The selected financial data should be read in conjunction with our consolidated financial statements for each of the years in the period ended December 31, 2013 and Notes thereto, which are included elsewhere in this Annual Report.

(Consolidated Statement of Comprehensive Loss Data)
(in thousands, except per share data)

	Year ended December 31		
	2012	2013	2013 Conv. Transl
	A$000s	A$000s	US$000s
Revenues	-	-	-
Other income	118	306	271
Costs and expenses	(20,444)	(7,855)	(6,970)
(Loss) from operations	(20,326)	(7,549)	(6,699)
Other non-operational gains and costs	2,342	(2,422)	(2,149)
Benefit from/(provision for) income taxes	(650)	729	647
Equity in (losses) of unconsolidated entity	(124)	-	-
Net (loss) from continuing operations	(18,758)	(9,242)	(8,201)
Net income/(loss) from discontinued operations	(4,662)	7,248	6,432
Net (loss)	(23,420)	(1,994)	(1,769)
	A$	A$	$US
Basic and diluted net income/(loss) per common equivalent share			
Net income/(loss) from continuing operations per share	(0.08)	(0.03)	(0.02)
Net income/(loss) from discontinued operations per share	(0.02)	0.02	0.02
Basic and diluted net income/(loss) per common equivalent share	(0.10)	(0.01)	0.00
Weighted average number of shares outstanding (000s)	237,913	362,822	362,822

Balance Sheet Data

	A$000s	A$000s	US$000s
Total assets	34,987	7,544	6,695
Total liabilities	(25,849)	(2,609)	(2,316)
Total equity	9,138	4,935	4,379

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.

General

The following discussion and analysis of our financial condition and results of operation should be read in conjunction with the Financial Statements and accompanying notes and the other financial information appearing elsewhere in this report. This report contains numerous forward-looking statements relating to our business. Such forward-looking statements are identified by the use of words such as believes, intends, expects, hopes, may, should, plan, projected, contemplates, anticipates or similar words. Actual operating schedules, results of operations, ore grades and mineral deposit estimates and other projections and estimates could differ materially from those projected in the forward-looking statements.

Legend has been an exploration stage company since August 2006. During February 2011, the Company announced its maiden mineral reserve for its 100% owned Paradise South phosphate project in accordance with SEC Industry Guide 7. As a result of establishing mineral reserve estimates, Legend has entered into the development stage for this project as it engages in the process of preparing the mineral deposit for extraction, while it continues with its other various exploration activities. Effective March 1, 2011, the Company has been reporting as a development stage company.

Legend also has exploration interests in the Northern Territory.

Foreign Currency Translation

The majority of our exploration, development and administrative operations are in Australia and, as a result, our accounts are reported in Australian dollars. Foreign income and expenses are translated into Australian dollars at the average exchange rate prevailing during the period. Assets and liabilities of the foreign operations are translated into Australian dollars at the period-end exchange rate. The following table shows the period-end rates of exchange of the Australian and US dollar compared with the US dollar during the periods indicated.

Year ended December 31			
2012	A$1.00	=	US$1.0373
2013	A$1.00	=	US$0.8874

Plan of Operation

We had A$2,000 in cash at December 31, 2013.

We commenced exploration activities on the tenements we acquired in July 2006 and since that time and up to December 31, 2013, have spent A$171,082,000 on exploration and pre-development activities.

On February 13, 2012, the Company announced the restructuring of its phosphate assets in order to facilitate the financing of its 100% owned Paradise phosphate project.

The first step involved a transfer of all Legend's phosphate assets into a 100% owned subsidiary of Legend (Paradise Phosphate Limited)("Paradise"); the issue of 100 million ordinary shares (100% of the issued shares of Paradise) by Paradise to Legend; and funding via a A$10 million convertible note facility ("Convertible Note Agreement") which was injected into Paradise through Acorn Capital Ltd as manager of two Australian investment funds ("Acorn"), an Australian financial institution. The A$10 million was intended to convert into equity in the subsidiary upon a successful Initial Public Offering ("IPO") and listing of the subsidiary on the Australian Securities Exchange ("ASX") within 12 months of the note issue date.

The phosphate assets comprise the Paradise Phosphate rock deposits of Paradise North and Paradise South, the D-Tree deposit and the deposits associated with Legend's rights and obligations under the King Eagle Joint Venture agreement (i.e. Highland Plains, Lily & Sherrin Creek and Quita Creek). The assets include the exploration and mining permits and applications associated with the above deposits and related infrastructure.

Legend's senior management were of the opinion that a dedicated Australian company wholly focused on phosphate was best placed to bring the project into production and is in the best interests of all Legend's stockholders. The restructuring further intended to also assist us in seeking investment by Australian financial institutions and other global managed funds that have not been able to invest in stocks listed on the OTC Bulletin Board in the USA.

The convertible note facility of A$10 million to Paradise was repayable 12 months from the completion date of the agreement, which had been extended to March 10, 2013. The notes bear interest at the nominal rate of 10% per annum (the actual amount of effective interest depends upon the event that triggers repayment). The Convertible Note Agreement stated that if, within 12 months of the completion date of the agreement, Paradise conducted a public offering of securities in Australia and those securities were listed on ASX, then the convertible notes converted automatically to shares in Paradise at a conversion rate of A$0.50 (subject to adjustment in accordance with the formula provided in the Agreement). Paradise did not proceed with the IPO and listing on ASX due to market conditions and the advanced state of discussions with strategic partners at the time. Funds received under the convertible note facility were used to progress the project, its development, production and ultimately the export of phosphate rock from the phosphate deposits. The notes were secured by a security interest in the phosphate assets and in the shares of Paradise. The A$10 million convertible note was due for repayment on March 10, 2013. The note agreement calls for an adjustment to the repayment factor if Paradise does not complete the public offering as defined. Acorn agreed to extend the repayment date for 2 months under certain conditions including the finalisation of a term sheet for an off-take agreement prior to March 10, 2013. Paradise entered into a term sheet with a third party and the repayment date was been extended to May 10, 2013. The Company recorded a A$5,590,000 liability at December 31, 2012 representing an additional payment due in accordance with the term sheet.

On January 16, 2013, Legend announced that it had placed 150 million shares of common stock to a third party at a price of US$0.05 per share to raise US$7.5 million. Closing of the first tranche of this placement of 45 million shares raising US$2,250,000 occurred on February 20, 2013. Between January and March, 2013, Legend sold 59 million shares in MED for a total consideration of A$12,740,000 and used the funds from the capital raisings and sale of MED shares to repay the convertible note.

As set out in Item 1 “Employees” the services of our Chief Executive Officer, Chief Financial Officer, geologists, finance and clerical employees are provided by AXIS. As part of the financing transaction discussed above, AXIS has transferred the employment of the CEO of Paradise and the General Manager Project Development to Paradise.

In December 2004, the Company entered into an agreement with AXIS Consultants Pty Ltd to provide geological, management and administration services to the Company. AXIS has some common management and is incorporated in Australia. AXIS is paid by each company it manages for the costs incurred by it in carrying out the administration function for each such company. Pursuant to the Service Agreement, AXIS performs such functions as payroll, maintaining employee records required by law and by usual accounting procedures, providing insurance, legal, human resources, company secretarial, land management, certain exploration and mining support, financial, accounting advice and services. AXIS procures items of equipment necessary in the conduct of the business of the Company. AXIS also provides for the Company various services, including but not limited to the making available of office supplies, office facilities and any other services as may be required from time to time by the Company as and when requested by the Company. We are required to reimburse AXIS for any direct costs incurred by AXIS for the Company. In addition, we are required to pay a proportion of AXIS’s overhead cost based on AXIS’s management estimate of our utilization of the facilities and activities of AXIS plus a service fee of not more than 15% of the direct and overhead costs. Amounts invoiced by AXIS are required to be paid by us. Under the agreement, we are not permitted to obtain from sources other than AXIS, and we are not permitted to perform or provide ourselves, the services contemplated by the Service Agreement, unless we first requests AXIS to provide the service and AXIS fails to provide the service within one month. As our arrangements with AXIS have evolved, the arrangements have changed, which have verbally been agreed to by AXIS, as a result of the requirements of certain suppliers to be able to deal direct with us. In these cases, AXIS do not charge us a management or service fee in respect to these arrangements with suppliers who deal with us direct. The types of services that are provided directly to us include audit and tax services, legal services, stock transfer services, drilling services, leases of some offices, finance leases, mineral leases that are required by law to be in our name, certain insurance products where we are required to be named, financing facilities in our name, Delaware franchise tax, the IPO and listing costs of Paradise. Further, at the time, the key advisors to the Paradise

IPO and listing on ASX required AXIS to transfer certain phosphate staff to Paradise as part of those arrangements. See "Item 13-Certain Relationships and Related Transactions, and Director Independence."

Results of Operations

Year ended December 31, 2013 versus Year ended December 31, 2012

As an exploration stage company until February 2011 and a development stage company since then, we have not had an ongoing source of revenue. Our revenue stream is normally from ad-hoc tenement disposals, interest received on cash in bank and applicable receivables. During the year ended December 31, 2013, we received A$43,000 (US$38,000) (2012: A$116,000) in interest on funds in the bank, interest income from a related entity of A$263,000 (US$233,000) (2012: A$nil) and other income of A$nil (2012: A$2,000). Interest received during 2013 is lower than 2012 as the balance of cash at bank reduced as it was used in the repayment of the convertible note and borrowings under a loan facility.

As set out in Management's Discussion and Analysis of Financial Condition and Results of Operation – Plan of Operation, the Company is managed by AXIS. Certain costs and expenses are incurred by the Company and certain costs and expenses are incurred by AXIS on behalf of the Company and billed to the Company by AXIS. The total amount of expenses billed to the Company by AXIS in fiscal 2013 was A$3,505,000 (US$3,110,000) (2012: A$6,043,000). The discussion in the next paragraphs relates to costs and expenses of the Company, incurred by both the Company; and by AXIS that are billed to the Company.

Costs and expenses decreased during the year from A$20,444,000 for the year ended December 31, 2012 to A$7,855,000 (US$6,970,000) for the year ended December 31, 2013.

The main components of costs and expenses are as follows:-

(i) a decrease in exploration expenditure written off from A$4,584,000 in 2012 to A$3,142,000 (US$2,788,000) in 2013. Our accounting policy is to expense all exploration costs (including costs associated with the acquisition of tenement interests) as incurred. The exploration costs include drilling/geological/geophysical/ mineral analysis contractors, salaries for contract field staff, travel costs, accommodation and tenement costs on properties where we have not estimated mineral reserves. On our phosphate activities, we continued to advance the current feasibility test work. During 2013, A$129,000 (US$114,000) (2012: A$1,185,000) of costs which were incurred on the Paradise South phosphate project in preparing the mineral deposit for extraction were capitalised and included in development costs. On our phosphate activities, costs which were capitalised and included in development costs decreased from A$1,185,000 in 2012 to A$129,000 (US$114,000) for 2013 as a result of the Company's main focus of updating and completing the studies for the Paradise phosphate project being completed in 2012 and as a result of the reduction in activity of the phosphate business. Included within the exploration expenditure of A$3,142,000 (2012: A$4,584,000) is an amount of A$500,000 (US$444,000) (2012: A$585,000) billed to us by AXIS.

(ii) a decrease in aircraft maintenance costs from A$769,000 in 2012 to A$364,000 (US$323,000) in 2013, as we sold the aircraft in 2013.

(iii) a decrease in interest expense from A$1,256,000 in 2012 to A$683,000 (US$606,000) in 2013. During 2013, repayments were finalised on the convertible notes (see note 15), the advance from affiliates incurring interest and borrowings under a loan facility. During 2013, the Company reduced the number of motor vehicles under finance leases and incurred interest on short term loans and borrowings.

(iv) a decrease in legal, accounting and professional from A$1,686,000 for 2012 to A$550,000 (US$488,000) for 2013. During 2013, we incurred A$180,000 (US$160,000) for professional services in relation to financial statements, the quarterly Form 10-Qs, Form 10-K, Form 10-K/A and Form S-1 and annual reporting in

Australia and taxation fees of A$28,000 (US$25,000) for the Company tax returns and incurred legal expense of A$342,000 (US$303,000) for legal work relating to a claim by IFFCO and general work. During 2012, we paid A$1,433,000 to independent experts, attorneys, accountants and advisors for the initial public offering and listing on Australian Securities Exchange of Paradise; accounting and audit fees of A$171,000 for professional services in relation to financial statements, the quarterly Form 10-Qs, Form 10-K and Form 10-K/A and quarterly, half year and annual reporting in Australia for MED; and taxation fees of A$69,000 relating to both the Company and its subsidiaries and incurred legal expenses of A$13,000 for general legal work.

(v) a decrease in financing costs from A$6,255,000 in 2012 to A$170,000 (US$151,000) in 2013. During 2012, our wholly owned subsidiary Paradise entered into a convertible note agreement with Acorn and in May 2013, repayment was made of the convertible notes. The convertible note facility of A$10 million to Paradise was repayable 12 months from the completion date of the agreement, which had been extended to March 10, 2013. The notes bore interest at the nominal rate of 10% per annum (the actual amount of effective interest depends upon the event that triggers repayment). The Convertible Note Agreement stated that if, within 12 months of the completion date of the agreement, Paradise conducted a public offering of securities in Australia and those securities were listed on ASX, then the convertible notes converted automatically to shares in Paradise at a conversion rate of A$0.50 (subject to adjustment in accordance with the formula provided in the Agreement). Paradise did not proceed with the IPO and listing on ASX due to market conditions and the advanced state of discussions with strategic partners at the time. Funds received under the convertible note facility were used to progress the project, its development, production and ultimately the export of phosphate rock from the phosphate deposits. The notes were secured by a security interest in the phosphate assets and in the shares of Paradise. The A$10 million convertible note was due for repayment on March 10, 2013. The note agreement called for an adjustment to the repayment factor if Paradise did not complete the public offering as defined. Acorn agreed to extend the repayment date for 2 months under certain conditions including the finalisation of a term sheet for an off-take agreement prior to March 10, 2013. Paradise entered into a term sheet with a third party and the repayment date was extended to May 10, 2013.

(vi) a decrease in administration expenses from A$5,850,000 in 2012 to A$2,946,000 (US$2,614,000) in 2013. During 2013, the corporate management and service fees charged to us by AXIS was A$713,000 (US$633,000). AXIS charged us A$868,000 (US$770,000) for Directors' fees, salaries and salary related matters incurred in behalf of the Company, which relates to our share of salaries paid to the President & Chief Executive Officer, Chief Financial Officer and Secretary, Executive General Manager, General Manager Business, Project Manager and other staff of AXIS who provide services to the Company, A$258,000 (US$229,000) for independent directors' fees. The Company incurred A$340,000 (US$302,000) in direct salaries paid by Paradise. The Company paid insurance costs of A$165,000 (US$146,000) for 2013. The Company incurred A$134,000 (US$119,000) for travel by Directors and officers, contractors and other AXIS staff who provide services to the Company on capital raising trips and trips to the field; A$7,000 (US$6,000) in borrowing costs and bank fees; A$85,000 (US$76,000) for motor vehicles costs; A$78,000 (US$69,000) for stock transfer agent services; A$48,000 (US$43,000) for office and computing consumables; A$68,000 (US$60,000) for other contractors including external information technology consultants; A$10,000 (US$9,000) for staff support costs; A$33,000 (US$29,000) for rent of offices in Melbourne, Mt Isa, Perth and an apartment in Melbourne; A$6,000 (US$5,000) for subscription to industry papers and services; A$27,000 (US$24,000) for telecommunications support; A$56,000 (US$50,000) for depreciation of non-field assets and minor equipment purchases; A$50,000 (US$44,000) for Delaware franchise tax. During 2012, the corporate management and service fees charged to us by AXIS was A$1,015,000. AXIS charged us A$1,950,000 for Directors' fees, salaries and salary related matters incurred in behalf of the Company, which relates to our share of salaries paid to the President & Chief Executive Officer, Chief Financial Officer and Secretary, Executive

General Manager, General Manager Business, Project Manager and other staff of AXIS who provide services to the Company, and A$268,000 for independent directors' fees. The Company paid insurance costs of A$157,000 for 2012. The Company incurred A$139,000 for travel by Directors and officers, contractors, and other AXIS staff who provide services to the Company on capital raising trips, trips to the field; A$28,000 for investor relations consultants; A$9,000 in borrowing costs and bank fees; A$114,000 for motor vehicles costs; A$113,000 for stock transfer agent services; A$104,000 for office and computing consumables; A$33,000 for other contractors including external information technology consultants; A$86,000 for staff support costs; A$545,000 for rent of offices in Melbourne, Mt Isa, Perth and New York and an apartment in Melbourne; A$46,000 for subscription to industry papers and services; A$176,000 for telecommunications support; A$129,000 for depreciation of non-field assets and minor equipment purchases; A$11,000 for Delaware franchise tax; and A$10,000 in donations to local community groups. For the year ended December 31, 2013, there was a reduction of A$512,000 in rent of offices, A$149,000 in telephone and internet charges, A$302,000 in the corporate management and service fees charged to us by AXIS and A$1,697,000 in salaries and salary related matters incurred on behalf of the Company charged to us by AXIS and direct salaries paid by Paradise as a result of the Company's main focus of updating and completing the studies for the Paradise phosphate project being completed in 2012 and as a result of the reduction in activity of the phosphate business due to funding constraints. Included within administration expenses of A$2,946,000 (2012: A$5,850,000) is an amount of A$1,932,000 (US$1,715,000) (2012: A$2,504,000) billed to us by AXIS.

Accordingly, the loss from operations decreased from A$20,326,000 for the year ended December 31, 2012 to A$7,549,000 (US$6,699,000) for the year ended December 31, 2013.

