



MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE MONTHS ENDED MARCH 31, 2016

**LEGEND GOLD CORP.
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FOR THE THREE MONTHS ENDED MARCH 31, 2016**

GENERAL

This discussion and analysis ("MD&A") of financial position and results of operations is prepared as at May 19, 2016 and should be read in conjunction with the condensed consolidated interim financial statements of Legend Gold Corp. (the "Company" or "Legend") for the three months ended March 31, 2016 and the related notes thereto. Those condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Except where otherwise noted, all dollar figures included herein are quoted in Canadian dollars. Additional information on the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website at www.legendgold.com.

DESCRIPTION OF BUSINESS

The Company (formed in 1997) is a public mineral exploration company exploring for gold in the Republic of Mali ("Mali"). The Company's common shares are listed on the TSX Venture Exchange under the symbol LGN. Currently the Company has 6 exploration licenses located in western Mali and 2 exploration licenses in southern Mali. During 2014 the Company stopped all exploration work in the Congo. Legend's business strategy is to combine extensive African knowledge with low cost exploration work and third party funding to successfully acquire, discover and monetize exploration opportunities.

FORWARD LOOKING INFORMATION

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Legend's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and factors may include, but are not limited to: unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project and other factors.

The operating plan is also dependent on being able to raise new equity funds as required in order to ensure sufficient capital resources to acquire and explore new properties. Other factors which affect Legend's operating plan are gaining access to exploration properties by concluding agreements with local communities, and commodity prices. If any of these factors are impacted in a negative way, such as joint venture partners being unable to raise sufficient capital to complete option agreements or if the Company is unable to raise sufficient capital of its own, there will be a significant impact on the Company's operating plan and on any forward looking statements contained herein.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

HIGHLIGHTS FOR THE FIRST QUARTER

- At the 100% owned Diba Project, the Company controls a gold deposit with an indicated resource of 275,000 ounces (6.3 million tonnes at grade of 1.35 g/t) located 15 kilometers from the Sadiola Gold mine operated by SEMOS (Joint Company owned by AngloGoldAshanti, lamgold, and the Mali government).
- At the 100% controlled Lakanfla Project, the Company anticipates completing a limited soil geochem program in the second quarter. The Company continues to seek a joint venture partner to advance the project the six drill ready targets identified to date.
- Randgold Resources (Mali) Limited ("Randgold") completed a pitting and trenching program across several priority targets. Based on the results from this work, Randgold elected to withdraw from the joint venture, notifying Legend on April 18, 2016. The Company is reviewing all the data from the joint venture.
- An application for renewal of the Pitiangoma Est permit was lodged in October 2015, and the Company anticipates the final permit to be issued in the second quarter of 2016. Subsequent to quarter end, the Company's JV partner, Resolute Mining Ltd ("Resolute"), initiated field work which will include a geophysical survey and air core drilling.
- During the quarter, the Company continued to seek partners for the portfolio and evaluate new opportunities while at the same time minimize expenditures. Funding for the Company's business continues to be provided by the CEO through non-interest bearing advances.

EXPLORATION REVIEW

The Company has significantly restricted its exploration activities as a result of its weak working capital position, the fall in precious metal prices and depressed market conditions. It has reduced exploration staff and expenditures and is using its technical capacity to evaluate numerous potential exploration and corporate transactions.

Diba Project, Western Mali

The Korali Sud arête (grant of permit) which hosts the Diba resource was issued on February 19, 2015. The Korali Sud exploration permit is valid for a period of three years with two additional renewals of two years before finally expiring in 2022. Required expenditures are approximately \$220,000 for the first year, \$550,000 for the second year and \$915,000 in the third year. The Company continues to do limited field work while at the same time looking for a partner to help advance the advance the Diba project.

