LEGEND GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2016

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GENERAL

This discussion and analysis ("MD&A") of financial position and results of operations is prepared as at March 15, 2017 and should be read in conjunction with the annual consolidated financial statements of Legend Gold Corp. (the "Company" or "Legend ") for the year ended December 31, 2016 and the related notes thereto. Those annual consolidated 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 five exploration licenses located in western Mali and two exploration licenses in southern Mali. 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 there are sufficient capital resources to acquire and explore new properties. The Company has been relying on a company controlled by the CEO to provide sustaining capital for the past two years, but there has not been enough capital available to significantly advance Legend's projects except by way of option agreements to third parties. 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 affected negatively, 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 YEAR

- 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, Iamgold, and the Mali government). During the year the Company conducted a short auger sampling program to evaluate some previously untested second-order soil geochemical anomalies.

- At the 100% controlled Lakanfla Project, the Company completed a limited soil geochem program in the second quarter. A program to re-box existing core into new metal core boxes was completed. The Company continues to seek a joint venture partner to advance 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 reviewed all the data from the Randgold pitting and trenching program and followed up with a field verification and mapping program. This resulted in the discovery of a hitherto unmapped artisanal gold working site in the northeastern portion of the Djelimangara license. A limited termite mound and soil sampling program to determine the potential of the artisanal workings is planned for the second quarter of 2017.

- Pitiangoma Est license was renewed by the Department of Mines effective October 15, 2015 for a period of two years. Resolute Mining Ltd. (“Resolute”) completed an air core drilling program of 110 holes for a total of 4,689 m on the Pitiangoma Est license. The drilling defined a zone of altered and sheared volcanics approximately 200 m x 3 km long. The intersections were sufficiently interesting that Resolute continued exploration which included a geophysical survey and air core drilling.

- During the year, the Company continued to seek partners for the portfolio, evaluate new opportunities and minimize expenditures. Funding for the Company’s business continues to be provided by a company controlled 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 capital market conditions. Legend 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 $204,900 for the first year, $514,500 for the second year and $855,400 in the third year. The Company continues to do limited field work while looking for a partner to help advance the 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 a depth 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 types, 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	**Indicated at 0.5 g/t Au cut-off**			**Inferred at 0.5 g/t Au cut-off**		
Type	**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

During the year the Company conducted a short auger drilling program on several second-order soil geochemical anomalies. The Diba diamond drill core stored at the Kantela camp was re-boxed into metal, termite proof core boxes.

Lakanfla Project, Western Mali

The Lakanfla Project encompasses the Lakanfla and Tinntiba exploration permits totaling 48 sq. km. adjacent to the Sadiola Gold mine. Previous work by Legend outlined four known gold occurrences. Re-evaluation of the geological setting and all the historical work has resulted in a new exploration strategy, which seeks to follow the intersection of mineralized structures with carbonate lithologies where there is potential for significant gold accumulation and enrichment. In 2014 interpretation of the ground gravity and gradient array IP data 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 program of multi-element analysis of drill assay pulps using the Company's hand-held XRF unit continues. The aim is to define trace element geochemical alteration signatures associated with mineralization which may guide future exploration on the Project area. The Company is looking for a joint venture partner to advance Lakanfla.

Delimangara Project

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 formed 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, Sebessounkoto, Sebessounkoto 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 Sebessounkoto-South (located within Djelimangara, Djelimangara-West and Sebessounkoto 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 ≥ 2g/t, may still have smaller but viable resource potential.

Subsequent to Randgold Resources withdrawal from the JV, the Company embarked on a review of Randgold's results, together with a ground verification and field mapping program. The field mapping program identified a previously unmapped orpaillage on the Djelimangara license area which warranted further exploration. This work was completed and the Company has made the decision to relinquish the Djelimangara West license as well as to withdraw the Sebessounkoto renewal application.

Pitiangoma Est, Southern Mali

The Pitiangoma Est exploration license (106 sq. km), which is adjacent to Resolute's Tabakoroni mine, was renewed by the Department of Mines effective October 15, 2015 for a period of two years.

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 Pitiangoma 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 expenditure until Resolute delivers a Feasibility Study or ceases to be a shareholder in JVCo.