A increase in foreign currency exchange loss of A$19,000 for the year ended December 31, 2012 to A$354,000 (US$314,000) in the year ended December 31, 2013 was recorded as a result of the movement in the Australian dollar versus the US dollar.

A milestone payment to the Company of A$2,551,000 (US$2,264,000) under the Central Arnhem Land and Merlin Orbit Projects sale agreement dated December 4, 2009 was recorded during 2013, for which there was no equivalent in 2012.

During December 2012, the Company made an assessment of the current net assets value of the investment in NCRC from the information available and determined that a provision for impairment was appropriate. The Company recorded an impairment of equity investment for 2013 A$nil (2012: A$471,000).

An increase in the provision for allowance for doubtful receivable has been recorded of A$3,660,000 (US$3,248,000) as of December 31, 2013 (2012: recovery A$3,063,000). At December 2011, management made an assessment of the carrying value of the receivable from AXIS and concluded that it needed to make an allowance for doubtful receivable. During 2012, AXIS repaid part of the receivable to the Company.During 2013 the Company advanced AXIS funds to cover future costs and the Company provided a full provision for doubtful receivable of A$6,964,000 which is the amount due from AXIS at December 31, 2013.

A net realised gain of A$27,000 (US$24,000) was recorded on sale of assets, being the difference between cost and sale price was recorded for the year ended December 31, 2013 (2012: A$94,000).

The Company has written off/written down assets of A$923,000 (US$819,000) for the year ended December 31, 2013 (2012: A$325,000). During 2012, the Company reviewed the assets held and adopted a plan to dispose of its assets relating to land and buildings and motor vehicles with a plan to dispose of its assets which were surplus to its needs. During 2013, an impairment loss of A$905,000 (US$803,000) was recognized and assets written off amounted to A$18,000 (US$16,000). At December 31, 2013, all impaired asset available for sale are part of current assets – assets held for sale.

The loss from continuing operations before income taxes was A$17,984,000 for the year ended December 31, 2012 compared to A$9,971,000 (US$8,848,000) for the year ended December 31, 2013.

During 2013, the Company has recorded benefit from income taxes of A$729,000 (US$647,000) (2012: provision A$650,000), as a result of further interpretation of tax legislation, the interim tax paid on the transfer of the phosphate assets to a 100% owned subsidiary of Legend has been revised.

The equity losses in unconsolidated entities for the year ended December 31, 2013 amounted to A$nil (2012: A$124,000). The Company holds a 31.50% interest in NCRC and accounts for this investment using the equity method of accounting.

The net loss for continuing operations was A$18,758,000 for the year ended December 31, 2012 compared to a net loss of A$9,242,000 (US$8,201,000) for the year ended December 31, 2013.

At January 1, 2013, the Company held a controlling 41.9% interest in MED. Net income of A$7,248,000 (US$6,432,000) (2012: loss A$4,662,000) was recorded on discontinued operations for the year ended December 31, 2013. The Company recorded a gain on disposal of discontinued operations of A$9,194,000 (US$8,159,000) (2012: A$nil) (refer note 8 to the financial statements); a net loss from discontinued operations of A$2,723,000 (US$2,416,000) (2012: A$5,955,000); equity in losses of unconsolidated entities of A$25,000 (US$22,000) (2012: A$311,000); amortization of mineral rights of A$350,000 (US$311,000) (2012: A$1,398,000) which was offset by a share of net profit attributable to non-controlling interests of discontinued operations of A$1,152,000 (US$1,022,000) (2012: A$3,002,000).

The net loss amounted to A$1,994,000 (US$1,769,000) for the year ended December 31, 2013 compared to A$23,420,000 for the year ended December 31, 2012.

Liquidity and Capital Resources

We have historically funded our operations through fund raisings noted below.

As of December 31, 2013, the Company has A$2,000 (US$2,000).

During 2013, net cash used in operating activities was A$13,333,000 (US$11,832,000), as compared to A$18,046,000 in 2012, primarily consisting of the net loss of A$1,994,000 (US$1,769,000) (2012: A$23,420,000) adjusted for non cash items including depreciation and amortization of A$441,000 (US$391,000) (2012: A$1,179,000), an increase in accounts receivable of A$1,039,000 (US$922,000) (2012: A$298,000); a decrease in prepayments and deposits of A$47,000 (US$42,000) (2012: A$112,000); a decrease in inventories of A$80,000 (US$71,000) (2012: A$nil); payment of financing costs of A$6,441,000 (US$5,716,000) (2012: increase A$6,441,000); and a increase in accounts payable and accrued expenses of A$77,000 (US$68,000) (2012: A$93,000). The primary reason for the decrease in cash balances at December 31, 2013 has been the repayment of the convertible note; and borrowings under a loan facility.

Net cash provided by/(used in) investing activities was A$17,310,000 (US$15,361,000) (2012: used A$1,061,000). The major components in 2013 were of the proceeds from the sale of 59,000,000 shares in MED for A$12,740,000 (US$11,305,000) (2012: A$nil); additions to property and equipment of A$39,000 (US$35,000) (2012: A$nil); development costs A$129,000 (US$114,000) (2012: A$1,185,000); and proceeds from sale of property and equipment A$4,738,000 (US$4,205,000) (2012: A$156,000).

Net cash provided by/(used in) financing activities was (A$7,170,000) ((US$6,362,000)) (2012: A$15,090,000) being the private placement of 195,000,000 shares for net proceeds of A$9,918,000 (US$8,801,000) (2012: A$2,256,000), offset by repayments under finance leases of A$101,000 (US$90,000) (2012: A$217,000); proceeds from bank overdraft A$179,000 (US$159,000) (2012: A$nil); proceeds of loan of A$850,000 (US$754,000) (2012: A$nil); advances to affiliates of A$5,016,000 (US$4,451,000) (2012:

advance by A$3,342,000), repayment of long term debt of A$2,541,000 (US$2,255,000) (2012: A$291,000); and repayment of convertible debenture A$10,459,000 (US$9,280,000) (2012: A$nil) for which proceeds were received in fiscal 2012 of A$10,000,000.

Net cash provided by discontinued operations was A$1,946,000 (US$1,727,000) (2012: A$4,662,000).

During 2013, AXIS charged the Company A$2,375,000 (US$2,107,000) for management and administration services and A$1,130,000 (US$1,003,000) for exploration services. The Company paid A$9,172,000 (US$8,139,000) for 2013 charges and funding advances. For 2013 AXIS repaid A$2,916,000 (US$2,588,000) to the Company and accordingly, the Company recorded an increase in the provision of A$3,660,000 (US$3,248,000). For 2013, the Company charged AXIS interest of A$263,000 (US$213,000) at a rate of 9.34%. The net amount owed by AXIS at December 31, 2013 of A$6,964,000 (US$6,180,000) has been fully provided for.

During the year**,** in accordance with agreements entered into in 2004 between various third parties and MED (prior to Legend holding an equity interest in MED), and Legend being assigned certain rights under those agreements by the third parties in 2009 (refer narrative in Part 1 of this Form 10-K), MED paid Legend A$2,000,000 on the commissioning of the plant at the Merlin diamond mine and a further amount of A$551,000 is due. Further payments may be made in the future depending on the success of exploration and mining operations at the Merlin diamond mine.

We plan to continue our exploration and development program throughout 2013 and the Company has an obligation to incur expenditure on phosphate projects of A$350,000, and other commodity projects of A$100,000. Our budget for general administration costs for 2014 is A$1,915,000.

On January 16, 2013, Legend announced that (i) it had placed 150 million shares of common stock to a third party at a price of US$0.05 per share to raise US$7.5 million. Closing of the first tranche of this placement of 45 million shares raising US$2,250,000 occurred on February 20, 2013. Between January and March, 2013, Legend sold 59 million shares for a total consideration of A$9,918,000 and used the funds from the capital raisings and sale of MED shares to repay the Paradise convertible note.

Paradise will continue discussions with potential strategic partners in relation to participating in the full development of the fertilizer complex in Mt Isa, Queensland, Australia. Legend has been progressing these discussions with various international industry fertilizer corporations for over 12 months and expects to finalise any potential transaction in 2014, however, any delays in finalising a transaction will not hold up the initial development of phosphate rock production.

The Company has historically funded its activities from funds provided by capital raising through the issuance of its shares and from advances from affiliated entities. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements and its exploration and pre-development plans. The Company has announced that intends to undertake a rights issue of shares to existing shareholders on the basis of one new shares for each existing share on issue, at a price of US$0.05 per share. The documents have been forwarded to the SEC for comment. Based on this process and the amount of the Company's cash and other current assets as of December 31, 2013, management believes if it can obtain the capital raising as discussed above, that the Company will have sufficient operating liquidity to sustain its activities through 2014. However, as the Company has not yet generated income producing activities, it will continue to seek opportunities to raise additional funds from capital raising efforts through the issuance of its shares, funding from affiliated entities as may be available and other financing arrangements until which time as the Company can commence revenue producing activities.

The report of our independent registered public accounting firm on our consolidated financial statements as of December 31, 2013 and 2012, and for the years ended December 31, 2013 and 2012, includes a paragraph questioning our ability to continue as a going concern. This paragraph indicates that we have not yet commenced revenue producing operations, have incurred net losses from inception, and have an accumulated (deficit) of A$171,921,000 which conditions raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustment that might result from the outcome of this uncertainty.

As future exploration and development activities will require additional financing, the Company is pursuing various strategies to accomplish this including obtaining third parties to take an ownership interest in or to provide financing for the anticipated development activities related to the phosphate project, as well as capital raising through share issuances and sale of assets.

Contractual Obligations	Total A$000's	Less than 1 year A$000's	1-3 Years A$000's	3-5 Years A$000's	More than 5 years A$000's
Bank overdraft	179	179	-	-	-
Short term debt obligations	850	850	-	-	-
Capital lease obligations	106	53	53	-	-
Operating lease obligations	5	5	-	-	-
	1,140	1,087	53	-	-

Impact of Recent Accounting Pronouncements

For a discussion of the impact of recent accounting pronouncements on the Company's annual financial statements, see Note 2 to the Company's Consolidated Financial Statements which are included herein.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company reports in A$ and holds cash denominated in US dollars. At December 31, 2013, this amounted to US$2,000 (A$2,000). A change in the exchange rate between the A$ and the US$ will have an effect on the amounts reported in the Company's consolidated financial statements, and create a foreign exchange gain or loss. A movement of 1% in the A$ versus the US$ exchange rate will have no effect on the consolidated balance sheet and statement of comprehensive loss.

Item 8. Financial Statements and Supplementary Data.

See the Financial Statements beginning on page F-1.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

There have been no changes in accountants or any disagreements with accountants on any matter of accounting principles or practices or financial statement disclosures during the two years ended December 31, 2013.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

Our principal executive officer and our principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 as amended) as of the end of the period covered by this report. Based on that evaluation, such principal executive officer and principal financial officer concluded that, the Company's disclosure control and procedures were effective as of the end of the period covered by this report at the reasonable level of assurance.

(a) Management's Annual Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining effective internal control over financial reporting. The Company's internal control system was designed to provide reasonable assurance regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance regarding the reliability of financial statement preparation and presentation.

Management assessed the Company's internal control over financial reporting as of December 31, 2013. This assessment was based on criteria for effective internal control over financial reporting established in the 1992 edition of Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). Based on this assessment, management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2013.

(b) Attestation Report of the Independent Registered Public Accounting Firm

This Annual Report on Form 10-K does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's independent registered public accounting firm pursuant to an exemption for smaller reporting companies under Section 989G of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

(c) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the last quarter of 2013 that materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

(d) Other

We believe that a controls system, no matter how well designed and operated, can not provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Therefore, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Our disclosure controls and procedures are designed to provide such reasonable assurance of achieving our desired control objectives, and our principal executive officer and principal financial officer have concluded, as of December 31, 2013, that our disclosure controls and procedures were effective in achieving that level of reasonable assurance.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The following table sets out certain information concerning the Company's executive officers and directors.

Name	Age	Position(s) Held
Joseph Gutnick	61	Chairman of the Board President, Chief Executive Officer and Director.
David Tyrwhitt	75	Director
Manish Gupta	46	Director
Dr Allan Trench	50	Director
Henry Herzog	72	Director
Peter Lee	56	Secretary, Chief Financial Officer and Principal Accounting Officer.
Craig Michael	36	Executive General Manager .
Edward Walker	42	General Manager Project Development – Paradise.

Director Qualifications

The following paragraphs provide information as of the date of this report about each director as well as about each executive officer. The information presented includes information each director has given us about his age, all positions he holds, his principal occupation and business experience for the past five years, and the names of other publicly-held companies of which he currently serves as a director or has served as a director during the past five years. In addition to the information presented below regarding each director's specific experience, qualifications, attributes and skills that led our Board to the conclusion that he should serve as a director, we also believe that all of our directors have demonstrated an ability to exercise sound judgment, as well as a commitment of service to Legend and our Board. Finally, we value their significant experience in the mining industry and other public and board committees.

Joseph Gutnick

Mr Gutnick has been Chairman of the Board, President and Chief Executive Officer since November 2004 and has been Chairman of the Board, President and Chief Executive Officer of numerous public listed companies in Australia and the USA specialising in the mining sector since 1980. Mr Gutnick is currently Chairman of the Board, President and Chief Executive Officer of Golden River Resources Corporation, Northern Capital Resources Corporation, Great Central Resources Corporation, Consolidated Gems, Inc. and Aurum, Inc., US corporations; and Executive Chairman and Managing Director of Merlin Diamonds Limited, Top End Minerals Limited and Quantum Resources Limited, all listed on Australian Securities Exchange. He has previously been a Director of Acadian Mining Corporation and Royal Roads Corporation in the last five years. Mr Gutnick was previously a Director of the World Gold Council. He is a Fellow of the Australasian Institute of Mining & Metallurgy and the Australian Institute of Management and a Member of the Australian Institute of Company Directors.

Mr Gutnick's extensive experience in leading teams in building and operating major mining operations in Australia as well as his experience in founding and serving as the chief executive officer and chairman of a number of public companies will provide our Board with valuable executive leadership and management experience.

Mr Gutnick devotes a majority of his business time to the affairs of the Company.

David Tyrwhitt

Dr Tyrwhitt was appointed a Director in March 2005. He is a geologist, holding a Bachelor of Science and PhD degrees and has 50 years experience in mineral exploration and management development and operation of gold and diamond mines in Australia. Dr Tyrwhitt has been a Director of numerous public listed companies in Australia in the mining industry and is currently a Director of Hawthorn Resources Limited, Quantum Resources Limited, Golden River Resources Corp, a Delaware corporation (GORV.OB), Merlin Diamonds Limited and Northern Capital Resources Corp., a Delaware corporation since 2008. In the last five years, he has also been a Director of Astro Diamond Mines NL, Bassari Resources Ltd, Orchid Capital Ltd and South China Resources PLC

Dr Tyrwhitt's experience in working on mining projects in Australia and technical skills will provide our Board with an Australian perspective to mining operations.

Manish Gupta

Mr Gupta was originally appointed a Director in August 2008, before resigning in November 2009 due to other commitments. Mr Gupta was re-appointed as a Director in December 2010. Mr Gupta graduated from the Indian Institute of Technology (IIT), Delhi, India in 1988 with a Bachelor of Technology specialising in Civil Engineering and continued his studies at the Institute of Management (IIM), Calcutta, India where he gained a Post Graduate Diploma in Management in 1990 specialising in Development, Marketing, and then at the University of Pune, Pune, India where he gained a Bachelor of Laws (LLB) in 1996 excelling in Taxation and Commercial Laws. Mr Gupta has held several positions in the Indian Government including with the Indian Taxation Office and as Deputy Secretary to the Government of India, Ministry of Chemicals and Fertilisers, and as an Additional Commissioner of Income Tax and Officer on Special Duty to the Revenue Secretary, Government of India. In May 2004, he joined IFFCO and currently heads the strategic management team of IFFCO, responsible for formulating the future vision of the society and associated strategic decision making including setting up new ventures and partnerships, acquisition of existing ventures and diversification in new areas.

Mr. Gupta's experience in the international fertilizer markets and his engineering background will provide our Board with a valuable perspective in the development of the Company's phosphate project.

Allan Trench

Dr Trench was appointed a Director in August 2008. Dr Allan Trench is a geologist/geophysicist and business management consultant with approximately 20 years experience within the Australian resources sector across a number of commodity groups and is currently, a Director of Navigator Resources Ltd, Pioneer Resources Limited, Trafford Resources Ltd, Enterprise Metals Ltd, Hot Chili Limited and Venturex Resources Limited. He was Chairman of the Board and a Director of Acadian Mining Corporation (ADA:TSX) from 2009 to 2013. Dr Trench was the Exploration Manager for WMC for the Leinster-Mt Keith region and then managed a number of exploration companies associated with Mr Joseph Gutnick before joining McKinsey & Company as a management consultant. In his role at McKinsey, Dr Trench was an advisor to a number of large international resources companies on strategic, organization and operational issues. From 2004 to 2006 Dr Trench was employed in a contract role as corporate strategist end benchmarking manager at Woodside Energy, helping to building Woodside's capability in strategy, benchmarking and performance improvement across its global asset portfolio. Following this, he was employed by the CRU Group and was firstly responsible for global copper research managing a team of 12 analysts, then as Regional Director - Australasia. Dr Trench also currently holds the titles of Research Professor of Mineral Economics at the Graduate School of Business, Curtin University, Adjunct Professor to the WA School of Mines, Curtin University and Research Professor (Value & Risk) at the Centre for Exploration Targeting, University of Western Australia.

Dr Trench's experience in working on complex mining projects internationally and Australia and technical skills will provide our Board with a valuable perspective on conducting business in international jurisdictions.