Diba Geology, Mineralization & Resource

Most of the Diba Project is underlain by sediments of the Kéniébandi Formation. The mineralized host rocks can be grouped into an informal litho-stratigraphic succession from bottom to top, as the Lower Calcareous Sequence ("LCS") and the Upper Calcareous Sequence ("UCS"). The weathering profile is deep and results in extensive surface oxidation of bedrock, to depths of up to 70 m. The top of the UCS is capped by a complex lateritic regolith. Gold mineralization is strata-bound and constrained to the UCS. The sulphide content of the mineralized lenses is typically less than 10% by volume and commonly lower, even less than 1%. Disseminated sulphides are fine- to very fine-grained, and consist dominantly of pyrite, with a minor amount of arsenopyrite, chalcopyrite, tellurides and native gold.

AMEC completed a re-calculation of the mineral resource estimate for the Diba deposit in November 2013 to take into account different mineralization type, namely oxide, transition and sulfide as well as sensitivity to the cut-off grade from 0.1 grams per ton ("g/t") to 1.0 g/t gold. Parameters for recalculation of the resource estimate were identical to those used in the June 2013 AMEC NI 43-101 Technical Report. Over 50% of the resource reports to oxide and transition type mineralization within 70 m of the surface. The Diba resource extends over an area

measuring 600 m long by 500 m wide. The table below provides the results of the AMEC analysis.

Mineral Type	Indicated at 0.5 g/t Au cut-off			Inferred at 0.5 g/t Au cut-off		
	kt	g/t Au	oz Au	kt	g/t Au	oz Au
Oxide	2,481	1.67	133,127	284	1.65	15,019
Transition	773	1.34	33,271	155	1.12	5,600
Sulfide	3,123	1.09	109,350	283	1.31	11,944
All	6,377	1.34	275,748	722	1.40	32,564

Lakanfla Project, Western Mali

The Lakanfla Project encompasses the Lakanfla exploration permit totaling 24 sq. km. adjacent to the Sadiola Gold mine. The Company has outlined six drill targets coincident with gravity and apparent resistivity lows around the Kantela granodiorite. The interpretation indicates that the targets show potential for oxide gold, karst-hosted, deposits similar in size and geology to the FE3 and FE4 deposits mined by SEMOS some 5 kilometers to the north which yielded over 1.5 million ounces of gold. A limited-scale auger soil geochemistry program is underway on two gold-in-termite-mound anomalies in the north and south of the permit area respectively. This work will be combined with a re-interpretation of satellite imagery and geophysical structural analysis. This work is expected to be completed by the end of May, 2016.

Randgold JV, Western Mali

In March 2014, Legend entered into a Joint Venture Agreement (“JV”) with Randgold, whereby Randgold had the right to earn an interest on several of Legend’s permits contained within the Keniebandi and Kofi Formations south of the Sadiola Gold mine in western Mali. These permits form a contiguous ground holding along the Senegal Malian Shear Zone (“SMSZ”), to the immediate south of Sadiola. When the JV was formed in 2014, the agreement covered seven permits including Kanda, Djelimangara West, Djelimangara East, Sebessoukoto, Sebessoukoto South, Keniebandi and Kata. Based on work completed in 2015, three of the permits (Kanda, Keniebandi and Kata) were relinquished.

Based on 2014 and early 2015 results and continued analysis of all the historical data, Randgold completed the evaluation of five target areas in the second half of 2015 and first quarter of 2016 including Manankoto-East, Djeli-West, Souroukoto-West, Souroukoto-East, and Sebessoukoto-South (located within Djelimangara, Djelimangara-West and Sebessoukoto South permits). Randgold did not identify any major gold systems. On April 18, 2016 Randgold notified the Company that it was terminating the JV. Randgold has forwarded all data acquired during the JV period. The data is currently being evaluated to determine if Randgold’s work has outlined targets which, although not meeting Randgold’s target criteria of 2Moz at $\geq 2\text{g/t}$, may still have smaller but viable resource potential.

