



# Request for Quotation

For Rod Mill

23 November 2011

Legend International Holdings Inc.

Level 8, 580 St Kilda Road  
Melbourne, Vic 3004

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## Confidentiality Statement

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Thank you for your consideration, Legend International Holdings Inc.

Please respond to [tonyc@axisc.com.au](mailto:tonyc@axisc.com.au) with any questions or concerns.

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## Submission Details

### Submission Deadlines

All paper submissions for responding to this request for quotation must be delivered to our office, as stated below, no later than:

**Friday, 23rd December, 2011**  
**No later than 5:00pm EST**

### Submission Delivery Address

The delivery address to be used for all submissions is:

**Dr Adam Teague**  
Metallurgy Manager  
Legend International Holdings Inc.  
Level 8, 580 St Kilda Road  
Melbourne, Victoria 3004  
Phone: +61 3 85322866  
Email: [adamt@axisc.com.au](mailto:adamt@axisc.com.au)

## Submission Questions and Clarifications

You may contact the following person if you have any questions or require clarification on any topics covered in this Request For Quotation:

**Mark Lollback**  
Metallurgist  
Phone: +61 3 85322866  
Email: markl@axisc.com.au

## Electronic Submissions

Electronic submissions in response to this Request for Proposal will be accepted as long as they meet the following criteria:

Sent via email to: adamt@axisc.com.au

Document standards:

- Must be in Microsoft Word 2003-97 format
- File name must end it ".doc"
- Must be sent encrypted to protect confidential information

## Introduction and Executive Summary

Legend International Holdings Inc. (Legend) is a Delaware Corporation listed on the OTC Bulletin Board in the United States of America. Legend is working to develop and mine its phosphate deposits approximately 120km northwest of Mount Isa, Queensland, Australia at its Georgina Basin Phosphate Project. Legend has a phased implementation plan to become one of the world's leading suppliers of phosphate fertilizer. Legend intends to begin construction on the project during 2012 and be operational in 2013.

Legend intends to process an average 3.45 Mtpa of phosphate ore through a Beneficiation Plant to produce 1Mtpa of phosphate concentrate. Legend invites Suppliers to submit a response to this Request for Quotation for the supply of a Rod Mill for their Beneficiation Plant. An overview of the project, Beneficiation Plant layout, specifications, assumptions and constraints, terms and conditions and selection criteria are outlined in this document.

## Project Location

Figure 1 outlines the Paradise South Beneficiation Plant location, approximately 120km northwest of Mt Isa. Access is gained via M<sup>c</sup>Namara Road, off the Barkly Highway. M<sup>c</sup>Namara Road is a well maintained gravel road for 48 km that currently facilitates all types of vehicles including road trains up to the CST Lady Annie mine site. From the Lady Annie mine site to the Paradise South Beneficiation Plant, a

distance of 20 km, the M<sup>c</sup>Namara Road is a dirt road which is currently used by power and water service vehicles. Legend expects this portion of the road to be upgraded to be able to facilitate a range of vehicles including trucks and road trains by the time construction is due to commence.