Henry Herzog

Mr Henry Herzog has more than 40 years of corporate and management experience. He has been a Director of the Company since August 2008. Mr Herzog has served in various positions as President, Vice President or Director of a number of publicly listed companies in Australia and the United States, predominantly in the mining sector and is currently also a Director of Merlin Diamonds Limited. Mr Herzog was responsible for the restructuring and reorganization of several publicly listed companies including Bayou International Limited, now known as Golden River Resources Corporation (GORV.OB), where he served as its President and Chief Executive Officer from 1986 to 1999 and as a Vice President from 1988-1989. For at least the past five years, Mr Herzog has also been managing a number of private investment entities. He is also a member of the Board of Trustees of a non-profit college of higher education.

Mr Herzog's experience in corporate and management of international companies will provide our Board with a valuable perspective on conducting business in international jurisdictions.

Peter Lee

Mr Lee has been Chief Financial Officer since March 2005 and Secretary since November 2004. He is a Director, Chief Financial Officer and Secretary of Golden River Resources Corp, a Delaware corporation (GORV.OB), Secretary of Aurum, Inc. (AURM.OB), Chief Financial Officer and Secretary of Consolidated Gems, Inc (CGEM.OB), Northern Capital Resources Corp and Great Central Resources Corp, and Chief Financial Officer and Company Secretary of Merlin Diamonds Limited, a Director, Chief Financial Officer and Company Secretary of Top End Minerals Ltd and Quantum Resources Limited, and Company Secretary of Paradise Phosphate Limited all listed on Australian Securities Exchange. Mr Lee was also a Director of Acadian Mining Corporation (ADA:TSX) until October 2013. Mr Lee is a Member of the Institute of Chartered Accountants in Australia, a Fellow of Governance Institutue of Australia Ltd., a Member of the Australian Institute of Company Directors and holds a Bachelor of Business (Accounting) from Royal Melbourne Institute of Technology. He has over 30 years commercial experience.

Mr Lee devotes a majority of his business time to the affairs of the Company.

Craig Michael

Mr. Michael is Executive General Manager of the Company, a position he held between September 2007 and April 2012, and then again from December 2013. He was Chief Executive Officer of Paradise Phosphate Limited until November 2013. Mr. Michael has extensive experience as a geology professional in the mining and resources industry. He is currently Executive Director of Merlin Diamonds Limited (ASX:MED) and was previously a Director of Aurum, Inc (AURM:OB) until November 2013. His previous work was with Oxiana Ltd in South East Asia and Sons of Gwalia in the goldfields of Western Australia. Mr Michael is a member of the Australian Institute of Mining and Metallurgy and a Member of the Institute of Company Directors in Australia.

Edward Walker

Mr Walker has been General Manager Project Development for the Paradise Phosphate Operations since October 2008. He has acquired extensive international experience in the mining and water sectors via a number of senior engineering and project manager roles in international organizations, including as Principal Engineer for Parsons Brinkerhoff Australia from April 2007 to October 2008 and prior to that was with Bahia Mineracao Limitada as Senior Project Manager. Mr Walker spent over 10 years in senior engineering roles in Australia and the United Kingdom before spending two years as a senior project manager of an Iron Ore Mining project run by Brazilian company Bahia Mineração

Limitada (BML). He then moved to a multi-disciplinary engineering firm Parsons Brinkerhoff as a Principal Engineer responsible for business development and delivery of client projects. Mr Walker has a Bachelor of Engineering (Civil) from Swinburne University of Technology and an Executive MBA from the Business School of São Paulo.

Involvement on Certain Material Legal Proceedings During the Last Ten Years

Except as described below, no director, officer, significant employee or consultant has been convicted in a criminal proceeding, exclusive of traffic violations. No director, officer, significant employee or consultant has been permanently or temporarily enjoined, barred, suspended or otherwise limited from involvement in any type of business, securities or banking activities. No director, officer or significant employee has been convicted of violating a federal or state securities or commodities law.

On August 27, 2013, the Supreme Court of Australia found in favour of a shareholder of an entity of which Joseph Gutnick is a director in respect of the purchase of shares in that entity from Mr Gutnick by that shareholder. The Court found and made orders that (i) notwithstanding that the purchase by the plaintiff was for a total of A$1,000,000, the investor was not a sophisticated investor within the meaning of the *Corporations Act 2001* (Cth) by reason of the fact that the investment funds were paid by a number of instalments. The Court held that only a purchase where a minimum of A$500,000 was paid as a first payment qualified the purchase as a sophisticated investor and thereby exempted the seller from providing a disclosure statement. In consequence, the Court ordered the share purchase agreement be rescinded and declared void and that Mr Gutnick repay the plaintiff the purchase price.

Board of Directors

Our Certificate of Incorporation provides that there must be at least one Director of the Company. Our Board of Directors currently consists of five directors.

Directors need not be stockholders of the Company or residents of the State of Delaware. Directors are elected for an annual term and generally hold office until the next Directors have been duly elected and qualified. Directors may receive compensation for their services as determined by the Board of Directors. A vacancy on the Board may be filled by the remaining Directors even though less than a quorum remains. A Director appointed to fill a vacancy remains a Director until his successor is elected by the Stockholders at the next annual meeting of Shareholder or until a special meeting is called to elect Directors.

The executive officers of the Company are appointed by the Board of Directors. There are no family relationships between any Directors or executive officers of the Company other than as disclosed.

Our Board of Directors consists of five members, of whom three would meet the director independence requirement of the NASDAQ Stock Market.

Nominating Committee

At a meeting of the Board of Directors on August 12, 2008, it was resolved that Dr. Allan Trench, Dr. David Tyrwhitt and Mr. Henry Herzog be appointed to the Nominating Committee and that Dr. David Tyrwhitt be the Chair of the Committee. The Nominating Committee has authority and responsibilities as vested in it by the Board of Directors at a Directors Meeting held on June 27, 2008

Audit and Compensation Committees

At a meeting of the Board of Directors on August 12, 2008, it was resolved that Dr. Allan Trench, Dr. David Tyrwhitt and Mr. Henry Herzog be appointed to the Audit Committee and the Compensation Committee and that Dr. Allan Trench be the Chair of both of the Committees. It is the opinion of the Board of Directors that Dr. David Tyrwhitt, Dr. Allan Trench and Mr. Henry Herzog are independent directors as defined in Rule 10A-3 of the Securities Exchange Act of 1934. In addition, the Board believes that Dr. David Tyrwhitt, Dr.

Allan Trench and Mr. Henry Herzog would meet the director independence requirements of the NASDAQ Stock Market if we were listed on such Market. The Board has designated Dr Trench as an "audit committee financial expert" under the rules and regulations of the SEC for purposes of Section 407 of the Sarbanes-Oxley Act of 2002 after determining that he meets the requirements for such designation.

Code of Ethics

We have adopted a Code of Conduct and Ethics and it applies to all Directors, Officers and employees. A copy of the Code of Conduct and Ethics will be posted on our website and we will provide a copy to any person without charge. If you require a copy, you will be able to download it from our website at www.lgdi.net or alternatively, contact us by facsimile or email and we will send you a copy.

Stockholder Communications with the Board

Stockholders who wish to communicate with the Board of Directors should send their communications to the Chairman of the Board at the address listed below. The Chairman of the Board is responsible for forwarding communications to the appropriate Board members.

Mr. Joseph Gutnick
Legend International Holdings, Inc.
PO Box 6315 St Kilda Road
Melbourne, Victoria 3004 Australia

Section 16(a) Beneficial Ownership Reporting Compliance

Pursuant to Section 16(a) of the Securities Exchange Act of 1934, our Directors, executive officers and beneficial owners of more than 10% of the outstanding Common Stock are required to file reports with the Securities and Exchange Commission concerning their ownership of and transactions in our Common Stock and are also required to provide to us copies of such reports. Based solely on such reports and related information furnished to us, we believe that in fiscal 2013 all such filing requirements were complied with in a timely manner by all Directors and executive officers and 10% stockholders.

Item 11. Executive Compensation.

The following table sets forth the annual salary, bonuses and all other compensation awards and pay outs on account of our Chief Executive Officer, Chief Financial Officer and Secretary and Executive General Manager for services rendered to us during the fiscal years ended December 31, 2013 and 2012.

Summary Compensation Table

Name and Principal Position	Year	Salary (A$)	Bonus (A$)	Stock Awards (A$)	Option Awards (A$)	Non-Equity Incentive Plan Compensation (A$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (A$)	All Other Compensation (A$)	Total (A$)
Joseph Gutnick, Chairman of the Board, President and CEO of Legend and Executive Chairman of Paradise	2013 2012	373,218 773,459	- -	- -	- -	- -	- -	65,035 107,345	438,253 880,804

Name and Principal Position	Year	Salary (A$)	Bonus (A$)	Stock Awards (A$)	Option Awards (A$)	Non-Equity Incentive Plan Compensation (A$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (A$)	All Other Compensation (A$)	Total (A$)
Peter Lee, CFO & Secretary of Legend and Company Secretary of Paradise	2013 2012	137,326 227,967	- -	- -	- -	- -	- -	26,862 39,997	164,188 267,964
Craig Michael, Chief Executive Officer Paradise, May 2012 to November 2013, Executive General Manager of Legend January 2012 to April 2012 and November 2013 to current	2013 2012	177,575 365,166	- -	- -	- -	- -	- -	124,871 154,797	302,446 519,963

(i) Includes share of superannuation contributions made in accordance with applicable laws in Australia.
(ii) Includes share of cost of motor vehicle costs applicable to Messrs. Gutnick, Lee and Michael and accommodation for Mr Michael as provided by the Company.

The services of our Chief Executive Officer and Chief Financial Officer & Secretary, are provided to us pursuant to a Service Agreement effective December 1, 2004 (the "Service Agreement") by and between AXIS Consultants Pty Limited and ourselves.

Grants Of Plan-Based Awards In Fiscal 2013

There were no options granted to executive officers during fiscal 2013.

Outstanding Equity Awards at Fiscal Year-End

Option Awards								Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Been Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Joseph Gutnick, Chairman of the	5,000,000 2,250,000	- -	-	US$2.00 US$1.00	2/07/18 9/19/16	-	-	-	-

Option Awards								Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Been Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Board, President and CEO									
Peter Lee, CFO and Secretary	787,500 787,500 1,000,000	- - -	-	US$0.444 US$1.00 US$1.00	9/19/16 9/19/16 12/28/17	- - -	- - -	- - -	- - -
Craig Michael, Chief Executive Officer Paradise	150,000 150,000 1,250,000	- - -	- - -	US$0.444 US$1.00 US$1.00	9/10/17 9/10/17 12/28/17	- - -	- - -	- - -	- - -
Edward Walker, General Manager Project Develop ment	500,000	-	-	US$1.00	04/12/18	-	-	-	-

2006 Equity Incentive Plan

The 2006 Plan provides for the granting of options. The maximum number of shares available for awards is 10% of the issued and outstanding shares of Common Stock on issue at any time. If an option expires or is cancelled without having been fully exercised or vested, the remaining shares will generally be available for grants of other awards.

The 2006 Plan is administered by the Board comprised solely of directors who are not employees or consultants to Legend or any of its affiliated entities.

Any employee, director, officer, consultant of or to Legend or an affiliated entity (including a company that becomes an affiliated entity after the adoption of the 2006 Plan) is eligible to participate in the 2006 Plan if the Committee, in its sole discretion, determines that such person has contributed significantly or can be expected to contribute significantly to the success of Legend or an affiliated entity. During any one year period, no participant is eligible to be granted options to purchase more than 5% shares of our issued and outstanding Common Stock or if they provide investor relations activities, or are a consultant to the Company, 2% of the issued and outstanding shares of Common Stock in any 12 month period.

Options granted under the 2006 Plan are to purchase Legend Common Stock. The term of each option will be fixed by the Board, but no option will be exercisable more than 10 years after the date of grant. The option exercise price is fixed by the Board at the time the option is granted. The exercise price must be paid in cash. Options granted to participants vest and have a term of 10 years.

No award is transferable, or assignable by the participant except upon his or her death.

The Board may amend the 2006 Plan, except that no amendment may adversely affect the rights of a participant without the participant's consent or be made without stockholder approval if such approval is necessary to qualify for or comply with any applicable law, rule or regulation the Board deems necessary or desirable to qualify for or comply with.

Subject to earlier termination by the Board, the 2006 Plan has an indefinite term except that no ISO may be granted following the tenth anniversary of the date the 2006 Plan is approved by stockholders.

Other than the issue of these Options, there are no other current plans or arrangements to grant any options under the 2006 Plan.

Compensation Pursuant to Plans

The Company does not have any pension or profit sharing plans. The Company does not have any employees and therefore has no superannuation obligations.

Equity Compensation Plan Information

The following table sets forth, as of December 31, 2013, information regarding options under our 2006 stock option plan, our only active plan. The 2006 stock option plan has been approved by our stockholders. Outstanding options under this plan that are forfeited or cancelled will be available for future grants. All of the options are for the purchases of our Common Stock.

	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available future issuance under equity compensation (excluding securities reflected in Column One)
Equity compensation plans approved by security holders	21,087,500	A$1.35	24,426,047
Equity compensation plans not approved by security holders	-	-	-

Director Compensation

Name	Fees Earned or Paid in Cash (A$)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation ($)	Total (A$)
David Tyrwhitt	66,000	-	-	-	-		66,000
Manish Gupta	60,000	-	-	-	-		60,000
Dr Allan Trench	66,000	-	-	-	-		66,000
Henry Herzog	66,000	-	-	-	-		66,000

It is our policy to reimburse Directors for reasonable travel and lodging expenses incurred in attending Board of Directors meetings. Commencing April 1, 2008, non-executive Directors are to be paid A$60,000 per annum and fees for attendance at board committee meetings have been set at A$1,500 per meeting.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets out, to the best of our knowledge, the numbers of shares in us beneficially owned as at March 21, 2014 by:

(i) each of our present Executive Officers and Directors,

(ii) each person (including any "group" as that term is defined in Section 13(d)(3) of the Securities Exchange Act) who beneficially owns more than 5% of our Common Stock, and

(iii) all of our present Directors and officers as a group.

Title of Class	**Name**	**Number of Shares Owned**		**Percentage of Shares (1)**
Shares of Common Stock	Joseph and Stera Gutnick *	75,926,726	(2)(3)(4)(5)	17.10
Shares of Common Stock	David Tyrwhitt *	1,000,000	(6)	**
Shares of Common Stock	Manish Gupta	350,000	(8)	**
Shares of Common Stock	Allan Trench *	350,000	(9)	**
Shares of Common Stock	Henry Herzog *	1,234,940	(10)(11)	**
Shares of Common Stock	Peter Lee *	2,575,000	(12)	**
Shares of Common Stock	Craig Michael *	1,550,000	(13)	**
Shares of Common Stock	Edward Walker *	500,000	(14)	**
	All officers and Directors As a Group	83,486,666		18.80
Shares of Common Stock	Planetes International Ltd. Unit 820, 8th Floor, Block A Damansara Intan 1, Jalan SS 20/27 47400 Petaling Jaya Selangor, Malaysia	150,000,000		33.8
Shares of Common Stock	Regals Fund LP 152 West 57th Street, 9th Floor New York, NY 10119	115,345,195	(15)	25.98
Shares of Common Stock	Kisan International Trading, FZE Emaar Business Park No.2, Office 562, Jebel Ali Dubai, UAE Post Box 261835	34,300,464	(16)	7.72

* unless otherwise indicated, the address for each person is C/- Legend International Holdings, Inc., Level 8, 580 St Kilda Road, Melbourne, Victoria 3004, Australia.
** less than 1%

Notes relating to Item 12:

(1) Based on 444,047,971 shares outstanding as of March 21, 2014.

(2) Includes 48,775,476 shares of Common Stock owned by Renika Pty. Ltd., of both of which Mr Joseph Gutnick, Stera M. Gutnick and members of their family are officers, Directors and principal stockholders.

(3) Includes shares issuable to Mr Joseph Gutnick upon exercise of 7,250,000 stock options which have vested.

(4) Joseph Gutnick and Stera Gutnick are husband and wife.

(5) Includes 19,901,250 shares of Common Stock owned by Chabad House of Caulfield Pty Ltd. ("Chabad House"), a private corporation that is the trustee of the Heichal Menachem Community Centre Fund, a charitable organization. Joseph Gutnick and Stera Gutnick are directors of Chabad House but disclaim any beneficial interest in the shares of Common Stock owned by Chabad House.

(6) Include shares issuable to Mr Tyrwhitt upon exercise of 1,000,000 stock options which have vested.

(7) [Intentionally Omitted.]

(8) Includes shares issuable to Mr Gupta upon exercise of 350,000 stock options which have vested.

(9) Includes shares issuable to Dr Trench upon exercise of 350,000 options which have vested.

(10) Includes 884,940 shares of Common Stock owned by Riccalo Pty. Ltd., of which Mr Henry Herzog and members of his family are officers, Directors and principal stockholders.

(11) Includes shares issuable to Mr Herzog upon exercise of 350,000 stock options which have vested.

(12) Includes shares issuable to Mr Peter Lee upon exercise of 2,575,000 stock options which have vested.

(13) Includes shares issuable to Mr Craig Michael upon exercise of 1,550,000 stock options which have vested.

(14) Includes shares issuable to Mr Walker upon exercise of 500,000 stock options which have vested.

(15) In accordance with a Schedule 13D/A dated February 19, 2013, Regals Fund L.P., Regals Capital Management L.P., and Mr David Slager may be deemed to be beneficial owners of the shares of Common Stock.

(16) Includes 34,300,464 shares of common stock owned by Kisan International Trading, FZE, a subsidiary of Indian Farmers Fertilizer Cooperative Limited ("IFFCO").

Item 13. Certain Relationships and Related Transactions, and Director Independence.