Pitangoma Est, Southern Mali

Pitangoma Est is an exploration permit (106 sq. km) adjacent to Resolute’s Tabakoroni mine. In the second quarter of 2015, Legend entered into an agreement with Resolute to form a joint venture company whereby Resolute will have the right to earn 70% interest in a corporate entity (“JVCo”) which will own the Pitangoma Est Property in southern Mali. Under the terms of the JVCo Shareholder’s Agreement, Resolute has the right to earn 70% in JVCo by spending US\$3,000,000 over four years. Of this amount, US\$500,000 is a required expenditure. When Resolute has earned 70% of JVCo, Legend will not be required to fund any expenditures until Resolute delivers a Feasibility Study or ceases to be a shareholder in JVCo. Subsequent to the quarter end, Resolute initiated a field program to evaluate several geochemical targets. This program will include a gradient array IP survey as well as follow-on air core and RC drilling.

Tabakorole Project (formerly Tiekoumala)

The Tabakorole permit was granted on June 25, 2015 and the permit is valid for three years with two renewals of

two years each. In 2015, The Company entered into a share purchase agreement with 2431807 Ontario Limited (the "Purchaser"), the President of which is Scott Waldie, a former President and Director of Legend, whereby the Purchaser will acquire all of the outstanding shares of Legend's wholly-owned subsidiary which controls the Tabakorole Property ("Property"). Subject to successful completion of its due diligence, the Purchaser will: 1) reimburse Legend, up to US\$25,000, for out-of-pocket costs associated with the transfer of the Property, 2) pay Legend US\$400,000 in four installments of US\$100,000 each, with an installment being paid upon each of 10,000, 20,000, 30,000 and 40,000 ounces of gold being cumulatively produced from the Property, and 3) grant Legend a royalty equal to one-percent (1%) of net smelter returns from any commercial production on the Property. The Purchaser must obtain an exploitation permit and place the Property into commercial production within 14 months of the completion of its purchase (20 months if it pays Legend a further US\$10,000) or it will forfeit ownership of the subsidiary (and, therefore, the Property) back to Legend. In 2015, the Purchaser completed an infill auger sampling program to better define the near-surface resource and completed metallurgical testing of oxide mineralization. The Company has granted extensions to the Purchaser to provide additional time to complete due diligence.

OUTLOOK

The Company's exploration strategy for 2016 will focus on securing partners for the portfolio, evaluating early to advanced stage opportunities, and continuing discussions with industry partners regarding the roll-up of small undercapitalized businesses working in West Africa. This effort will be done within a very limited budget given the capital constraints and the depressed metal markets.

The Company is optimistic about its properties in western Mali, particularly the oxide resource at Diba, the exploration opportunity for oxide ounces at Lakanfla, and their proximity to SEMOS' Sadiola Gold mine, where excess capacity exists to process oxide ore. While the path forward to monetizing these projects is not certain, the Company believes that Diba and Lakanfla offer the potential for substantial value to the shareholders.

The Company is relinquishing permits where exploration has demonstrated low potential for a discovery as part of its efforts to reduce costs associated with government expenditure requirements on exploration permits.

The Company will have to raise capital to fund its overhead and limited exploration programs for the next twelve months and its outstanding liabilities. Depending on the monetization of Diba and the Company's ability to raise capital, additional cost cutting measures may also be required which would lead to a further reduction in the Company's exploration initiatives.

Qualified Person

Demetrius Pohl, Certified Professional Geoscientist (CPG), is the Company's Qualified Person as defined by National Instrument 43-101, and is responsible for the accuracy of the technical information in this MD&A.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2016

For the three months ended March 31, 2016 Legend had a net loss of \$49,753 or \$0.00 per common share compared to a loss of \$621,935 or \$0.01 per common share for the same period in 2015. The favorable variance was due to lower exploration expenses, management fees, share-based payments and an exchange gain.