During the second quarter Resolute completed a 110 hole (4,869 meter) air core drill program on the Pitiangoma Est license. The Air core drill program on seven east-west fences was completed over the volcanic stratigraphy of the Misséni area. The holes intersected the expected intermediate volcanic lithology, with intercalations of fine-grained sediments. The Air core drilling has defined an anomalous mineralized envelope approximately 200 meters wide by 3 kilometers long that coincides with low resistivity and IP anomalies and shear zones interpreted from VTEM data. The results are sufficiently encouraging that Resolute continues exploration on the license at the time of writing.

Tabakorole Project, Southern Mali

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 would 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 would: 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 had to 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 agreement with the Purchaser has expired and Legend has retained the license.

OUTLOOK

The Company's exploration strategy for 2017 will focus on securing partners for the property portfolio. 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.

Resolute will continue exploration on Pitiangoma Est with gradient array IP surveys over the Misseni volcanic stratigraphy as well as air core and RC drilling on priority geological, geochemical and geophysical targets.

The Company will have to raise capital in in the next twelve months in order to fund its overhead and limited exploration programs and certain of 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 December 31, 2016

For the three months ended December 31, 2016 Legend had a net loss of $588,647 or $0.01 per share compared to a loss of $303,973 or $0.01 per common share for the same period in 2015. The unfavorable variance was due to a write-off of exploration and evaluation assets and higher exploration expenses partially offset by lower administrative expenses in 2016. In 2016 the Company wrote off the Lakanfla and Tabakorle mineral properties which totaled $332,780 and there was no corresponding write-off in 2015. Exploration expenditures were higher in 2016 due to slightly higher consulting costs in Mali. Administrative expenses were lower in 2016 because Seabord Services Corp. agreed to a reduction in fees of $6,000 per month and there were lower professional fees incurred. The professional fees were lower in 2016 because previously under accrued legal fees were included in the 2015 expense and there was no comparable adjustment for 2016 and legal fees incurred in 2016 were very low due to the low activity level for exploration.

Year Ended December 31, 2016

For the year ended December 31, 2016 Legend had a net loss of $275,556 or $0.01 per common share compared to a loss of $3,417,969 or $0.07 per common share for 2015. The lower net loss in 2016 was due to favorable variances for: the write-off of exploration and evaluation assets, other income, exploration expenditures, foreign exchange and management fees. In 2016 the Company wrote off the Lakanfla and Tabakorle properties which amounted to $332,780 compared to the write-off of the Mougnina and some minor properties in 2015 that totaled $1,702,792. Other income was much higher in 2016 due to the reversal of fees and bonuses that were contingent on the sale of the Diba Project and the retroactive reduction of the VP Exploration's 2015 fees, partially offset by the reversal of Congo withholdings taxes in 2015 for which there was no comparable amount in 2016. Exploration expenditures were lower in 2016 due mainly to lower expenditures incurred on the Diba Project. In 2015 a contingent bonus for officers and senior managers was included in the Diba expenditures which was dependent upon the sale of the Diba Project. There was no such accrual in 2016. The Company recorded an exchange gain of $53,007 in 2016 compared to an exchange loss of $146,776. The favourable foreign exchange variance was the result of the effect of the changing rate for the US dollar compared to the Canadian dollar. A significant amount of the Company's accrued payables are denominated in US dollars. In 2015 the US dollar strengthened against the Canadian dollar and accordingly the Company recognized an exchange loss on its US dollar payables. In 2016 the US dollar weakened against the Canadian dollar and has resulted in an exchange gain on the US dollar denominated payables. Management fees were lower in 2016 compared to 2015 for the same reason as noted above for the three months ended December 31, 2016.

LIQUIDITY AND CAPITAL RESOURCES

Cash at December 31, 2016 was $3,273 compared to $3,335 at December 31, 2015. The Company had a working capital deficit of $2,392,009 at December 31, 2016 compared to working capital deficit of $2,492,440 at December 31, 2015. The decrease in the working capital deficit was due to the reversal of contingent fees and bonuses related to the potential sale of the Diba Project. However those reversals were substantially offset by the continued accrual of management fees and advances received from Seabord Services Corp. Management has reduced costs by reducing staff in Mali and the VP Exploration retroactively reduced his fees for the last half of 2015 and throughout 2016. Another officer agreed to reduce his monthly fees beginning in the third quarter of 2016 and Seabord has also reduced its monthly fees. In addition to those measures, Legend is conserving cash by accruing but not paying its executive management or Seabord which provides head office services for Legend.