In December 2004, the Company entered into an agreement with AXIS Consultants Pty Ltd to provide geological, management and administration services to the Company. AXIS has some common management and is incorporated in Australia. Two of the Company's directors (Mr Gutnick and Dr Tyrwhitt) are also directors of AXIS and Mr Lee is Chief Financial Officer & Company Secretary of AXIS and owe fiduciary obligations to both parties. AXIS' principal business is to provide geological, management and administration services to companies. We are one of nine companies that AXIS provides services to, namely, Legend, Quantum Resources Limited, Merlin Diamonds Ltd, Top End Minerals Ltd, Northern Capital Resources Corp, Golden River Resources Corp, Great Central Resources Corp., Aurum Inc, and Consolidated Gems Inc.. Each of the companies has some common Directors, officers and shareholders. In addition, each of the companies is substantially dependent upon AXIS for its senior management and certain mining and exploration staff. A number of arrangements and transactions have been entered into from time to time between such companies. It has been the intention of the companies and respective Boards of Directors that each of such arrangements or transactions should accommodate the respective interest of the relevant companies in a manner which is fair to all parties and equitable to the shareholders of each. Currently, there are no material arrangements or planned transactions between the Company and any of the other companies other than AXIS.

Legend holds a 9.09% interest in AXIS at a cost of A$1 and which is accounted for under the cost method and any profits generated by AXIS are returned to its shareholders in the form of dividends. The majority shareholder (72.73%) of AXIS is a third party independent of Legend Directors and management (J I Gutnick and his family or any of their private companies do not hold any shares in AXIS).

AXIS is paid by each company it manages for the costs incurred by it in carrying out the administration function for each such company. Pursuant to the Service Agreement, AXIS performs such functions as payroll, maintaining employee records required by law and by usual accounting procedures, providing insurance, human resources, company secretarial, land management, certain exploration and mining support in the form of providing project managers, exploration managers, environmental officers, geologists, field assistants, safety personnel; financial, accounting advice and services. AXIS also provides for the Company various services, including but not limited to the making available of office supplies, office facilities and any other services as may be required from time to time by the Company as and when requested by the Company.

We are required to reimburse AXIS for any direct costs incurred by AXIS for the Company. In addition, we are required to pay a proportion of AXIS's overhead cost based on AXIS's management estimate of our utilization of the facilities and activities of AXIS plus a service fee of not more than 15% of the direct and overhead costs. Amounts invoiced by AXIS are required to be paid by us. We are also not permitted to obtain from sources other than AXIS, and we are not permitted to perform or provide ourselves, the services contemplated by the Service Agreement, unless we first requests AXIS to provide the service and AXIS fails to provide the service within one month.

The Service Agreement may be terminated by AXIS or us upon 60 days prior notice. If the Service Agreement is terminated by AXIS, we would be required to independently provide, or to seek an alternative source of providing, the services currently provided by AXIS. There can be no assurance that we could independently provide or find a third party to provide these services on a cost-effective basis or that any transition from receiving services under the Service Agreement will not have a material adverse effect on us. Our inability to provide such services or to find a third party to provide such services may have a material adverse effect on our operations.

The arrangement with AXIS has changed since it was originally entered into as the relationship has evolved as a result of the requirements of certain suppliers to be able to deal directly with us. In these cases, AXIS do not charge us a management or service fee in respect to these arrangements with suppliers who deal with us direct. The types of services that are provided directly to us include audit and tax services, legal services, stock transfer services, drilling services, assay laboratory services, environmental assessments, water quality assessments, leases of some offices, finance leases, mineral leases that are required by law to be in our name, certain insurance products where we are required to be named, financing facilities in our name, Delaware franchise tax, the IPO and listing costs of Paradise. Further, at the time, the key advisors to the Paradise IPO and listing on ASX required AXIS to transfer certain phosphate staff to Paradise as part of those arrangements.

In accordance with the Service Agreement AXIS provides the Company with the services of our Chief Executive Officer, Chief Financial Officer, geologists and clerical employees, as well as office facilities, equipment, administrative and clerical services. We pay AXIS for the actual costs of such facilities plus a maximum service fee of 15%.

During 2012, AXIS charged the Company A$3,906,000 for management and administration services and A$2,137,000 for exploration and development services. The Company paid A$3,896,000 for 2012 charges and AXIS repaid A$915,000. At December 31, 2011, management considered the recoverability of the amount owed by AXIS and in accordance with the requirements of accounting standards provided a A$6,800,000 provision for doubtful receivable during the 4th quarter of 2011. For 2012, the Company recorded an reversal to the provision of A$3,063,000. For 2012, the Company charged did not charged AXIS interest. The amount owed by AXIS at December 30, 2012 under non-current assets – receivables - affiliates was A$645,000.

During 2013, AXIS charged the Company A$2,375,000 (US$2,107,000) for management and administration services and A$1,130,000 (US$1,003,000) for exploration and development services. The Company paid A$9,172,000 (US$8,139,000) for 2013 charges and funding advances. For 2013, AXIS repaid A$2,916,000 (US$2,588,000) to the Company. The Company recorded an increase in the provision of A$3,660,000 (US$3,248,000) For 2013, the Company charged AXIS interest of A$263,000 (US$213,000) at a rate of 9.34%. The amount owed by AXIS at December 31, 2013 was A$6,964,000 (US$6,180,000), which has been fully provided for. The Company has made advances to AXIS in connection with the ongoing business relationship between the two parties, which have been disclosed in the Company's SEC reports and which bear interest at market rates, but which are not specifically provided for in the AXIS Services Agreement. The purpose of such advances is to assist AXIS in meeting its ongoing cash flow requirements in order to assure that AXIS has the necessary resources to provide services to the Company on an as needed basis. The Company has not suffered any financial losses to date on account of such advances. On March 25, 2014, the Company and AXIS entered into a loan agreement and grantor security deed (floating charge). Under the loan agreement, interest is charged at the ANZ Banking Group Ltd reference rate and the amount is due to be repaid on March 25, 2015. The grantor security deed (floating charge) provides security to the Company in the form of a floating charge over the assets of AXIS.

During the 2011 year, Edinox Pty Ltd ("Edinox"), a company associated with Mr J I Gutnick, advanced the Company A$2,264,000. The Company has provided security in the form of properties owned by Legend for the advance. Under the terms of the agreement the advance was repayable on April 2, 2012 but was extended to at call. At December 31, 2012 the amount owed by the Company to Edinox under current liabilities - advances from affiliates was A$2,264,000. For the year ended December 31, 2013, Edinox charged the Company interest of A$39,000 (US$35,000) at a rate between 4.74% and 5.14%. As at December 31, 2013 the Company had repaid the total amount owing including accrued interest.

The Company appointed Mr Mordechai Gutnick, as the Company's General Manager, Business in December, 2007. Mr Gutnick is the son of Joseph Gutnick, the Company's President and Chairman of the Board. Mr Mordechai Gutnick receives an annual salary paid via AXIS. In addition, in December, 2007, Mr Mordechai Gutnick was granted 2,000,000 stock options.

At December 31, 2012, the Company's holding in MED was 59,485,537 shares (50.69%). During fiscal 2013, the Company sold 59 million shares in MED for consideration of A$12,740,000 and at December 31, 2013, holds 485,357 shares in MED, representing 0.23% of the issued shares of MED.

During the year ended December 31, 2013 the Company charged MED A$75,000 for the sale of motor vehicles, A$4,000 for direct costs, A$2,551,000 for the milestone payment due under the Central Arnhem and Merlin Orbit Projects sale agreement dated December 4, 2009 and MED paid $2,000,000. At December 31, 2013 the amount owed by MED to the Company under current assets – receivables is A$630,000.

During the 20010 and 2011 years, the Company took additional private placements of shares of common stock in Northern Capital Resources Corp ("NCRC"). At December 31, 2013, the Company held 31.50% of the shares of NCRC (2012:31.50%). The Company's President and Chief Executive Officer and one of its independent Directors (Dr Tyrwhitt) are President and Chief Executive Officer and Director respectively of NCRC and certain companies with which the Company's President is affiliated own approximately 39.85% of the outstanding shares of NCRC.

Transactions with Management

We have a written policy that we will not enter into any transaction with an Officer, Director or affiliate of us or any member of their families unless the transaction is approved by a majority of our disinterested non-employee Directors and the disinterested majority determines that the terms of the transaction are no less favourable to us than the terms available from non-affiliated third parties or are otherwise deemed to be fair to us at the time authorized.

Item 14. Principal Accounting Fees and Services.

The following table shows the fees incurred for fiscal 2013 and 2012.

	2013 A$000s	2012 A$000s
Audit fees	131	128
Tax fees	24	17
Total	155	145

Audit fees were for the audit of our annual financial statements, review of financial statements included in our 10-Q quarterly reports, and services that are normally provided by independent auditors in connection with our other filings with the SEC. This category also includes advice on accounting matters that arose during, or as a result of, the audit or review of our interim financial statements.

Tax fees relate to the preparation of the Company's tax returns and various tax planning and compliance related filings.

As part of its duties, our Audit Committee pre-approves audit and non-audit services performed by our independent auditors in order to assure that the provision of such services does not impair the auditors' independence. Our Audit Committee does not delegate to management its responsibilities to pre-approve services performed by our independent auditors.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

Documents filed as part of the report.

(1) All Financial Statements

(2) Financial Statements Schedule

All other schedules have been omitted because they are not applicable or not required, or because the required information is shown in the consolidated financial statements or notes thereto.

(3) Exhibits

See Index to Exhibits at page 68 for a description of the exhibits filed as a part of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorised.

LEGEND INTERNATIONAL HOLDINGS, INC.

(Registrant)

/s/ Peter Lee
By: ....
Peter J Lee
Chief Financial Officer and Secretary

Dated: March 26, 2014

FORM 10-K Signature Page

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons in the capacities and on the dates indicated.

	Signature	Title	Date
1.	/s/ Joseph Gutnick …………………………… Joseph Gutnick	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer) and Director	March 26, 2014
2.	/s/ David Tyrwhitt …………………………… David Tyrwhitt	Director	March 26, 2014
3.	/s/ Peter Lee …………………………… Peter Lee	Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)	March 26, 2014
4.	/s/ Allan Trench …………………………… Allan Trench	Director	March 26, 2014
5.	/s/ Henry Herzog …………………………… Henry Herzog	Director	March 26, 2014
6.	…………………………… Manish Gupta	Director	March , 2014

EXHIBIT INDEX

Incorporated by Reference to:

Exhibit No.	Exhibit
1.1	Subscription Agreement (1)
3.1	Certificate of Incorporation (1)
3.2	Amended Certificate of Incorporation (2)
3.3	Bylaws (1)
3.4	Specimen Stock Certificate (1)
3.5	Amendment to Certificate of Incorporation dated December 5, 2007 (6)
3.6	Amendment to Certificate of Incorporation dated August 2, 2011 (14)
3.7	Amendment to Certificate of Incorporation dated March 4, 2013 (5)
10.1	2006 Incentive Option Plan (3)
10.2	Contract for the Sale of Mining Tenements (4)
10.3	Subscription Agreement dated as of December 12, 2007 (6)
10.4	Agreement with Iron Duyfken Pty Limited dated November 2, 2007 (7)
10.5	Agreement with Ansett Resources & Industries Pty Ltd. dated November 7, 2007 (7)
10.6	Agreement with King Eagle Resources Pty Limited dated December 7, 2007 (8)
10.7	Form of Subscription Agreement for BMO Offering (9)
10.8	Agency Agreement dated as of June 3, 2008 (9)
10.9	Registration Rights Agreement dated as of June 3, 2008 (9)
10.10	Form of Broker Warrant (9)
10.11	Share Options agreement dated July 14, 2008 with Indian Farmers Fertilizer Cooperative Limited (IFFCO)(10)
10.12	Service Agreement with AXIS Consultants Pty Ltd dated February 25, 2005 (11)
10.13	US$ Aircraft Loan Facility Agreement (12)
10.14	Asset Sale Agreement dated February 7, 2012 between Legend International Holdings, Inc. and Paradise Phosphate Pty Ltd (13)
10.15	Service Deed dated February 7, 2012 between Legend International Holdings, Inc. and Paradise Phosphate Pty Ltd (13)
10.16	Convertible Note Agreement dated February 7, 2012 between Legend International Holdings, Inc., Paradise Phosphate Pty Ltd., and Australian Microcap Investments Pty Ltd. as trustee for Microcap Investment Trust 1 and Australian Microcap Investments Pty Ltd. as trustee for Microcap Investment Trust 2 (13)
10.17	Security Agreement dated February 7, 2012 between Legend International Holdings, Inc. and Acorn Capital Limited (13)
10.18	Mining Mortgage dated February 7, 2012 between Legend International Holdings, Inc. and Acorn Capital Limited (13)
10.19	Mining Mortgage dated February 7, 2012 between Paradise Phosphate Pty

	Ltd. and Acorn Capital Limited (13)
10.20	Share Mortgage dated February 7, 2012 between Legend International Holdings, Inc. and Acorn Capital Limited (13)
10.21	General Security Agreement dated February 7, 2012 between Paradise Phosphate Pty Ltd. and Acorn Capital Limited (13)
10.22	Security Trust Deed dated February 7, 2012 between Legend International Holdings, Inc., Paradise Phosphate Pty Ltd., Acorn Capital Limited, and Australian Microcap Investments Pty Ltd. as trustee for Microcap Investment Trust 1 and Australian Microcap Investments Pty Ltd. as trustee for Microcap Investment Trust 2 (13)
10.23	Deed of Amendment (Convertible Note Agreement) dated 27 April 2012 between Legend International Holdings, Inc., Paradise Phosphate Pty Ltd., Acorn Capital Limited, and Australian Microcap Investments Pty Ltd. as trustee for Microcap Investment Trust 1 and Australian Microcap Investments Pty Ltd. as trustee for Microcap Investment Trust 2 (13)
10.24	Second Deed of Amendment (Convertible Note Agreement) dated 17 January 2013 between Legend International Holdings, Inc., Paradise Phosphate Pty Ltd., Acorn Capital Limited, and Australian Microcap Investments Pty Ltd. as trustee for Microcap Investment Trust 1 and Australian Microcap Investments Pty Ltd. as trustee for Microcap Investment Trust 2 (13)
10.25	Share Purchase Agreement dated 17 January 2013 between Newton Centre Development Limited and Legend International Holdings, Inc.
10.26	Share Purchase Agreement dated 8 March 2013 between Goh Hin Calm and Legend International Holdings, Inc.
10.27	Share Purchase Agreement dated 8 March 2013 between Tan Boon Kiat and Legend International Holdings, Inc.
10.28	Loan Agreement between AXIS Consultants Pty Ltd and Legend International Holdings Inc dated March 25, 2014 (5)
21.1	Subsidiaries of the Registrant (5)
31.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Joseph Isaac Gutnick (5)
31.2	Certification of Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Peter James Lee (5)
32.1	Certification of Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Joseph Isaac Gutnick (5)
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Peter James Lee (5)
101	The following materials from the Legend International Holdings, Inc. Report on Form 10-K for the year ended December 31, 2012 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Comprehensive Loss, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows and (iv) consolidated statements of stockholders' equity (deficit) and (v) related notes.

#101.INS	XBRL Instance Document.
#101.SCH	XBRL Taxonomy Extension Schema Document.
#101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
#101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
#101.PRE	XBRL Taxonomy Extension Presentation Linkbase

	Document.
#101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

\# Filed herewith. In accordance with Rule 406% of Regulation S-%, these interactive date files are deemed "not filed" for purposes of section 18 of the Exchange Act, and otherwise are not subject to liability under that section.

Footnotes:

(1) Incorporated herein by reference to the Company's Registration Statement on Form SB-2, filed on February 2, 2001, File No. 333-55116, and the amendments thereto.

(2) Incorporated herein by reference to the Company's current report on Form 8-K filed on March 21, 2003.

(3) Incorporated herein by reference to the Appendix to the Company's Proxy Statement filed on October 19, 2006.

(4) Incorporated by reference to the Company's current report on Form 8-K filed on March 10, 2006.

(5) Filed herewith

(6) Incorporated herein by reference to the Company's Form 10-K filed on March 17, 2008

(7) Incorporated herein by reference to the Company's Current Report on Form 8-K filed on December 28, 2007.

(8) Incorporated herein by reference to the Company's Current Report on Form 8-K filed on December 28, 2007.

(9) Incorporated herein by reference to the Company's Post Effective Amendment No 1 Registration Statement on Form S-1 filed on July 18, 2008 (SEC File No. 333-145082).

(10) Incorporated herein by reference to the Company's current Report on Form 8-K filed on July 16, 2008.

(11) Incorporated herein by reference to the Company's Current Report on Form 8-K filed on March 8, 2005.

(12) Incorporated herein by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

(13) Incorporated by reference to the Company's Current Report on Form 8-K filed on February 16, 2012.

(14) Incorporated herein by reference to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2011.

Consolidated Financial Statements for the years ended December 31, 2013 and 2012.

Legend International Holdings, Inc.
Audited Consolidated Financial Statements for the Company for the years ended December 31, 2013 and 2012.

EXHIBIT 21

List of Subsidiaries as at December 31, 2013

Each of the following subsidiaries is wholly-owned by the Registrant.