Exploration expenses were lower in 2016 as the Company made significant cost reductions due to the lack of capital resources. The VP Exploration reduced his monthly fees to \$6,000 per month from US\$15,000, beginning in January 2016 and staff was reduced in Mali in 2016 compared to 2015. 2015 exploration expenses included \$235,183 of bonuses which are payable providing that the Diba Project is sold. There were no such bonuses recorded in 2016. Management fees paid to Seaboard Services Corp. were reduced from \$16,000 to \$10,000 per month and this accounted for the decrease in those fees. Share-based payments were nil in 2016 because there

were no options granted and previously granted options had been fully accrued, whereas in 2015 the Company accrued approximately \$21,000 of share-based payments for vesting stock options.

In 2016 the Company recorded an exchange gain of approximately \$63,000 compared to an exchange loss of \$40,000 in 2015. In 2016 the exchange gain was generated as a result of the declining value of Legend's US dollar denominated payables as the US dollar weakened during the quarter. In 2015 the Company recorded an exchange loss on its US dollar denominated payables as the US dollar strengthened against the Canadian dollar in the first quarter.

In both 2016 and 2015 Legend recorded other income due to the derecognition of accounts payable. In 2016, The VP Exploration agreed to retroactively reduce his monthly fees for the last half of 2015 and as a result the Company recorded other income of approximately \$88,000. In 2015, Legend derecognized an accrual for withholding taxes in the Congo, for approximately \$82,000, when it ceased operations and exited the country.

LIQUIDITY AND CAPITAL RESOURCES

Cash at March 31, 2016 was \$6,422 compared to \$3,335 at December 31, 2015. The Company had a working capital deficit of \$2,531,391 at March 31, 2016 compared to working capital deficit of \$2,492,440 at December 31, 2015. The decrease in working capital was due to capital resources used to fund exploration and administration activity. Management has reduced costs by reducing staff in Mali and the VP Exploration has retroactively reduced his fees for the last half of 2015 and going forward into 2016. In addition to those measures, Legend is conserving cash by accruing but not paying its executive management or Seabord Services Corp. ("Seabord"), which provides head office services for Legend. For 2016, Seabord has reduced its monthly fee to \$10,000 per month, from \$16,000, although this amount has been accrued but not paid.

At March 31 2016 and to the date of this MD&A, the Company has minimal cash resources and is relying on senior management to continue deferring the payment of monthly consulting fees until such time as Legend can sell its Diba Project or raise cash through a private placement. The Company is also relying on short-term debt financing from the CEO and a company controlled by the CEO in order to sustain operations.

The total current liabilities are \$2,539,894, of which \$720,883 is only payable upon the sale of the Diba Project. Seabord, which provides head office services, has agreed to a deferral of its service fees until the Company has sufficient working capital to pay them. The current liabilities at March 31, 2016 are categorized as follows:

As at March 31, 2016	Payables, notes and accrued liabilities	Contingent Payables	Total
VP Exploration and senior managers	\$ 563,282	\$ 720,883	\$ 1,284,165
Seabord Services Corp.	1,046,466	-	1,046,466
CEO and Seabord Capital Corp.	73,680	-	73,680
Trade payables	135,583	-	135,583
	\$ 1,819,011	\$ 720,883	\$ 2,539,894

The Company will have to raise additional capital in order to fund its exploration and administrative activities for the next twelve months. The timing and ability to do so will depend on the liquidity of the financial markets as well as the acceptance of investors to finance junior resource based companies, and the results of the Company's exploration programs. There can be no certainty that the Company will be able to secure the required financing to carry out its programs. The Company has no long term debt, capital lease obligations, operating leases nor any other long term obligations other than the exploration expenditures required to maintain its exploration permits in good standing. These are not firm commitments and the Company can relinquish any permit at any time without further expenditure.