At December 31, 2016 and to the date of this MD&A, the Company has had 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 $2,396,368 and are categorized as follows:

As at December 31, 2016		**Payables, notes and accrued liabilities**
VP Exploration and senior managers	$	656,461
Seabord Services Corp.		1,399,841
CEO and Seabord Capital Corp.		129,957
Other payables		210,109
	$	2,396,368

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. Those exploration expenditures are not firm commitments and the Company can relinquish any permit at any time without further expenditure.

SUMMARY OF QUARTERLY RESULTS

	2016	2016	2016	2016
Quarter Ended	**Dec. 31**	**Sep. 30**	**Jun. 30**	**Mar. 31**
Exploration expenditures	$ 207,925	$ 118,410	$ 143,131	$ 152,977
Share-based payments	-	-	-	-
Net income (loss) for the period	(588,647)	565,508	(202,664)	(49,753)
Net income (loss) per share (basic and diluted)	(0.01)	(0.01)	(0.00)	(0.00)

	2015	2015	2015	2015
Quarter Ended	**Dec. 31**	**Sep. 30**	**Jun. 30**	**Mar. 31**
Exploration expenditures	$ 182,679	$ 204,337	$ 312,399	$ 563,593
Share-based payments	587	17,238	17,249	20,849
Net loss for the period	(303,973)	(2,031,113)	(460,948)	(621,935)
Net loss per share (basic and diluted)	(0.01)	(0.04)	(0.01)	(0.01)

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.

Legend had a net loss of $588,547 for the quarter ended December 31, 2016 compared to net income of $565,508 in the prior quarter. The main reasons for the variance were the write off of mineral properties in the current quarter totaling $332,780 and the prior quarter other income included a reversal of accruals of $720,365 for contingent payments dependent on the sale of the Diba property. There was no comparable other income item in the current quarter.

Legend had net income of $565,508 for the quarter ended September 30, 2016 compared to a loss of $202,664 in the prior quarter. The main reason for the variance was the reversal of accruals for contingent payments based originally on the expected sale of the Diba property. Management concluded that the sale of the Diba property by December 31, 2016 was no longer probable and reversed the accruals and recognized the amount as other income.

Legend's loss for the quarter ended June 30, 2016 was higher than for the prior quarter because the prior quarter's loss was reduced significantly by the retroactive reduction of outstanding fees to the VP Exploration and due to an exchange gain as the result of the decline in value of the US dollar against the Canadian dollar and the resulting reduction in the translated value of outstanding US dollar denominated payables.

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 Mougnina 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.

SELECTED ANNUAL FINANCIAL INFORMATION

Years Ended	**December 31, 2016**	**December 31, 2015**	**December 31, 2014**
Financial Results			
Exploration expenditures	$ 622,443	$ 1,263,008	$ 3,363,884
Net loss	(275,556)	(3,417,969)	(6,566,828)
Net loss per share - basic and diluted	(0.01)	(0.07)	(0.13)
Financial Position			
Working capital (deficit)	$ (2,392,009)	$ (2,492,440)	$ (898,467)
Exploration and evaluation assets	3,244,626	3,577,406	5,105,198
Total assets	3,283,584	3,668,520	5,281,248
Share capital	40,628,354	40,628,354	40,454,389
Share-based payment reserve	7,010,954	7,010,954	6,955,031
Deficit	(46,752,092)	(46,476,536)	(43,058,567)

For the year ended December 31, 2016 the Company relied mainly on its exploration partners to conduct work on its exploration properties, due to a lack of working capital. Exploration expenditures were lower than in 2015 due to a significant accrual for contingent bonuses in that year, whereas there was no such accrual in 2016. The net loss was significantly lower than in 2015 due to: a lower write off of mineral properties, lower other income, lower exploration expenditures and lower management fees. The working capital deficit declined slightly from 2015 due to the reversal of contingent fees and bonuses in 2016 which was substantially offset by the continued build-up of the accrual of monthly management fees and short-term notes payable provided mainly by Seabord Services Corp. Exploration and evaluation assets and total assets declined in 2016 due to the write off of the Lakanfla and Tabakorole properties.