Legend International Holdings Limited*

Legend Diamonds Pty Ltd*

Alexya Pty Ltd

Paradise Phosphate Limited

Teutonic Minerals Pty Ltd*

***** These entities are inactive.

Exhibit 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph Isaac Gutnick, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Legend International Holdings, Inc. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 26, 2014

/s/ Joseph I. Gutnick

Name: Joseph I. Gutnick
Title: Chairman of the Board, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter James Lee, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Legend International Holdings, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 26, 2014

/s/ Peter Lee

Name: Peter Lee
Title: Secretary and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Legend International Holdings, Inc. (the “Company”) for the fiscal year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “report”), the undersigned, Joseph Isaac Gutnick, Chief Executive Officer of the Company, certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 26, 2014

/s/ Joseph I. Gutnick

Name: Joseph I. Gutnick
Title: Chairman of the Board, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Legend International Holdings, Inc. (the "Company") for the fiscal year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "report"), the undersigned, Peter James Lee, Chief Financial Officer of the Company, certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 26, 2014

/s/ Peter Lee

Peter James Lee
Secretary and
Chief Financial Officer
(Principal Financial Officer)

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)

Consolidated Financial Statements

December 31, 2013 and 2012

(with Report of Independent Registered Public Accounting Firm)

CONTENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Legend International Holdings, Inc.

We have audited the accompanying consolidated balance sheet of Legend International Holdings, Inc. (a Development Stage Company) as of December 31, 2013 and 2012, and the related consolidated statements of comprehensive loss, stockholders' equity (deficit) and cash flows for the years ended December 31, 2013 and 2012 and the cumulative amounts from inception, January 5, 2001 through December 31, 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, theconsolidated financial statements referred to above present fairly, in all material respects, the financial position of Legend International Holdings, Inc. (a Development Stage Company) at December 31, 2013 and 2012, and the results of its operations and its cash flows for the periods indicated above in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As described in note 1, at December 31, 2013 the Company had not yet commenced revenue producing operations and had a retained deficit of A$171,921,000 (US$152,563,000). These conditions raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management's plans in regard to these matters are also discussed in note 1.

New York, NY
March 26, 2014

/s/ PKF O'Connor Davies
A Division of O'Connor Davies, LLP

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Balance Sheet
December 31, 2013

	2013 A$000s	2012 A$000s	Convenience Translation 2013 US$000s
ASSETS			
Current Assets:			
Cash	2	2,889	2
Receivables	1,371	440	1217
Prepayments	101	123	89
Receivables - affiliates	-	464	-
Marketable securities	38	-	34
Assets held for sale	85	3,371	75
Inventories	101	172	90
Total Current Assets	1,698	7,459	1,507
Non-Current Assets:			
Property and equipment, net	2,186	7,610	1,940
Other investments	200	379	177
Deposits	464	1,085	412
Receivables - affiliates	-	381	-
Prepayments	-	18	-
Development costs	2,996	2,867	2,659
Mineral rights	-	14,095	-
Goodwill	-	1,093	-
Total Non-Current Assets	5,846	27,528	5,188
Total Assets	7,544	34,987	6,695
LIABILITIES			
Current Liabilities:			
Bank overdraft	179	-	159
Accounts payable and accrued expenses	1,408	2,640	1,249
Accrued financing costs	-	6,441	-
Advances from affiliates	-	2,264	-
Convertible notes	-	10,000	-
Current tax liability	-	650	-
Short-term debt	850	310	755
Lease liability	53	143	47
Total Current Liabilities	2,490	22,448	2,210
Non-Current Liabilities:			
Reclamation and rehabilitation provision	66	1,093	59
Long-term debt	-	2,199	-
Lease liability	53	109	47
Total Non-Current Liabilities	119	3,401	106
Total Liabilities	2,609	25,849	2,316
Commitments and Contingencies			
Stockholders' Equity			
Preferred stock: US$.001 par value, 20,000,000 shares authorised, none issued and outstanding.			
Common stock: US$.001 par value, 1,250,000,000 and 400,000,000 shares authorised 444,047,971 and 249,047,971 shares issued and outstanding	496	298	440
Additional paid-in-capital	177,423	166,812	157,445
Accumulated other comprehensive income/(loss)	(1,063)	(1,063)	(943)
Retained (deficit) prior to exploration activities	(839)	(839)	(745)
Retained (deficit) during exploration period	(105,495)	(105,495)	(93,616)
Retained (deficit) during development period	(65,587)	(63,593)	(58,202)
Legend Stockholders' Equity (Deficit)	4,935	(3,880)	4,379
Non-controlling interests	-	13,018	-
Total Equity	4,935	9,138	4,379
Total Liabilities and Equity	7,544	34,987	6,695

The accompanying notes are integral part of the consolidated financial statements.

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Comprehensive Loss

	For the years ended December 31 2013 A$000s	2012 A$000s	Convenience Translation 2013 US$000s	January 5, 2001 (Inception) to December 31, 2013 A$000s
Revenues:				
Sales	-	-	-	6
less cost of sales	-	-	-	(1)
Gross profit	-	-	-	5
Other income				
Interest income – related entity	263	-	233	704
Interest income – other	43	116	38	8,933
Other	-	2	-	12
Total other income	306	118	271	9,649
Costs and expenses:				
Legal, accounting and professional	550	1,686	488	5,452
Exploration expenditure	3,142	4,584	2,788	75,896
Aircraft costs	364	769	323	3,948
Stock based compensation	-	44	-	12,817
Interest expense	683	1,256	606	2,496
Financing costs	170	6,255	151	6,426
Impairment of investment	-	-	-	327
Administration expenses	2,946	5,850	2,614	45,009
Total costs and expenses	7,855	20,444	6,970	152,371
(Loss) from operations	(7,549)	(20,326)	(6,699)	(142,717)
Foreign currency exchange (loss)	(354)	(19)	(314)	(576)
Milestone payment	2,551	-	2,264	2,551
Impairment of equity investment	-	(471)	-	(6,125)
Impairment of other investment	-	-	-	(719)
Recovery of /(provision for) allowance for doubtful receivable	(3,660)	3,063	(3,248)	(6,964)
Realized/unrealized gain/(loss) on marketable securities	(63)	-	(56)	123
Loss on other investments	-	-	-	(371)
Gain/(loss) from sale of property and equipment	27	94	24	(47)
Writeoff/writedown of assets	(923)	(325)	(819)	(1,525)
(Loss) from continuing operations before income taxes	(9,971)	(17,984)	(8,848)	(156,370)
Benefit from /(provision) for income taxes	729	(650)	647	79
(Loss) from continuing operations before equity in (losses) of unconsolidated entities	(9,242)	(18,634)	(8,201)	(156,291)
Equity in (losses) of unconsolidated entity	-	(124)	-	(8,750)
Net (loss) from continuing operations	(9,242)	(18,758)	(8,201)	(165,041)
Discontinued operations				
Gain on disposal of discontinued operations	9,194	-	8,159	9,194
Equity in (losses) of unconsolidated entities	(25)	(311)	(22)	(991)
Net (loss) from discontinued operations	(2,723)	(5,955)	(2,416)	(24,345)
Amortization of mineral rights	(350)	(1,398)	(311)	(5,128)
Adjustment to fair value on stepped acquisition	-	-	-	2,201
Net profit/(loss) attributable to non-controlling interests of discontinued operations	1,152	3,002	1,022	12,189
Net income/(loss) from discontinued operations	7,248	(4,662)	6,432	(6,880)
Net (loss)	(1,994)	(23,420)	(1,769)	(171,921)
Other Comprehensive Income/(Loss):				
Foreign currency translation adjustments	-	-	-	(1,063)
Comprehensive (loss)	(1,994)	(23,420)	(1,769)	(172,984)
Basic and diluted net income/(loss) per common equivalent share				
Net income/(loss) from continuing operations per share	(0.03)	(0.08)	(0.02)	(1.19)
Net income/(loss) from discontinued operations per share	0.02	(0.02)	0.02	(0.05)
Basic and diluted net income/(loss) per common equivalent shares	(0.01)	(0.10)	(0.00)	(1.24)
Weighted average number of common equivalent shares used in per share calculations	362,822	237,913	362,822	139,088

The accompanying notes are integral part of the consolidated financial statements.

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended December 31, 2013

	Common Stock								
	Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Accumulated Other Comprehensive Income (Loss) A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Balance, January 5, 2001	-	-	-	-	-	-	-	-	-
Shares issued to founder for organisation cost and services at US$0.05 per shares	4,298	5	119	-	-	-	-	-	124
Shares issued for services rendered at US$0.05 per share	146	-	4	-	-	-	-	-	4
Shares issued for cash	616	1	17	-	-	-	-	-	18
Net Loss	-	-	-	-	(131)	-	-	-	(131)
Balance, December 31, 2001	5,060	6	140	-	(131)	-	-	-	15
Shares issued for cash	225	-	6	-	-	-	-	-	6
Shares issued for officer's compensation	11,250	15	148	-	-	-	-	-	163
Net Loss	-	-	-	-	(183)	-	-	-	(183)
Balance, December 31, 2002	16,535	21	294	-	(314)	-	-	-	1
Shares issued for services rendered at US$0.022 per share	5,026	7	139	-	-	-	-	-	146
Net Loss	-	-	-	-	(157)	-	-	-	(157)
Balance, December 31, 2003	21,561	28	433	-	(471)	-	-	-	(10)
Shares issued for services rendered at US$0.022 per share	2,005	3	55	-	-	-	-	-	58
Options issued for services	-	-	161	-	-	-	-	-	161
Loan forgiveness-former major shareholder	-	-	12	-	-	-	-	-	12
Net Loss	-	-	-	-	(235)	-	-	-	(235)
Balance, December 31, 2004	23,566	31	661	-	(706)	-	-	-	(14)
Shares issued on cashless exercise of options	17,086	22	(22)	-	-	-	-	-	-
Net Loss	-	-	-	-	(75)	-	-	-	(75)

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended December 31, 2013
(continued)

	Common Stock								
	Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Accumulated Other Comprehensive Income (Loss) A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Balance, December 31, 2005	40,652	53	639	-	(781)	-	-	-	(89)
Shares issued on cashless exercise of options	72,281	93	(93)	-	-	-	-	-	-
Shares and options issued under settlement agreement	113	0	35	-	-	-	-	-	35
Shares issued for cash	12,757	17	3,855	-	-	-	-	-	3,872
Cost of share issues	-	-	(128)	-	-	-	-	-	(128)
Amortisation of options under stock option plan	-	-	115	-	-	-	-	-	115
Net unrealized gain on foreign exchange translation	-	-	-	38	-	-	-	-	38
Net Loss	-	-	-	-	(58)	(4,516)	-	-	(4,574)
Balance, December 31, 2006	125,803	163	4,423	38	(839)	(4,516)	-	-	(731)
Shares issued for cash	47,687	56	25,686	-	-	-	-	-	25,742
Cost of share issues	-	-	(1,675)	-	-	-	-	-	(1,675)
Shares issued for consulting fees	2,604	3	1,001	-	-	-	-	-	1,004
Shares issued on cashless exercise of options	75	-	-	-	-	-	-	-	-
Shares issued as a result of delay in lodgement of registration statement	200	-	364	-	-	-	-	-	364
Shares issued for part-settlement of the acquisition of rights to exploration licences under agreement	500	1	517	-	-	-	-	-	518
Amortization of options under stock option plan	-	-	376	-	-	-	-	-	376
Net Loss	-	-	-	-	-	(8,638)	-	-	(8,638)
Balance, December 31, 2007	176,869	223	30,692	38	(839)	(13,154)	-	-	16,960

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended December 31, 2013
(continued)

	Common Stock								
	Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Accumulated Other Comprehensive Income (Loss) A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Shares issued for cash	42,000	44	109,984	-	-	-	-	-	110,028
Cost of share issues		-	(5,964)	-	-	-	-	-	(5,964)
Shares issued on cashless exercise of options	1,522	2	(2)	-	-	-	-	-	-
Shares issued on exercise of options	5,436	6	13,718	-	-	-	-	-	13,724
Shares issued for consulting fees	31	-	147	-	-	-	-	-	147
Shares issued under registration rights agreement	458	-	900	-	-	-	-	-	900
Amortization of options under stock option plan	-	-	5,186	-	-	-	-	-	5,186
Net Loss	-	-	-		-	(14,222)	-	-	(14,222)
Balance, December 31, 2008	226,316	275	154,661	38	(839)	(27,376)	-	-	126,759
Shares issued on exercise of options	18	-	3	-	-	-	-	-	3
Amortization of options under stock option plan	-	-	4,260	-	-	-	-	-	4,260
Net unrealized loss on foreign exchange translation	-	-	-	(427)	-	-	-	-	(427)
Net Loss from operations	-	-	-	-	-	(37,639)	-	-	(37,639)
Net loss from discontinued operations	-	-	-	-	-	(247)	-	-	(247)
Fair value of non-controlling interest	-	-	-	-	-	-	-	10,261	10,261
Net change in controlling/non-controlling interest	-	-	4,842	-	-	-	-	8,699	13,541
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	-	(1,612)	(1,612)
Balance, December 31, 2009	226,334	275	163,766	(389)	(839)	(65,262)	-	17,348	114,899

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended December 31, 2013
(continued)

	Common Stock								
	Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Accumulated Other Comprehensive Income (Loss) A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Shares issued on cashless exercise of options	66	-	-	-	-	-	-	-	-
Amortization of options under stock option plan	-	-	1,728	-	-	-	-	-	1,728
Options issued for consulting fees	-	-	247	-	-	-	-	-	247
Net unrealized loss on foreign exchange translation	-	-	-	(1,537)	-	-	-	-	(1,537)
Net Loss from operations	-	-	-	-	-	(31,193)	-	-	(31,193)
Net loss from discontinued operations	-	-	-	-	-	(5,136)	-	-	(5,136)
Adjustment due to purchase of additional shares in subsidiary	-	-	(2,705)	-	-	-	-	(1,327)	(4,032)
Adjustment due to issue of shares by subsidiary	-	-	772	-	-	-	-	1,692	2,464
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	-	(3,803)	(3,803)
Balance, December 31, 2010	226,400	275	163,808	(1,926)	(839)	(101,591)	-	13,910	73,637
Shares issued on cashless exercise of options	7	-	-	-	-	-	-	-	-
Amortization of options under stock option plan	-	-	452	-	-	-	-	-	452
Net unrealized gain on foreign exchange translation	-	-	-	863	-	-	-	-	863
Net Loss from operations	-	-	-	-	-	(3,904)	(36,089)	-	(39,993)
Net loss from discontinued operations	-	-	-	-	-	-	(4,084)	-	(4,084)
Adjustment due to purchase of additional shares in subsidiary	-	-	(60)	-	-	-	-	(34)	(94)
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	-	(2,619)	(2,619)
Balance, December 31, 2011	226,407	275	164,200	(1,063)	(839)	(105,495)	(40,173)	11,257	28,162

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended December 31, 2013
(continued)

	Common Stock								
	Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Accumulated Other Comprehensive Income (Loss) A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Shares issued for cash	22,640	23	2,233	-	-	-	-	-	2,256
Amortization of options under stock option plan	-	-	44	-	-	-	-	-	44
Net Loss from continuing operations	-	-	-	-	-	-	(18,758)	-	(18,758)
Net loss from discontinued operations	-	-	-	-	-	-	(4,662)	-	(4,662)
Adjustment due to purchase of additional shares in subsidiary	-	-	(3)	-	-	-	-	(29)	(32)
Adjustment due to issue of shares by subsidiary	-	-	338	-	-	-	-	4,792	5,130
Net loss attributable to non-controlling stockholders of discontinued operations	-	-	-	-	-	-	-	(3,002)	(3,002)
Balance, December 31, 2012	249,047	298	166,812	(1,063)	(839)	(105,495)	(63,593)	13,018	9,138
Shares issued for cash	195,000	198	9,720	-	-	-	-	-	9,918
Net loss from continuing operations	-	-	-	-	-	-	(9,242)	-	(9,242)
Net income from discontinued operations	-	-	-	-	-	-	7,248	-	7,248
Adjustment due to issue of shares by subsidiary	-	-	891	-	-	-	-	6,249	7,140
Adjustment for deconsolidation of subsidiary	-	-	-	-	-	-	-	(18,115)	(18,115)
Net loss attributable to non-controlling stockholders of discontinued operations	-	-	-	-	-	-	-	(1,152)	(1,152)
Balance, December 31, 2013	444,047	496	177,423	(1,063)	(839)	(105,495)	(65,587)	-	4,935

The accompanying notes are integral part of the consolidated financial statements.