SUMMARY OF QUARTERLY RESULTS

	2016	2015	2015	2015
Quarter Ended	Mar. 31	Dec. 31	Sept. 30	Jun. 30
Exploration expenditures	\$ 152,977	\$ 182,679	\$ 204,337	\$ 312,399
Share-based payments	-	587	17,238	17,249
Net loss for the period	(49,753)	(303,973)	(2,031,113)	(460,948)
Net loss per share (basic and diluted)	(0.00)	(0.01)	(0.04)	(0.01)

	2015	2014	2014	2014
Quarter Ended	Mar. 31	Dec. 31	Sept. 30	Jun. 30
Exploration expenditures	\$ 563,593	\$ 466,985	\$ 725,234	\$ 1,309,926
Share-based payments	20,849	19,158	56,911	64,353
Net loss for the period	(621,935)	(625,156)	(938,452)	(3,839,525)
Net loss per share (basic and diluted)	(0.01)	(0.01)	(0.02)	(0.08)

The Company's level of activity and expenditures during a specific quarter are influenced by the availability of working capital, the availability of additional external financing, the time required to gather, analyze and report on geological data related to mineral properties and the amount of expenditure required to maintain its exploration permits in good standing and to advance its projects.

For the quarter ended March 31, 2016 the net loss was lower than for the prior quarter due to lower exploration expenditures and management fees, an exchange gain compared to an exchange loss and due to other income recognized when the VP Exploration retroactively reduced his monthly fees for the last six months of 2015.

For the quarter ended December 31, 2015 the net loss was much lower than the prior quarter due to the write-off of the Mougina and Bala properties which totaled \$1,670,000.

For the quarter ended September 30, 2015 the net loss was lower than for the prior quarter due to lower exploration expenditures and transfer agent fees. The Company continues to reduce exploration activity which resulted in a lower expenditure in the current quarter. Transfer agent fees were lower in the current quarter because in the June quarter those fees were higher due to costs related to Legend's annual general meeting.

For the quarter ended June 30, 2015 the net loss was lower than for the prior quarter mainly due to lower exploration expenditures partially offset by the write-off of two minor exploration properties in the current quarter and there was no "other income" recorded in the current quarter compared to the prior quarter. As explained in Note 6 of the Company's June 30, 2015 financial statements, the other income recorded in the first quarter of 2015 was due to the reversal of an accrual for a potential liability for withholding taxes in the Congo.

For the quarter ended March 31, 2015 the net loss was similar to the prior quarter. Exploration expenditures were higher than the prior quarter due to the accrual of the bonuses which are contingent on the sale of the Diba Project.

For the quarter ended December 31, 2014 the net loss was lower than for the prior quarter due to lower exploration expenses, management fees and share-based payments. Exploration expenditures were lower due to limited cash resources and the completion of most of the 2014 exploration programs by the end of the September quarter. Management fees were lower in the quarter due to the resignation of the former CEO, and no compensation received by the current CEO. Share-based payments were lower because no stock options were granted in 2014 whereas 315,000 stock options were granted in the fourth quarter of 2013.

For the quarter ended September 30, 2014 the net loss was lower than for the prior quarter due to lower exploration expenditures and because there was no impairment charge made against exploration and evaluation

assets, such as there was in the quarter ended June 30, 2014.

OFF-BALANCE SHEET ARRANGEMENTS

The Company had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company entered into a number of transactions with key management personnel. The remuneration of key management personnel includes those persons having the authority and responsibility for the planning, directing and controlling of the activities of the Company are as follows:

	Salary or Fees	Share-based Payments	Total
Three months ended March 31, 2016			
VP Exploration	\$ 18,000	\$ -	\$ 18,000
VP Corporate Development	39,000	-	39,000
Seabord Services Corp.	30,000	-	30,000
	\$ 87,000	\$ -	\$ 87,000
Three months ended March 31, 2015			
VP Exploration	144,152	2,778	146,930
VP Corporate Development	57,334	-	57,334
CFO	-	1,143	1,143
Corporate Secretary	-	686	686
Seabord Services Corp.	40,800	-	40,800
	\$ 249,486	\$ 4,607	\$ 254,093

Seabord Services Corp. ("Seabord"), a company controlled by the CEO, provides the services of a Chief Financial Officer ("CFO"), Corporate Secretary, accounting and administrative staff and office space for the Company. The CFO and Corporate Secretary are employees of Seabord and are not paid directly by the Company. The contract with Seabord is an on-going monthly commitment which can be terminated by either party with sufficient notice.