For the year ended December 31, 2015 the Company reduced its ongoing costs by reducing staff and did not do a significant amount of exploration field work. As a result Legend incurred lower exploration expenditures and a reduced net loss compared to the prior year. The Company did not raise any capital in 2015 and consequently the working capital deficit increased significantly during the year as the Company was financed by cash advances from a company controlled by the CEO and due to management personnel agreeing to have their monthly fees accrued but not paid. The Company also reduced its commitments to further exploration work by abandoning the Mougnina Project (Bala and Bala Ouest properties) and taking an impairment on the full amount of the capitalized acquisition cost for those properties which amount to $1,670,000.

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:

Year ended December 31, 2016		Salary or Fees		Share-based Payments		Total
VP Exploration	$	72,000	$	-	$	72,000
VP Corporate Development		117,000		-		117,000
Seabord Services Corp.		120,000		-		120,000
	$	309,000	$	-	$	309,000

Year ended December 31, 2015		Salary or Fees		Share-based Payments		Total
VP Exploration	$	318,372	$	7,809	$	326,181
VP Corporate Development		192,334		-		192,334
CFO		-		3,734		3,734
Corporate Secretary		-		2,241		2,241
Seabord Services Corp.		192,000		-		192,000
	$	702,706	$	13,784	$	716,490

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. The Compensation Committee reviews executive compensation annually. The Board of Directors considers any changes recommended by the Compensation Committee and approves these changes if appropriate.

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 December 31, 2016 and December 31, 2015:

Related party liabilities		December 31 2016		December 31 2015
Note payable, President and CEO	$	117,184	$	69,345
Management fees, VP Exploration		204,208		500,678
Management fees, VP Corporate Development		310,786		381,600
Management fees and note payable, Seabord Services Corp.		1,399,841		924,341
Expenses, Seabord Capital Corp.		12,773		10,743
	$	2,044,792	$	1,886,707

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated 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 consolidated financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the consolidated 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 judgments and estimates:

Judgments

- the carrying amount 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 determination of functional currency; and
- the going concern assumption;

Estimates

- the inputs used in accounting for share-based payment expense in the consolidated statements of comprehensive loss;
- the recovery of deferred tax assets;
- the recoverability of amounts receivable and prepayments which are included in the consolidated statement of financial position; and
- the estimated useful lives of equipment which are included in the consolidated statement of financial position and the related depreciation included in the consolidated statement of comprehensive loss.

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 its Mali operations with cash calls based in West African francs ("XOF"). Expenses incurred by the head office are incurred in both Canadian and US dollars. A number of the Company's North American consultants are paid in US dollars. 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, 2016, 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	$	88	$	1,461,538		
Accounts payable and accrued liabilities		(236,000)		(941,684)		
Net exposure		(235,912)		519,854		
Canadian dollar equivalent	$	(316,988)	$	1,122	$	(315,867)

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 $31,600 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, 2016 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 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 December 31, 2016	Loans and receivables	Other financial liabilities	**Total**
Cash	$ 3,723	$ -	$ 3,273
Receivables	1,086	-	1,086
Accounts payable and accrued liabilities	-	(1,306,347)	(1,306,347)
Notes payable	-	(1,090,021)	(1,090,021)
	$ 4,359	$ (2,396,368)	$ (2,392,009)

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 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 all of 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 often experience 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. As a result, there can be no assurance that the Company will be able to attract additional capital or whether share prices will be strong to 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 it incurs a significant portion of its expenditures in US dollars and West African francs. At this time there are no currency hedges in place. Therefore a weakening of the Canadian dollar against the US dollar or 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.

The Company is not maintaining any insurance to protect against various risks. Should such liabilities arise from these operational risks, they could reduce or eliminate future profitability and would result in increased costs that would have to be bourne by the Company. Consequently, these potential liabilities could have a material adverse effect on the Company's results and cause a decline in the value of its securities. 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, some 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 1,848,334 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.