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statement of Cash Flows

	For the years Ended December 31 2013 A$000s	2012 A$000s	Convenience Translation 2013 US$	January 5, 2001 (Inception) to December 31, 2013 A$
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net (Loss)	(1,994)	(23,420)	(1,769)	(171,921)
Adjustments to reconcile net loss to net cash(used) by operating activities:				
Foreign currency exchange (gain) loss	354	19	314	576
Unrealized (gain)/losses on marketable securities	63	-	56	(188)
Shares and Options issued for Stock Based Compensation				
- Employees	-	44	-	12,816
- Consultants	-	-	-	778
- Exploration agreement	-	-	-	518
- Registration payment arrangements	-	-	-	1,265
Provision for reclamation and remediation	(19)	22	(17)	760
Gain/loss on sale of property and equipment	(27)	(94)	(24)	450
Writedown/writeoff of assets	923	325	819	1,525
Depreciation and amortization	441	1,179	391	5,551
Gain on disposal of discontinued operations	(9,194)	-	(8,159)	(9,194)
Equity accounting loss	-	124	-	8,750
Impairment of equity investment	-	471	-	6,125
Impairment of other investment	-	-	-	719
Allowance for doubtful receivable	3,660	(3,063)	3,248	6,964
Interest receivable	(264)	(1)	(234)	(675)
Accrued interest added to principal				68
Net Change in:				
Receivables	(1,039)	(298)	(922)	(3,408)
Prepayments and deposits	47	112	42	(1,523)
Inventories	80	-	71	(30)
Accrued financing cost	(6,441)	6,441	(5,716)	-
Accounts payable and accrued expenses	77	93	68	478
Net Cash (Used) by Operating Activities	(13,333)	(18,046)	(11,832)	(140,552)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of trading securities	-	-	-	3,205
Investment in trading securities	-	-	-	(1,284)
Investment in equity accounted investments	-	-	-	(18,759)
Acquisition of discontinued operations	-	-	-	(327)
Investment in consolidated entity	-	(32)	-	(13,411)
Proceeds from sale of subsidiary	12,740	-	11,305	12,740
Purchase of property and equipment	(39)	-	(35)	(13,629)
Development costs	(129)	(1,185)	(114)	(2,996)
Proceeds from sale of property and equipment	4,738	156	4,205	5,219
Net Cash Provided/(Used) by Investing Activities	17,310	(1,061)	15,361	(29,242)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Advances payable - affiliates	(5,016)	3,342	(4,551)	(5,843)
Repayment of convertible debenture	(10,459)	-	(9,280)	(10,589)
Repayment of shareholder advance	-	-	-	(1)
Repayment under finance leases	(101)	(217)	(90)	(1,363)
Proceeds from convertible debenture payable	-	10,000	-	10,130
Proceeds from bank overdraft	179	-	159	179
Proceeds from loan	850	-	754	4,090
Repayment for long term debt	(2,541)	(291)	(2,255)	(3,122)
Shareholder advance	-	-	-	7
Net proceeds from issuance of stock	9,918	2,256	8,801	165,565
Cost of share issues	-	-	-	(7,126)
Net Cash (Used)/Provided by Financing Activities	(7,170)	15,090	(56,362)	151,927
Discontinued Operations				
Operating activities	1,946	698	1,727	424
Investing activities	-	(126)	-	(3,566)
Financing activities	-	4,090	-	19,216
Net Cash Provided by Discontinued Operations	1,946	4,662	1,727	16,074
Effect of exchange rate changes on cash	184	69	163	1,795
Net increase (decrease) in cash	(1,063)	714	(943)	2
Cash at beginning of period	1,065	351	945	-
Cash at end of period	2	1,065	2	2
Supplemental Disclosures:				
Cash paid for interest	1,466	180	1,301	1,966
Cash paid for income taxes	-	-	-	-
Shares and options issued for services	-	-	-	1,843
Accrued interest and stockholder advances charged to paid in capital	-	-	-	13
Stock issued for exploration agreement	-	-	-	518
Stock issued for registration payment arrangement	-	-	-	1,265
Equipment obtained through a capital lease	-	-	-	1,450
Capital lease obligation for exploration costs	-	-	-	4,189
Interest in relation to capital lease for exploration costs	-	-	-	42
Fair value of warrants in connection with issuance of capital stock	-	-	-	1,331

The accompanying notes are integral part of the consolidated financial statements.

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Notes to Consolidated Financial Statements

1. ORGANISATION AND BUSINESS

Legend International Holdings, Inc. ("the Company" or "Legend") was incorporated under the laws of the State of Delaware on January 5, 2001.

Following a change of management in November 2004, the Company developed a new plan of operations for fiscal 2006, which is to engage in mineral exploration and development activities. The Company's business plan calls for the identification of mineral properties where it can obtain secure title to exploration, development and mining interests. The Company's preference is to identify large minerals deposits with low operating costs. In July 2006, the Company completed the acquisition of certain diamond mining tenements in Northern Australia. In November 2007, the Company acquired mining tenements prospective for phosphate in the State of Queensland, Australia.

During the economic downturn of 2008, Legend also decided that part of the Company's strategy should be to invest into undervalued mining projects should opportunities arise. This investment would not detract from Legend's primary goal of developing the Phosphate Project and had the aim of diversifying interests to dilute the effect of identified potential project risks. This was seen as necessary by the Company due to the volatile and unpredictable nature of the commodity markets at the time. Some of these investments included taking a major stake in Merlin Diamonds Ltd ("MED") (formerly North Australian Diamonds Limited) which controls the Merlin diamond mine and includes MED's current 31.14% interest in Top End Minerals Ltd ("TEM") and an investment in Northern Capital Resources Corporation ("NCRC") which controls gold and zinc assets in Nova Scotia, Canada through investments (direct and indirect) in Golden River Resources Corporation ("GRR") and Acadian Mining Corporation ("Acadian"). These are outlined in further detail below.

Legend had been an exploration stage company between August 2006 and February 2011.

Effective March 1, 2011, Legend is reporting as a development stage company. During February 2011, the Company announced its maiden mineral reserve for its 100% owned Paradise South phosphate project. In accordance with SEC Industry Guide 7, as a result of establishing mineral reserve estimates, Legend has entered into the development stage for this project as it engages in the process of preparing the mineral deposit for extraction, while it continues with its various other exploration activities. Management considers the phosphate business as its main focus of operations and plans to devote a majority of its resources to this area. As a result of establishing the phosphate mineral reserve estimates, the Company accounts for development expenditure by capitalizing such costs. Exploration costs incurred on the Company's other activities are written off as incurred to the consolidated statements of comprehensive loss. Legend is focused on the development of mining, beneficiation and processing of its 100% owned phosphate mineral reserves near Mount Isa in northwest Queensland whilst continuing its exploration activities. Legend has a phased implementation plan to become one of the world's leading suppliers of phosphate fertilizer.

The Company has historically funded its activities from funds provided by capital raising through the issuance of its shares and from advances from affiliated entities. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements and its exploration and development plans. The Company has announced that intends to undertake a rights issue of shares to existing shareholders on the basis of one new shares for each existing share on issue, at a price of US$0.05 per share. The documents have been forwarded to the SEC for comment. Based on this process and the amount of the Company's cash and other current assets as of December 31, 2013, management believes that the Company has sufficient operating liquidity to sustain its activities through 2014. However, as the Company has not yet generated income producing activities, it will continue to seek opportunities to raise additional funds from capital raising efforts through the issuance of its shares, funding from affiliated entities as may be available, debt facilities and other financing arrangements until such time as the Company can commence revenue producing activities.

As future development and exploration activities will require additional financing, the Company is pursuing varying strategies to accomplish this including obtaining third parties to take an ownership interest in or to provide financing for the anticipated development activities related to the phosphate project, as well as capital raising through share issuances. In the event the Company is unsuccessful in raising such additional capital, it may not be able to continue active operations.

The financial statements presented herein have been prepared on a consolidated basis to include the accounts of Legend, its subsidiaries Paradise Phosphate Limited ("Paradise"), Teutonic Minerals Pty Ltd (which is inactive) and Alexya Pty Ltd. All intercompany balances and transactions have been eliminated in consolidation.

The Company's consolidated financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, Legend has incurred net losses since its inception. Notwithstanding the losses since inception, the Company has been able to continue to raise capital to fund its operations.

Other than the arrangements noted above, the Company has not confirmed any other arrangement for ongoing funding. The Company's ability to continue operations through fiscal 2014 is dependent upon future funding from capital raisings, or its ability to commence revenue producing operations and positive cash flows.

2. RECENT ACCOUNTING PRONOUNCEMENTS

On July 18, 2013, the FASB issued ASU 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. This ASU, an amendment to accounting for income taxes provides guidance on financial statement presentation of an unrecognized tax benefit when a net operating loss (NOL) carryforward, a similar tax loss, or a tax credit carryforward exists. The objective in issuing this amendment is to eliminate diversity in practice resulting from a lack of guidance on this topic in current U.S. GAAP. Under the amendment, an entity must present an unrecognized tax benefit, or a portion of an unrecognized tax benefit, in the financial statements as a reduction to a deferred tax asset for an NOL carryforward, a similar tax loss, or a tax credit carryforward except under certain conditions. The amendment is effective for fiscal years beginning after December 15, 2013, and interim periods within those years and should be applied to all unrecognized tax benefits that exist as of the effective date. The adoption of this standard is not expected to have an impact on our financial position, results of operations or cash flows.

Other Recently Issued, but not Yet Effective Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed in connection with the preparation of the consolidated financial statements.

Basis of Presentation and Used Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United states of America ("US GAAP") requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure on contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The functional and reporting currency is the Australian dollar.

Convenience Translation to US$

The consolidated financial statements as of and for the year ended December 31, 2013 have been translated into United States dollars using the rate of exchange of the United States dollar at December 31, 2013 (A$1.00=US$0.8874). The translation was made solely for the convenience of readers in the United States.

Comparative Figures

Where necessary, comparative figures have been reclassified to be consistent with current year presentation with no effect on operations.

Principles of Consolidation

The consolidated financial statements include the assets and liabilities of the Company and the entities it controlled at the end of the financial period and the results of the Company and the entities it controlled during the year. Where entities are not controlled throughout the entire financial year, the consolidated results include the results of those entities for that part of the period during which control exists. The effect of all transactions between entities in the group and the inter-entity balances are eliminated in full in preparing the consolidated financial statements.

Mineral Property Acquisition, Exploration Costs and Development Costs

Mineral property acquisition, exploration and development costs are expensed as incurred until such time as economic reserves are quantified. As a result of establishing the Paradise South phosphate reserve estimate after it was determined that a mining deposit can be economically and legally extracted or produced based on established proven and probable reserves, further exploration costs and development costs incurred after such determination capitalized. The establishment of proven and probable reserves is based on results of final feasibility studies which indicate whether a property is economically feasible. Upon commencement of commercial production, capitalized costs will be transferred to the appropriate asset category and amortized over their estimated useful lives. Capitalized costs, net of salvage values, relating to a deposit which is abandoned or considered uneconomic for the foreseeable future, will be written off. Mineral rights are amortized over their estimated useful lives being the Company's estimated rights to tenure.

Stock Options

For the issuances of stock options, the Company follows the fair value provisions of FASB issued guidance now codification ASC Topic 718, "Compensation-Stock Compensation". Topic 718 requires the Company to measure the cost of employee services received in exchange for an award of equity instruments based on grant date fair value. The cost will be recognised over the period during which an employee is required to provide service in exchange for the award – usually the vesting period. In the case where there is no required service period, the fair value of the equity instruments is expensed immediately.

Comprehensive Income (Loss)

The Company follows ASC Topic 220 "Comprehensive Income" ("ASC 220"). ASC 220 requires a company to report comprehensive income/(loss) and its components in a full set of financial statements. Comprehensive income/(loss) is the change in equity during a period from transactions and other events and circumstances from non-owner sources such as unrealized gains (losses) on foreign currency translation adjustments. Changes in unrealized foreign currency translation adjustments during fiscal 2013 and 2012 amounted to A$nil. Accordingly, the Comprehensive (loss) for the years ended December 31, 2013 and 2012 amounted to A$(1,994,000) and A$(23,420,000).

Inventories

Materials and Supplies

Materials and supplies are valued at the lower of average cost or net realizable value.

Income/(Loss) per Share

The Company follows the FASB ASC Topic 260 "Earnings per Share" provisions which require the reporting of both basic and diluted loss per share. Basic loss per share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted net loss per share reflect the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Anti-dilutive effects on net loss per share are excluded.

Property and Equipment

Property and equipment is stated at cost. The Company records depreciation and amortization, when appropriate, using straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred. Additions, major renewals and replacements that increase the property's useful life are capitalized. Property sold or retired, together with the related accumulated depreciation is removed from the appropriate accounts and the resultant gain or loss is included in net income (loss).

	Depreciable Life (in years)	At December 31, 2013 Cost A$000s	Accumulated Depreciation A$000s	Net Book Value A$000s	At December 31, 2012 Cost A$000s	Accumulated Depreciation A$000s	Net Book Value A$000s
Land		231	-	231	231	-	231
Buildings	40	1,295	(15)	1,280	10	(5)	5
Leasehold Improvements	1-2	125	(66)	59	182	(99)	83
Motor Vehicles	5	849	(662)	187	1,503	(914)	589
Equipment	1-10	1,047	(686)	361	4,115	(2,106)	2,009
Aircraft	5	-	-	-	4,240	(678)	3,562
Construction in Progress		68	-	68	1,131	-	1,131
		3,615	(1,429)	2,186	11,412	(3,802)	7,610

The depreciation expense for the year ended December 31, 2013 amounted to A$441,000 US$391,000) and for the year ended December 31, 2012 amounted to A$915,000. Accumulated depreciation on assets written off and/or disposed of for the year ended December 31, 2013 was A$1,218,000 (US$1,081,000) and for the year ended December 31, 2012 was A$674,000. Net book value of assets sold/written off for the year ended December 31, 2013 amounted to A$2,286,000 (US$2,029,000) (2012: A$3,758,000) net of a transfer to property and equipment of A$1,312,000 (US$1,164,000) of assets previously classified as held for sale – refer Note 14. The amount written off from construction in progress for the year ended December 31, 2013 was A$1,081,000 (US$959,000) (2012: A$nil).

Fair Value Measurement

ASC 820, "Fair Value Measurements and Disclosures, which, among other things, defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Fair Value of Financial Instruments

ASC Topic 825 "Financial Instruments" requires the Company to disclose, when reasonably attainable, the fair market values of its assets and liabilities which are deemed to be financial instruments. The Company's financial instruments include cash, receivables, other investments, advances due from affiliates, accounts payable and accrued expenses, bank overdraft and loans. The carrying amounts of cash, receivables, accounts payable and accrued expenses, bank overdraft and loans approximate their respective fair values due to the short term maturities of these instruments. The fair value of advances due from affiliates are not practicable to estimate as no similar market exists for these instruments and as it does not have a specified date of repayment. The carrying amounts of marketable securities comprised of shares are measured at fair value based on unadjusted quoted market prices that are available in active markets as of the reporting date.

Cash Equivalents

Legend considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents. For the periods presented there were no cash equivalents.

Federal Income Tax

ASC Topic 740 requires the Company to recognise, measure, present and disclose in its financial statements uncertain tax positions that the Company has taken or expects to take on a tax return. Additionally for tax positions to qualify for deferred tax benefit recognition under ASC 740, the position must have at least "more than likely not" chance of being sustained upon challenge by the respective taxing authorities, and whether or not it meets that criteria is a matter of significant judgement. The Company believes that it does not have any uncertain tax positions that would require the recording or disclosure of a potential tax liability.

The Company follows the asset and liability approach which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities. For the period presented, there was no taxable income. There are no deferred income taxes resulting from temporary differences in reporting certain income and expense items for income tax and financial accounting purposes. The Company, at this time, is not aware of any net operating losses which are expected to be realised, therefore a valuation allowance was established.

Foreign Currency Translation

The Company's functional and reporting currency is the Australian dollar. Revenue and expenses incurred in a currency other than the reporting currency, Australian dollars, are translated at the date incurred or invoiced. Assets and liabilities are re-valued at the period end exchange rate where appropriate. Gains or losses from foreign currency transactions are included in the results of operations. Foreign currency exchange gain/loss in 2013 and 2012 is primarily a result of the translation of cash maintained in US banking institutions to A$ and long term debt with overseas institutions and amounted to a loss of A$354,000 (US$314,000) in 2013 and a loss of A$19,000 in 2012.

Goods and Services Tax ("GST")

Revenues, expenses and assets generated in Australia are subject to Australian GST which requires the supplier to add a 10% GST to predominately all expenses and the cost of assets and for the Company to include a 10% GST to the selling price of a product. Revenues, expenses and assets are recognized net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognized as part of the cost of acquisition of the assets or as part of the expense item as applicable, and receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority

Reclamation and Remediation Obligations (Asset Retirement Obligations)

Reclamation costs are allocated to expense over the life of the exploration activity and are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of the reclamation and remediation costs. The asset retirement obligation is based on when the spending for an existing environmental disturbance will occur. The Company reviews, on at least an annual basis, the asset retirement obligation at each exploration site.

Future remediation costs are accrued based on management's best estimate at the end of each period of the costs expected to be incurred. Such cost estimates include, where applicable, plugging of drill holes, removal of consumables and ripping of drill pads and tracks. Changes in estimates are reflected in earnings in the period an estimate is revised.

Accounting for reclamation and remediation obligations requires management to make estimates unique to each exploration operation of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations. Actual costs incurred in future periods could differ from amounts estimated. Additionally, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required. Any such increases in future costs could materially impact the amounts charged to earnings for reclamation and remediation.

Lease Liability

Leases meeting certain criteria are accounted for as capital leases. Imputed interest is charged against income. The capitalised value of the assets is depreciated over the estimated useful lives. The Company has entered into leasing agreements of two and three year terms for motor vehicles. Obligations under capital lease are reduced by the rental payments net of imputed interest. All other leases are treated as operating leases.

Impairment of Long-Lived Assets

The Company accounts for its long-lived assets in accordance with ASC Topic 360, "Impairment or Disposal of Long-Lived Assets". ASC Topic 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of its assets, including property, plant and equipment and mineral rights, by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, the impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value. ASC 360-10-35-44 has provision in relation to a re-classification of an asset held for sale to an asset held for use.

4. CONCENTRATIONS OF RISKS

Cash Balances

Cash consists of all cash balances and highly liquid investments with an original maturity of three months or less. Because of the short term maturity of these investments, the carrying amounts approximate their fair value.

The Company monitors its position with, and the credit quality of, the financial institution it invests with. As of the balance sheet date, and periodically throughout the year, the Company has maintained balances in various operating accounts in excess of federally insured limits.

Mineral Rights and Foreign Operations

The Company has mineral rights in Australia.

5. DEVELOPMENT COSTS

As a result of establishing the phosphate mineral reserve estimates, the Company accounts for development expenditure on the tenements where reserves have been identified by capitalizing such costs. Upon commencement of commercial production, capitalized costs will be transferred to the appropriate asset category and amortized over their estimated useful lives. Capitalized costs, net of salvage values, relating to a deposit which is abandoned or considered uneconomic for the foreseeable future, will be written off.

During the year ended December 31, 2013, A$129,000 (US$114,000) (2012: A$1,185,000) of costs incurred on the Paradise South phosphate project in the process of preparing the mineral deposit for extraction were capitalized and included in development costs.