The above payments for management compensation and administrative services are payments made in the normal course of business. The amounts paid for these services are negotiated in good faith by both parties and fall within normal market ranges.

All balances due to related parties are included in accounts payable and accrued liabilities. The consulting contracts with senior management are ongoing monthly commitments which can be terminated by either party with sufficient notice. The following are the related party liabilities at March 31, 2016 and December 31, 2015:

	March 31, 2016	December 31, 2015
Related party liabilities		
Note payable and expenses, President and CEO	\$ 73,679	\$ 80,088
Management fees, VP Exploration	405,412	500,678
Management fees, VP Corporate Development	392,545	381,600
Management fees, notes payable and expenses, Seabord	1,046,466	924,341
	\$ 1,918,102	\$ 1,886,707

Of the total fees, notes and expenses amounting to \$1,918,102 which is payable to related parties at March 31, 2016, \$381,043 is contingent on the sale of the Diba Project.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed consolidated interim financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The condensed consolidated interim financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant assumptions about the future and other sources of judgments and estimates that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following estimates:

- the estimated value of the exploration and evaluation assets which is recorded in the statement of financial position;
- the assessment of indications of impairment of each mineral property and related determination of the net realizable value and write-down of those properties where applicable;
- the recoverability of amounts receivable and prepayments which are included in the consolidated statement of financial position;
- the estimated useful lives of equipment which is included in the consolidated statement of financial position and the related depreciation included in the consolidated statement of comprehensive loss;
- management's position that no income tax provision is required within the condensed consolidated interim financial statements; and
- management's judgment that the going concern assumption is appropriate.

FINANCIAL RISK MANAGEMENT

Legend's strategy with respect to cash is to safeguard this asset by investing any excess cash in very low risk financial instruments such as term deposits or by holding funds in the highest yielding savings accounts with major Canadian banks. By using this strategy the Company preserves its cash resources and is able to marginally increase these resources through the yields on these investments. The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Currency Risk

The Company's functional currency is the Canadian dollar, and major purchases are transacted in Canadian and US dollars ("USD"). The Company funds certain operations, exploration and administrative expenses in Mali and Congo on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. The US dollars are then converted into West African francs ("XOF") and Central African francs ("XAF").

Management believes the foreign exchange risk derived from currency conversions is not significant to its operations, and therefore does not hedge its foreign exchange risk. As at December 31, 2015, the Company is exposed to currency risk through the following assets and liabilities denominated in U.S. dollars and Western African francs:

	USD	XOF	Total
Cash	-	716,977	
Accounts payable and accrued liabilities	(709,795)	-	
Net exposure	(709,795)	716,977	
Canadian dollar equivalent	\$ (920,391)	\$ 1,607	\$ (918,784)

Based on the above net exposures and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the U.S. dollar, Western African franc and Central African franc would result in an increase or decrease of approximately \$91,800 in the Company's pre-tax earnings (loss).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. When the Company has sufficient cash it is invested in term deposits which can be reinvested without penalty after thirty days should interest rates rise. As at December 31, 2015 the Company did not have any interest-bearing loans. Accordingly, the Company does not have significant interest rate risk.

Credit Risk

Credit risk is the risk that one party will cause a financial loss for another party by failing to discharge an obligation. The Company's credit risk is primarily attributable to receivables and committed transactions. The Company has no significant concentration of credit risk arising from operations. Financial instruments included in receivables consist of GST due from the Federal Government of Canada and other miscellaneous receivables. Management believes that the credit risk concentration with respect to financial instruments included in receivables and prepaid expenses is reasonable, and the amounts are not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources as outlined in Note 10 of the consolidated interim financial statements. The Company will have to raise additional capital in order to discharge its current liabilities. The Company's objective is to ensure that there are sufficient committed financial resources to meet its current obligations and its future business requirements for a minimum of twelve months. The Company has a significant working capital deficit and there is a significant risk that it may not be able to meet its financial obligations as they come due.