6. DEPOSITS

Deposits held by the Company consist of:

	December 31	
	2013 A$000s	2012 A$000s
Term Deposit as security for a Banker's Undertaking	184	317
Other	155	152
Cash deposits provided to Government Departments for the purpose of guaranteeing the Company's performance in accordance with mining law	125	616
	464	1,085

7. INVESTMENTS/SUBSIDIARIES

The following is the summary of the Company's acquisitions and investments.

Consolidated Entities

Paradise

The Company holds 100% of the shares of Paradise which commenced operating during 2012. During 2012 Paradise issued 100,000,000 shares to Legend for all of Legend's phosphate assets. The assets were transferred at their respective cost basis. Legend has paid an estimated tax liability of A$618,000 as a result of the transfer of the assets to Paradise. As a result of further interpretation of the tax legislation, the interim tax paid has been revised and the Company considers the amount fully refundable. Accordingly, the Company has recorded a receivable for this refund which is included under current assets – receivables.

The amount of other income of Paradise for the year ended December 31, 2013 and 2012 included in the Consolidated Statement of Comprehensive Loss amounts to A$27,000 and A$229,000 respectively, and the amount of loss is A$3,008,000 and A$14,062,000 respectively.

Alexya Pty Ltd

On October 22, 2010, the Company incorporated a wholly owned Australian subsidiary, Alexya Pty Ltd ("Alexya") to hold a certain asset and liability which has been consolidated in the accompanying financial statements. The amount of revenue of Alexya for the year ended December 31, 2013 and 2012 included in the Consolidated Statement of Comprehensive Loss is A$nil and A$nil respectively and the amount of loss is A$1,197,000 and A$907,000 respectively.

The Company also has the following wholly owned inactive subsidiaries:

- Legend International Holdings Limited
- Legend Diamonds Pty Ltd

Equity Investments

Northern Capital Resources Corp

At December 31, 2013, Legend held a 31.50% interest in Northern Capital Resources Corp ("NCRC"), a Nevada Corporation. The Company has accounted for the investment in NCRC using the equity method as the Company has significant influence over NCRC. At December 31, 2013 and 2012, the carrying value of the investment was A$nil and A$nil respectively. For the year ended December 31, 2013 and 2012, the Company recorded an equity loss in NCRC of A$nil and A$nil respectively. At December 2013 and 2012, the Company made an assessment of the carrying value of the investment in NCRC and concluded that it needed to impair the carrying value. This assessment took into account the net asset position of NCRC. As a result, the Company impaired the carrying value of the investment and has recorded an impairment of equity investment of A$nil (2012: A$471,000 2011:$5,654,000) in the Company's consolidated statement of comprehensive loss.

The Chairman of the Board and Chief Executive Officer of the Company, is also the Chairman of the Board and Chief Executive Officer of NCRC and certain companies with which Mr Gutnick is associated own approximately 35.62% of the outstanding common stock of NCRC. Mr JI Gutnick is one of six directors (four of the directors are independent of NCRC) of the Company. Furthermore, Dr D S Tyrwhitt is also a Director of NCRC.

The following table presents summary unaudited financial information for NCRC. Such summary financial information has been provided herein based upon the individual significance of this unconsolidated equity investment to the consolidated financial information of the Company:

	December 2013 A$000s	December 2012 A$000s
Current assets	66	84
Non- current assets	150	1,689
Total assets	216	1,773
Current liabilities	326	175
Total liabilities	326	175
Total shareholders' equity (deficit)	(110)	1,598
Shareholder equity (deficit) attributable to NCRC	(110)	1,598
Net profit/(loss)	(3,967)	2,068

At December 31, 2013 and 2012, the carrying value of this equity investment was not in excess of the Company's share of the underlying equity in the net assets of the investee.

8. DECONSOLIDATION

At December 31, 2012, the Company held a 41.9% controlling interest in MED.

On January 18, 2013 the Company announced that it has entered into an agreement to sell 24 million ordinary shares, being approximately 16.9% in MED at a price of 21 cents per share which amounts to A$5.04 million, and on March 12, 2013, it entered into two further contracts to sell a total of 35 million ordinary shares, being approximately 19.9% in MED at a price of A$0.22 per share (proceeds of approximately A$7.70 million). The shares were sold to an unaffiliated third party.

Following closing, on March 26, 2013 the Company no longer held a controlling interest in MED. The sale of the 19.9% interest in MED resulted in the deconsolidation of MED and a gain in the amount of A$9,194,000 (US$8,159,000) which represents (i) the A$12,740,000 cash proceeds from the sale and the A$102,000 fair value of the retained interest less (ii) the A$3,648,000 net liabilities of MED at the date of consolidation. The gain is included in the consolidated statements of comprehensive income (loss) under gain on disposal of discontinued operations. The investment in MED is now classified as a marketable security, and accordingly is presented at its fair market value. The fair value of the remaining investment in MED of A$38,000 (US$34,000) was at market value at December 31, 2013, based on quoted prices on the Australian Stock Exchange, and is classified as a Level 1 asset according to the fair value hierarchy.

Assets and liabilities at the date of deconsolidation and the comparative December 31, 2012 consisted of the following:

	March 26, 2013 A$000s	December 31, 2012 A$000s
Assets		
Current assets	3,845	1,938
Receivables - affiliates	527	200
Other non-current assets	994	777
Property, plant and equipment	4,878	1,660
Mineral rights	13,745	14,095
Goodwill	1,093	1,093
Total assets	25,082	19,763
Liabilities		
Current liabilities	2,311	1,035
Reclamation and rehabilitation	1,008	1,007
Total liabilities related to assets	3,319	2,042
Non-controlling interests	18,115	13,018
Net book value of assets at deconsolidation	3,648	4,703

The Company's interest in MED at December 31, 2013 is 0.23%.

9. STOCKHOLDERS EQUITY

Common Stock

Between January 1, 2001 and December 31, 2007, the Company issued 65,582,358 shares of Common Stock raising A$29,761,285. The Company also issued 21,031,700 shares of Common Stock in lieu of services for a value of A$1,374,839. The Company issued a further 89,442,267 shares of Common Stock upon the cashless exercise of options. The Company issued a further 500,000 shares of Common Stock for part settlement of acquisition of exploration permits amounting to A$518,000. The Company issued a further 200,000 shares of Common Stock as a result of delays in lodging a registration statement amounting to A$364,805. The Company issued a further 112,500 shares of Common Stock valued at A$35,416 to settle outstanding matters with an external party.

Between January 1, 2008 and December 31, 2008, the Company issued 42,000,000 shares of Common Stock raising A$110,028,293. The Company also issued 30,800 shares of Common Stock in lieu of services for a value of A$147,588. The Company issued a further 1,522,358 shares of Common Stock upon the cashless exercise of options and 435,600 shares of Common Stock upon the exercise of options raising A$51,494. The Company issued a further 457,809 shares of Common Stock as a result of delays in lodging a registration statement amounting to A$900,495.

Effective July 14, 2008, the Company entered into a Shares Option Agreement with the Indian Farmers Fertilizer Cooperative Limited ("IFFCO") to finance the Company's operations.

Under the Share Options Agreement, IFFCO received options to purchase 30 million shares of Common Stock of the Company on the following terms:

a. 5,000,000 options, at an exercise price of US$2.50 per share and expiring 60 days from July 11, 2008;
b. 8,000,000 options, at an exercise price of US$3.00 per share and expiring 12 months from July 11, 2008;
c. 8,000,000 options, at an exercise price of US$3.50 per share and expiring 18 months from July 11, 2008;
d. 9,000,000 options, at an exercise price of US$4.00 per share and expiring 24 months from July 11, 2008.

During the third quarter of 2008, the 5,000,000 options issued to IFFCO, at an exercise price of US$2.50 per share and expiring 60 days from July 11, 2008 were exercised on August 11, 2008 and pursuant to the Share Options Agreement, received a 1.2% discount on the exercise price. The total amount received was A$13,672,091 and the Company issued 5,000,000 shares of common stock. The 8,000,000 options expiring 12 months after July 11, 2008, the 8,000,000 options expiring 18 months after July 11, 2008 and the 9,000,000 options expiring 24 months after July 11, 2008 were not exercised and were forfeited. IFFCO holds 15.2% of the shares of common stock of the Company.

Between January 1, 2009 and December 31, 2009, an additional 18,000 options were exercised for US$0.111, total amount received A$2,763 and the Company issued 18,000 shares of common stock. Between January 1, 2010 and December 31, 2010, an additional 333,334 options were exercised using the cashless exercise feature and the Company issued 66,282 shares of common stock. Between January 1, 2010 and December 31, 2010, Legend issued 1,000,000 options with an exercise price of US$1.00 and expiring on September 1, 2014 for consulting fees amounting to A$247,000. Between January 1, 2011 and December 31, 2011, an additional 9,000 options were exercised using the cashless exercise feature and the Company issued 7,572 shares of common stock. Between January 1, 2012 and December 31, 2012, the Company issued 22,640,725 shares of common stock raising A$2,256,000 Between January 1, 2013 and December 31, 2013, the Company issued 195 million shares of common stock raising A$9,918,000 million.

On March 1, 2013, shareholders representing more than 50% of the issued shares of Common Stock of Legend approved a resolution to increase the authorized shares of capital stock to 1,270,000,000 shares consisting of 1,250,000,000 shares of Common Stock having a par value of $.001 per shares and 20,000,000 shares of Preferred Stock having a par value of $.001 per share and to be issued in such series and to have such rights, preferences, and designation as determined by the Board of Directors of the Corporation.

Share Option Plan

The Company has a Stock Incentive Plan ("Stock Plan") for executives and eligible employees and contractors. Under this Stock Plan, options to purchase shares of stock can be granted with exercise prices not less than the fair market value of the underlying stock at the date of grant. The Company believes that such awards better align the interests of its employees with those of its shareholders. Option awards are generally granted with an exercise price equal to or greater than the market price of the Company's stock at the date of grant; those option awards generally vest 1/3 after 12 months, 1/3 after 24 months and the balance after 36 months with a 10-year contractual term. The expected life of the options is generally between 5 ½ to 6 ½ years. Certain option and share awards provide for accelerated vesting if there is a change in control (as defined in the Stock Plan). The maximum aggregate number of Shares which may be optioned and sold under the Stock Plan is 10% of the issued and outstanding shares (on a fully diluted basis).

The fair value of each option award is estimated on the date of grant using the Binomial option valuation model that uses the assumptions noted in the following table. The Binomial option valuation model requires the input of subjective assumptions, including the expected term of the option award and stock price volatility. Expected volatility is based on the historical volatility of our stock at the time grants are issued and other factors, including the expected life of the options of 5 ½ to 6 ½ years. The Company uses historical data to estimate option exercise and employee termination within the valuation model; separate groups of employees that have similar historical exercise behaviour are considered separately for valuation purposes. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding; the range given below results from certain groups of employees exhibiting different behaviour. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

A summary of option activity under the Plan as of December 31, 2013, and changes during the year then ended is presented below:

Options	Shares 000s	Weighted-Average Exercise Price
Balance, December 31, 2011	22,575	$1.33
Granted	-	-
Exercised	-	-
Forfeited and expired	(675)	($1.00)
Balance, December 31, 2012	21,900	$1.34
Granted	-	-
Exercised	-	-
Forfeited and expired	(813)	-
Balance, December 31, 2013	21,087	$1.35
Options exercisable at December 31, 2013	21,087	$1.35

At the time of an issue of options, management assesses the forfeiture rate to be used for the issue based on historical experience and management's view on the likelihood that the individual will continue employment to the end of the vesting period. The forfeiture rates historically have varied between 33.3% and 100%.

For the year ended December 31, 2013, stock-based compensation expense relating to stock options was A$nil. No income tax benefit was recognized in the year ended December 31, 2013 for stock-based compensation arrangements. As at December 31, 2013, there was A$nil of unrecognized compensation cost, before income taxes, related to unvested stock options.

	Options Outstanding			Options Exercisable		
Exercise Price US$	Number Outstanding 000s	Weighted Average Remaining Contractual Life (In Years)	Weighted-Average Exercise Price	Number Exercisable 000s	Weighted Average Remaining Contractual Life (In Years)	Weighted-Average Exercise Price
$0.444	1,856	2.86		1,856	2.86	
$1.000	12,331	3.77		12,331	3.77	
$2.000	5,900	4.17		5,900	4.17	
$3.480	1,000	4.52		1,000	4.52	
	21,087	3.84	$1.35	21,087	3.84	$1.35

The aggregate intrinsic value of outstanding stock options at December 31, 2013 was A$nil and the aggregate intrinsic value of exercisable stock options was A$nil.

10. RECLAMATION AND REHABILITATION

	December 31, 2013 A$000s	December 31, 2012 A$000s
Balance January 1	85	969
Increase (Decrease) as a result of rehabilitation requirement on exploration undertaken during year	(18)	159
Decrease as a result of rehabilitation performed during the year	(1)	(35)
Closing balance December 31	66	1,093

The Company's exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect the environment and believes its operations are in compliance with applicable laws and regulations in all material respects. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. Estimated future rehabilitation costs are based principally on legal and regulatory requirements.

11. LEASE LIABILITY

	A$000s
The Company entered into capital finance lease agreements for motor vehicles. The leases are non-cancellable and require total monthly repayments of A$5,000 (2012: A$25,000) and expire at various dates from 2014 to 2016. Future minimum payments due for the remaining term of the leases as of December 31, 2013 are as follows:	
2014	59
2015	14
2016	40
	113
Less amounts representing interest	7
	106
Current liability	53
Non-current liability	53
	106

At December 31, 2013 and 2012, the net book value of the motor vehicles under capital leases amounts toapproximately A$87,000 and $435,000 respectively.

12. OTHER INVESTMENTS

During December 2009, the Company invested A$2,784,000 in exchange for shares in a Fund that purchases shares in companies quoted on international stock exchanges. The fair value of the equity security is not readily determinable from published information. The Company accounts for these investments at cost and reviews the carrying amount for impairment at each balance sheet date. During 2011, the Company redeemed the investment with a cost basis of A$2,065,000and at December 31, 2011, had received A$1,695,000 of the redeemed investment. At December 31, 2011, the Company assessed the current net asset value of the remaining investment from information provided by the Fund Manager and determined that a provision for impairment was appropriate of A$719,000. At December 31, 2013, management has determined that the provision is still appropriate.

13. AFFILIATE TRANSACTIONS

In December 2004, the Company entered into an agreement with AXIS Consultants Pty Ltd to provide geological, management and administration services to the Company. AXIS has some common management and is incorporated in Australia. Two of the Company's directors (Mr Gutnick and Dr Tyrwhitt) are also directors of AXIS and Mr Lee is Chief Financial Officer & Company Secretary of AXIS and owe fiduciary obligations to both parties. AXIS' principal business is to provide geological, management and administration services to companies. We are one of nine companies that AXIS provides services to, namely, Legend, Quantum Resources Limited, Merlin Diamonds Ltd, Top End Minerals Ltd, Northern Capital Resources Corp, Golden River Resources Corp, Great Central Resources Corp., Aurum Inc, and Consolidated Gems Inc.. Each of the companies has some common Directors, officers and shareholders. In addition, each of the companies is substantially dependent upon AXIS for its senior management and certain mining and exploration staff. A number of arrangements and transactions have been entered into from time to time between such companies. It has been the intention of the companies and respective Boards of Directors that each of such arrangements or transactions should accommodate the respective interest of the relevant companies in a manner which is fair to all parties and equitable to the shareholders of each. Currently, there are no material arrangements or planned transactions between the Company and any of the other companies other than AXIS.

Legend holds a 9.09% interest in AXIS at a cost of A$1 and which is accounted for under the cost method and any profits generated by AXIS are returned to its shareholders in the form of dividends. The majority shareholder (72.73%) of AXIS is a third party independent of Legend Directors and management (J I Gutnick and his family or any of their private companies do not hold any shares in AXIS).

AXIS is paid by each company it manages for the costs incurred by it in carrying out the administration function for each such company. Pursuant to the Service Agreement, AXIS performs such functions as payroll, maintaining employee records required by law and by usual accounting procedures, providing insurance, human resources, company secretarial, land management, certain exploration and mining support in the form of providing project managers, exploration managers, environmental officers, geologists, field assistants, safety personnel; financial, accounting advice and services. AXIS also provides for the Company various services, including but not limited to the making available of office supplies, office facilities and any other services as may be required from time to time by the Company as and when requested by the Company.

We are required to reimburse AXIS for any direct costs incurred by AXIS for the Company. In addition, we are required to pay a proportion of AXIS's overhead cost based on AXIS's management estimate of our utilization of the facilities and activities of AXIS plus a service fee of not more than 15% of the direct and overhead costs. Amounts invoiced by AXIS are required to be paid by us. We are also not permitted to obtain from sources other than AXIS, and we are not permitted to perform or provide ourselves, the services contemplated by the Service Agreement, unless we first requests AXIS to provide the service and AXIS fails to provide the service within one month.

The Service Agreement may be terminated by AXIS or us upon 60 days prior notice. If the Service Agreement is terminated by AXIS, we would be required to independently provide, or to seek an alternative source of providing, the services currently provided by AXIS. There can be no assurance that we could independently provide or find a third party to provide these services on a cost-effective basis or that any transition from receiving services under the Service Agreement will not have a material adverse effect on us. Our inability to provide such services or to find a third party to provide such services may have a material adverse effect on our operations.

The arrangement with AXIS has changed since it was originally entered into as the relationship has evolved as a result of the requirements of certain suppliers to be able to deal directly with us. In these cases, AXIS do not charge us a management or service fee in respect to these arrangements with suppliers who deal with us direct. The types of services that are provided directly to us include audit and tax services, legal services, stock transfer services, drilling services, assay laboratory services, environmental assessments, water quality assessments, leases of some offices, finance leases, mineral leases that are required by law to be in our name, certain insurance products where we are required to be named, financing facilities in our name, Delaware franchise tax, the IPO and listing costs of Paradise. Further, at the time, the key advisors to the Paradise IPO and listing on ASX required AXIS to transfer certain phosphate staff to Paradise as part of those arrangements.

In accordance with the Service Agreement AXIS provides the Company with the services of our Chief Executive Officer, Chief Financial Officer, geologists and clerical employees, as well as office facilities, equipment, administrative and clerical services. We pay AXIS for the actual costs of such facilities plus a maximum service fee of 15%.

On March 25, 2014, the Company and AXIS entered into a loan agreement and grantor security deed (floating charge). Under the loan agreement, interest is charged at the ANZ Banking Group Ltd reference rate and the amount is due to be repaid on March 25, 2015. The grantor security deed (floating charge) provides security to the Company in the form of a floating charge over the assets of AXIS.

During 2012, AXIS charged the Company A$3,906,000 for management and administration services and A$2,137,000 for exploration and development services. The Company paid A$3,896,000 for 2012 charges and AXIS repaid A$915,000. At December 31, 2011, management considered the recoverability of the amount owed by AXIS and in accordance with the requirements of accounting standards provided a A$6,800,000 provision for doubtful receivable during the 4th quarter of 2011. For 2012, the Company recorded a reversal to the provision of A$3,063,000. For 2012, the Company charged AXIS interest. The amount owed by AXIS at December 30, 2012 under non-current assets – receivables - affiliates was A$645,000.

During 2013, AXIS charged the Company A$2,375,000 (US$2,107,000) for management and administration services and A$1,130,000 (US$1,003,000) for exploration and development services.

The Company paid A$9,172,000 (US$8,139,000) for 2013 charges and funding advances. For 2013, AXIS repaid A$2,916,000 (US$2,588,000) to the Company. In addition, the Company recorded an increase in the provision of A$3,660,000 (US$3,248,000). For 2013, the Company charged AXIS interest of A$263,000 (US$213,000) at a rate of 9.34%. The amount owed by AXIS at December 31, 2013 was A$6,964,000 (US$6,180,000), which has been fully provided for.

The Company holds a 0.23% interest in MED. During the year ended December 31, 2013, the Company charged MED A$75,000 for the sale of motor vehicles., During the year, in accordance with agreements entered into in 2004 between various third parties and MED (prior to Legend holding an equity interest in MED), and Legend being assigned certain rights under those agreements by the third parties in 2009 (refer narrative in Part 1 of this Form 10-K), MED paid Legend A$2,000,000 on the commissioning of the plant at the Merlin diamond mine and a further amount of A$551,000 is due. Further payments may be made in the future depending on the success of exploration and mining operations at the Merlin diamond mine. At December 31, 2013 the amount owed by MED to the Company under current assets – receivables is A$630,000.

During the 2011 year, Edinox Pty Ltd ("Edinox"), a company associated with Mr J I Gutnick, advanced the Company A$2,264,000. The Company has provided security in the form of properties owned by Legend for the advance. Under the terms of the agreement the advance was repayable on April 2, 2012 but has been extended to at call. At December 31, 2012 the amount owed by the Company to Edinox under current liabilities - advances from affiliates was A$2,264,000. For the year ended December 31, 2013, Edinox charged the Company interest of A$39,000 (US$35,000) at a rate between 4.74% and 5.14%. As at December 31, 2013 the Company had repaid the total amount owing including accrued interest.

14. ASSETS HELD FOR SALE

Assets held for sale represent property and equipment and intangible assets which have been acquired and that management intends to divest within the next 12 months at amounts equal or exceeding the asset carrying values at the respective balance sheet dates.

During 2013, the Company has decided not to sell the asset previously classified as held for sale A$1,312,000 (US$1,164,000), and has reclassified the asset as held and used, and use it as the collateral for the A$850,000 mortgage obtained (see note 16). The Company has measured the asset at its fair value at the date of the subsequent decision to sell, being the lower of its carrying amount before the asset was classified as held for sale, adjusted for any depreciation expense that would have been recognized had the asset been continuously classified as held and used. Fair value of the asset was based on an assessments provided to the Company by industry experts.

During 2013, the Company continued with the plan adopted in 2012 to dispose of some its assets which were surplus to its needs. An impairment loss of A$923,000 (US$819,000) (2012: A$325,000) was recognised which is included in write off/write down of assets representing the excess of the carrying value of certain assets over the aggregate of the fair value.

15. CONVERTIBLE NOTES

Effective as of February 7, 2012, the Company entered into a convertible note agreement via its wholly-owned subsidiary, Paradise, with two Australian investment funds, pursuant to which Paradise issued $7,500,000 in principal amount of notes due 12 months from the issue date (the "Notes"), which bear interest at a nominal rate of 10% per annum (the actual amount of effective interest depends upon the event that triggers repayment). It was the intention that if within 12 months of the completion date of the agreement, Paradise conducted a public offering of securities in Australia and those securities were listed on ASX, then the convertible notes would be converted into ordinary shares of Paradise at a conversion rate which was to be based on the pre-money value of Paradise at the time of the public offering of securities. The note agreement called for an adjustment to the repayment factor if Paradise did not complete the public offering, as defined. On April 30, 2012, Paradise raised a further A$2,500,000 via an increase in the convertible note facility on the same terms and conditions set out for the A$7,500,000. The A$10,000,000 convertible note was due for repayment on March 10, 2013. Acorn agreed to extend the repayment date for 2 months under certain conditions including the finalisation of a term sheet for an off-take agreement prior to March 10, 2013. Paradise entered into a term sheet with a third party and the repayment date was extended to May 10, 2013.

Paradise did not proceed with the IPO and listing on ASX due to market conditions and the advanced state of discussions with strategic partners at the time.

On April 11, 2013 the Company entered into a new agreement with Acorn to finalise repayment of the convertible note by April 29, 2013. The cash payment made by April 29, 2013 was A$16,929,000 made up of the principal amount of A$10,000,000 paid on April 12, 2013 plus interest of approximately A$1,183,000 divided by a repayment factor of 0.66 equating to A$5,746,000 and all mortgages and securities held over Legend's shares in Paradise and Paradise's phosphate assets were released.

16. SHORT-TERM DEBT

During November 2010, the Company entered into a US$ denominated loan facility agreement with a third party lender, which provided for a US$3,200,000 credit facility with a term of five years. Interest on borrowings under the agreement were fixed at 6.70% per annum.

Cumulative borrowings under this agreement amounted to A$2,541,000 (US$2,472,000) and was secured by certain equipment purchased by the Company. On April 16, 2013 the Company entered into an agreement to sell the equipment securing this debt and on May 20, 2013, the sale was finalised and repayment of the debt of A$2,681,000 (US$2,379,000) including interest, early termination and break fee was completed on May 24, 2013.

On August 14, 2013 the Company entered into a mortgage with a third party mortgagee for the sum of A$700,000 which is repayable on August 14, 2014. Mr. JI Gutnick has guaranteed the mortgage. The interest rate is 13.95% per annum, reducible to 8.95% per annum if interest is paid within seven days of the due date. For the year ended December 31, 2013, the Company paid interest of A$26,000 (US$23,000). The security for the mortgage is a first ranking charge over a property owned by the Company.

On December 31, 2013, the Company entered into a mortgage with a third party mortgagee for the sum of A$150,000 which is repayable on December 31, 2014. Mr J I Gutnick has guaranteed the mortgage. The interest rate is 25.95% per annum, reducible to 20.95% per annum if interest is paid within seven days of the due date. For the year ended December 31, 2013, the Company paid interest of A$3,020 (US$3,000). The security for the mortgage is a second ranking charge over a property owned by the Company.

At December 31, 2013 the Company has an unsecured overdraft with a bank in the amount of A$179,000. The loan does not require a compensating balance. The bank charges interest on the overdraft at normal commercial rates. For the year ended December 31, 2013, the Company paid interest of A$2,000 (US$2,000).

17. INCOME TAXES

The Company has adopted the provisions of ASC Topic 740 "Income Taxes". ASC 740 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

ASC Topic 740 prescribes how a company should recognise, measure, present and disclose in its financial statements uncertain tax positions that the Company has taken or expects to take on a tax return. Additionally for tax positions to qualify for deferred tax benefit recognition under ASC 740, the position must have at least a "more likely than not" chance of being sustained upon challenge by the respective taxing authorities, and whether or not it meets that criteria is a matter of significant judgement. The Company believes that it does not have any uncertain tax positions that would require the recording or disclosure of a potential tax liability.

The Company is subject to taxation in both the USA and Australia.

At December 31, 2013 and 2012, deferred taxes consisted of the following:

	USA 2013 A$000s	Australia 2013 A$000s	Total 2013 A$000s
Deferred tax assets			
Net operating loss carry-forward	4,972	6,559	11,531
Exploration expenditure	4,126	-	4,126
Less valuation allowance	(9,098)	(6,559)	(15,657)
Net deferred taxes	-	-	-

	USA 2012 A$000s	Australia 2012 A$000s	Total 2012 A$000s
Deferred tax assets			
Net operating loss carry-forward	5,059	5,060	10,119
Exploration expenditure	5,138	-	5,138
Less valuation allowance	(10,197)	(5,060)	(15,257)
Net deferred taxes	-	-	-

Under ASC 740, tax benefits are recognised only for tax positions that are more likely than not to be sustained upon examination by tax authorities, based on the technical merits of the position. The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the deferred tax asset will be realized.

At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax assets is no longer impaired and the allowance is no longer required.

In February 2012, as a result of the transfer of the phosphate assets to Paradise, the Company has realized carrying-forward net operating losses and exploration expenditure. In addition the Company made an interim tax payment of A$618,000 resulting from the transaction. As a result of further interpretation of the tax legislation, the interim tax paid has been revised and the Company considers the amount fully refundable.

As a result of the ownership change that occurred in November 2004 (see note 1), Internal Revenue Code Section 382 limits the use of available operating loss carryforwards for losses incurred prior to the ownership change. Carry-forward net operating losses will be available to offset future taxable income. Total available net operating loss carryforwards in the United States, which are subject to limitations, amount to approximately A$14,206,000 at December 31, 2013 and expire in years 2024 through 2031. Net operating loss carryforwards in Australia do not have a definite expiration date and amounted to A$21,864,000.

The Company's tax returns for all years since December 31, 2008 remain open to examination by most taxing authorities.

18. COMMITMENTS AND CONTINGENCIES

On March 25, 2013, the Indian Farmers Fertiliser Cooperative Limited ("IFFCO") and its subsidiary, Kisan International Trading FZE ("Kisan"), commenced an arbitration proceeding against the Company before the Singapore International Arbitration Centre seeking damages for the Company's alleged failure to enter into a long term rock off-take agreement ("ROTA") with IFFCO for phosphate rock in accordance with the terms of the Share Options Agreement, dated as of July 14, 2008, between the Company and IFFCO. Under the Share Options Agreement, the Company and IFFCO had agreed to use their reasonable best efforts to negotiate and enter into the ROTA within 24 months following the execution of this Agreement, which time period was subsequently extended to July 14, 2012. On April 25, 2013, the Company submitted a response denying IFFCO's claims on the basis that the Company had complied with its obligations under the Share Option Agreement. On May 6, 2013, IFFCO and Kisan filed a reply to the defense filed by Legend. On October 23, 2013, IFFCO amended its claim to include misrepresentation and fraud as grounds for the claim. Arbitration is currently due to commence in mid-May 2014. The proceeding is at its earliest stages so it is difficult to determine the Company's exposure, if any. In any event, the Company intends to vigorously defend this matter. No provision for losses has been recorded in connection with this litigation.

Operating Leases

The Company has entered into lease agreements for the rental of office premises and equipment which expire between 2013 and 2014.

	A$000s
Future minimum contractual obligations under operating leases are as follows:	
2014	5
	5

	A$000s
Future minimum lease payments under the Company's non-cancellable operating leases are as follows:	
2014	53
2015	14
2016	39
	106

Exploration

The Company has to perform minimum exploration work and expend minimum amounts of money on its tenements. The overall expenditure requirement tends to be limited in the normal course of the Company's tenement portfolio management through expenditure exemption approvals, and expenditure reductions through relinquishment of parts or the whole of tenements deemed non prospective. Should the company wish to preserve interests in its current tenements the amount which may be required to be expended is as follows:

	2013 A$000s	2012 A$000s
Not later than one year	263	1,547
Later than one year but not later than five years	1,773	3,147
Later than five years but not later than twenty one years	69	513
	2,105	5,207

19. SUBSEQUENT EVENTS

The Company has evaluated events and transactions after the balance sheet date through the date the consolidated financial statements were issued and believes that all relevant disclosures have been included herein and there are no other events which require recognition or disclosure in the accompanying consolidated financial statements, other than disclosed herein.

GLOSSARY

In this Form 10-K, we use certain capitalized and abbreviated terms, as well as technical terms, which are defined below.

ALUMINUM FLUORIDE	AlF3 an inorganic compound produced by reacting Aluminium Hydroxide Al(OH)3 with Fluorosilicic Acid H2SiF6. It is an important additive for the production of aluminium by electrolysis.
APATITE	A pale green to purple mineral, found in sedimentary rocks, igneous rocks and metamorphosed limestones. It is used in the manufacture of phosphorus, phosphates, and fertilizers. Composition: calcium fluorophosphate or calcium chlorophosphate. General formula: Ca5(PO4,CO3)3(F,OH,Cl). Crystal structure: hexagonal
ASSAY	To analyze the proportions of metals in a specimen of rock or other geological material. Results of a test of the proportions of metals in a specimen of rock or other geological material.
ASSAYING	Qualitative or quantitative analysis of a metal or ore to determine its chemical components.
BACKGROUND	As pertains to geochemical data; the variation in natural abundance of a particular metal or other constituent within a specific geological setting.
BENEFICIATION	Any process that, from an ore feedstock, liberates valuable minerals, in this case phosphates, from most other waste materials.
BPL	The traditional measure known as the Bone Phosphate of Lime, by weight percentage, of calcium phosphate contained in phosphate rock which converts to % P2O5 by dividing by 2.185.
CAMBRIAN	The Cambrian is the first geological period of the Paleozoic Era, lasting from 542 ± 0.3 million years ago to 488.3 ± 1.7 million years ago.
COLLAR	The start or beginning of a drill hole or the mouth of an underground working entrance.
CRATON	The relatively stable nucleus of a continent. Cratons are made up of a shield-like core of Precambrian Rock and a buried extension of the shield.
DAP/MAP	Diammonium Phosphate (DAP) and Monoammonium Phosphate (MAP) are phosphate salts produced by reacting phosphoric acid with ammonia. They are both used as fertiliser.
FAULT	A fracture or fracture zone in rock along which there has been displacement of the two sides relative to each other and parallel to the fracture plane.
Fe/Fe_2O_3	Chemical symbol for iron.
Fe_2O_3	Iron Oxide
FLOTATION	The process of using chemicals to move fine grain particles in a solution, one process used in beneficiation
FRACTURE	A general term for any break in a rock, whether or not it causes displacement.

METALLURGICAL TEST	A general term for a number of mechanical or chemical processes that are employed to test the amenability of separating metals from their ores.
METAMORPHOSED	Rock or mineral that has undergone mineralogical and/or structural change in response to elevated pressures, temperatures or changes in chemical conditions.
MICRONS	A unit of measurement equal to the micrometer, or one-millionth of a meter ($1x10^{-6}m$).
MINERALIZATION	The process or processes by which a mineral or minerals are introduced into a rock, resulting in an enriched deposit; or the result of these processes.
MINERALIZED	Rock that has undergone the process of mineralization.
ORE	See RESERVE.
P_2O_5	Chemical symbol for phosphorus pentoxide
PALAEOZOIC	The era of geologic time from about 540 to 245 million years ago.
PHOSPHORITE	A sedimentary rock that contains at least 20 per cent of phosphate minerals.
PRECAMBRIAN	A period of geologic time earlier than 544 million years before present.
PROBABLE RESERVES	Probable (Indicated) Reserves refers to reserves for which quantity and grade and/or quality are computed from information similar to that used for proven (measured) reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.
PROTEROZOIC	The later of the two divisions of the Precambrian Eon, from about 2.5 billion to 540 million years ago.
PROVEN RESERVES	Proven (Measured) Reserves refers to reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings, drillholes; grade and/or quality are computed from the results of detailed sampling and (b) the sites of inspection, sampling and measurement are spaced so closely and geologic character is so well defined that size, shape, depth and mineral content of reserves are well-established.
REPLACEMENT	Pertaining to a type of mineral deposit that forms by partial or complete replacement of bedrock constituents by new minerals, generally by the action of hydrothermal fluids.
RESERVE	That part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.
RESOURCE	Pertaining to the quantity or bulk of mineralized material without reference to the economic viability of its extraction (see reserve).
REVERSE CIRCULATION	The method of drilling that was used to obtain the majority of data that has been used in this resource estimation process. Pressurised air is forced down the outside of a string of drill rods that contain an inner-tube. The air drives a hammer and drill bit that breaks and pulverises the rock, once broken down the reverse air pressure forces the resulting material back up the inner-tube to be sampled at the top of the hole.

SEDIMENT	Fragmented material that originates from weathering of rocks and that is transported by air, water, ice or other natural agents, and that forms in layers on the Earth's surface at ordinary temperatures in a loose, unconsolidated form; e.g. silt, sand, gravel, etc.
TENEMENT	An area of land leased by a mining company from the government upon which they carry out exploration activities.
WEIGHTED AVERAGE	Value calculated from a number of samples, each of which has been "weighted" by a factor of the individual sample width.
WORKING	A general term for any type of excavation carried out during the course of mining or mining exploration.

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