FINANCIAL INSTRUMENTS

Fair Values

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities and notes payable. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments. The Company has classified its financial instruments as follows:

As at March 31, 2016	Loans and receivables	Other financial liabilities	Total
Cash	\$ 6,422	\$ -	\$ 6,422
Receivables	2,081	-	2,081
Accounts payable and accrued liabilities	-	(1,778,959)	(1,778,959)
Notes payable	-	(760,935)	(760,935)
	\$ 8,503	\$ (2,539,894)	\$ (2,531,391)

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

RISKS AND UNCERTAINTIES

No Assurance of Titles or Borders

The acquisition of the right to exploit mineral properties is a very detailed and time consuming process. There can be no guarantee that the Company has acquired title to any such surface or mineral rights or that such rights will be obtained in the future. To the extent they are obtained, titles to the Company's surface rights or mineral properties may be challenged or impugned and title insurance is generally not available. The Company's mineral properties may be subject to prior unregistered agreements, transfers or claims and title may be affected by, among other things, undetected defects. Such third party claims could have a material adverse impact on the Company's operations.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main responses to operating risks include: ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities. There can be additional risks involved in some countries where pending applications for claims or licenses can be affected by government changes to application procedures.

Some of the Company's mineral properties are located within or near local communities. In these areas it may be necessary as a practical matter to negotiate surface access with these local communities. There can be no guarantee that, despite having the legal right to access a particular mineral property and carry on exploration activities, that the Company will be able to negotiate a satisfactory agreement with any the existing land owners or communities for this access. Therefore the Company or one of its joint venture partners may be unable to carry out exploration activities on a property. In those circumstances where access has been denied by a local community or land owner, the Company may need to rely on the assistance of local officials or the courts to gain access or it may be forced to abandon the property.

Legend has acquired some of its properties through option agreements and anticipates that it will continue to acquire some exploration properties this way in future. Acquisition of title to the properties under these kinds of agreements is only completed when the option conditions have been met. These conditions generally include making property payments, incurring exploration expenditures on the properties and can include the satisfactory completion of pre-feasibility studies. If the Company does not satisfactorily complete these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest and the

Company will have to write-off the previously capitalized costs related to that property.

Joint Venture Funding Risk

When appropriate, Legend seeks partners through joint ventures or option agreements to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular option agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether Legend can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

Legend is exposed to commodity price risk. Declines in the market prices of gold, base metals and other minerals may adversely affect Legend's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

Legend has limited financial resources, has no reliable source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity issues, debt financing or the sale of some of its exploration properties. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as Legend, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. The current stock market for companies such as Legend, which are in the development stage are depressed and accordingly there can be no assurance that the Company will be able to attract additional capital or whether share prices will be strong enough to make private placements advisable.

Political and Currency Risks

The Company is operating in Mali, a country that has the risk of political uncertainty and instability. The Company follows the situation on a regular basis. Changing political situations may affect the manner in which the Company operates. The Company's equity financings are sourced in Canadian dollars but for the most part it incurs its expenditures in local currencies. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the West African franc could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and production on mineral properties, the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons.

Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and cause a decline in the value of the securities of the Company. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Environmental Risks and Hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation will not adversely affect Legend's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Key Personnel Risk

The Company's success is dependent upon the performance of key personnel working in management and administrative capacities. The loss of the services of any senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 52,263,358 common shares issued and outstanding. In addition, there were 2,240,001 stock options outstanding with expiry dates ranging from July 5, 2021 to October 21, 2023. There were also 22,386,183 common share purchase warrants outstanding with expiry dates from April 5, 2018 to September 5, 2018.