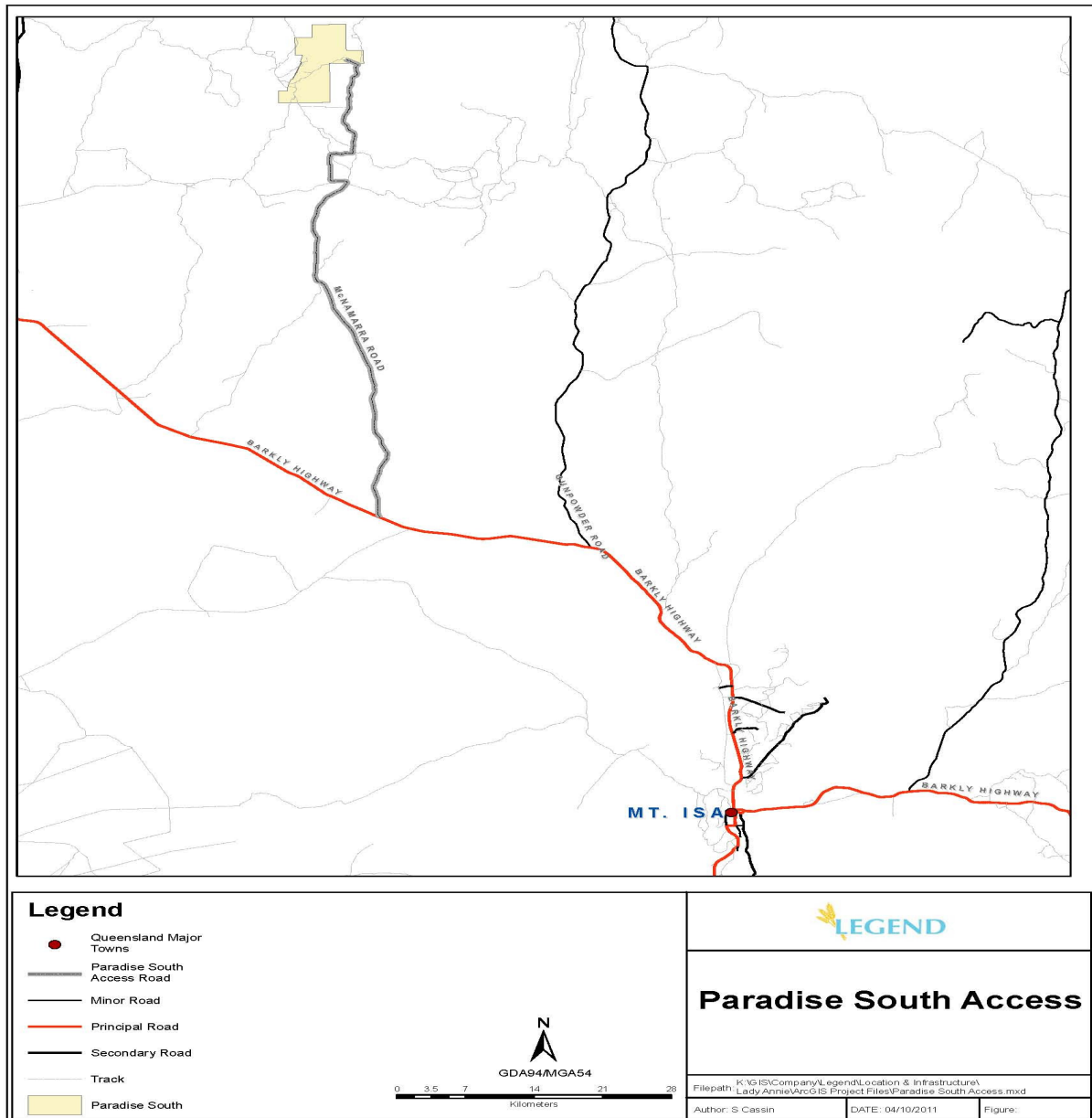


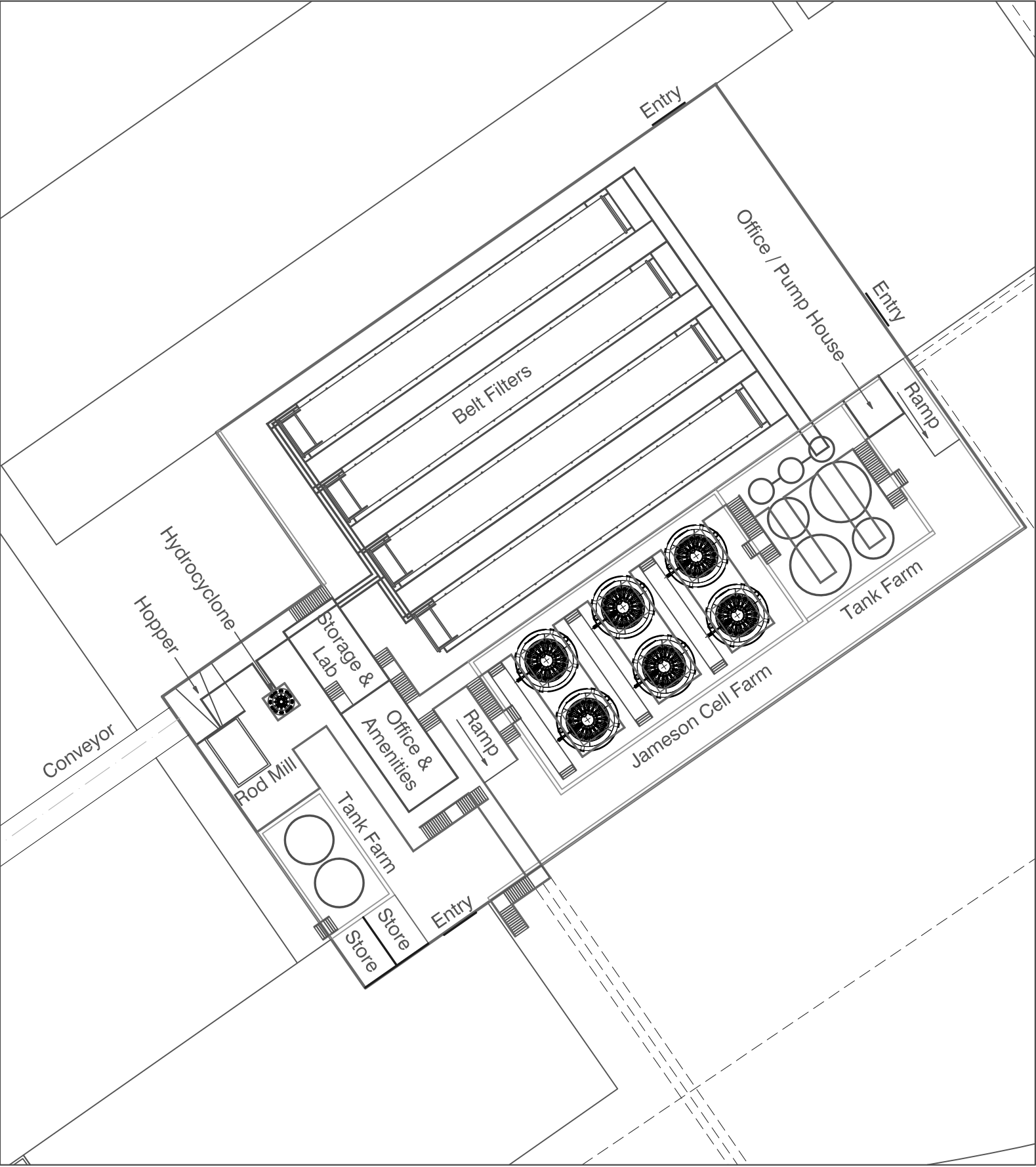
Figure 1. Location of Paradise South Beneficiation Plant.

## Business Overview & Background

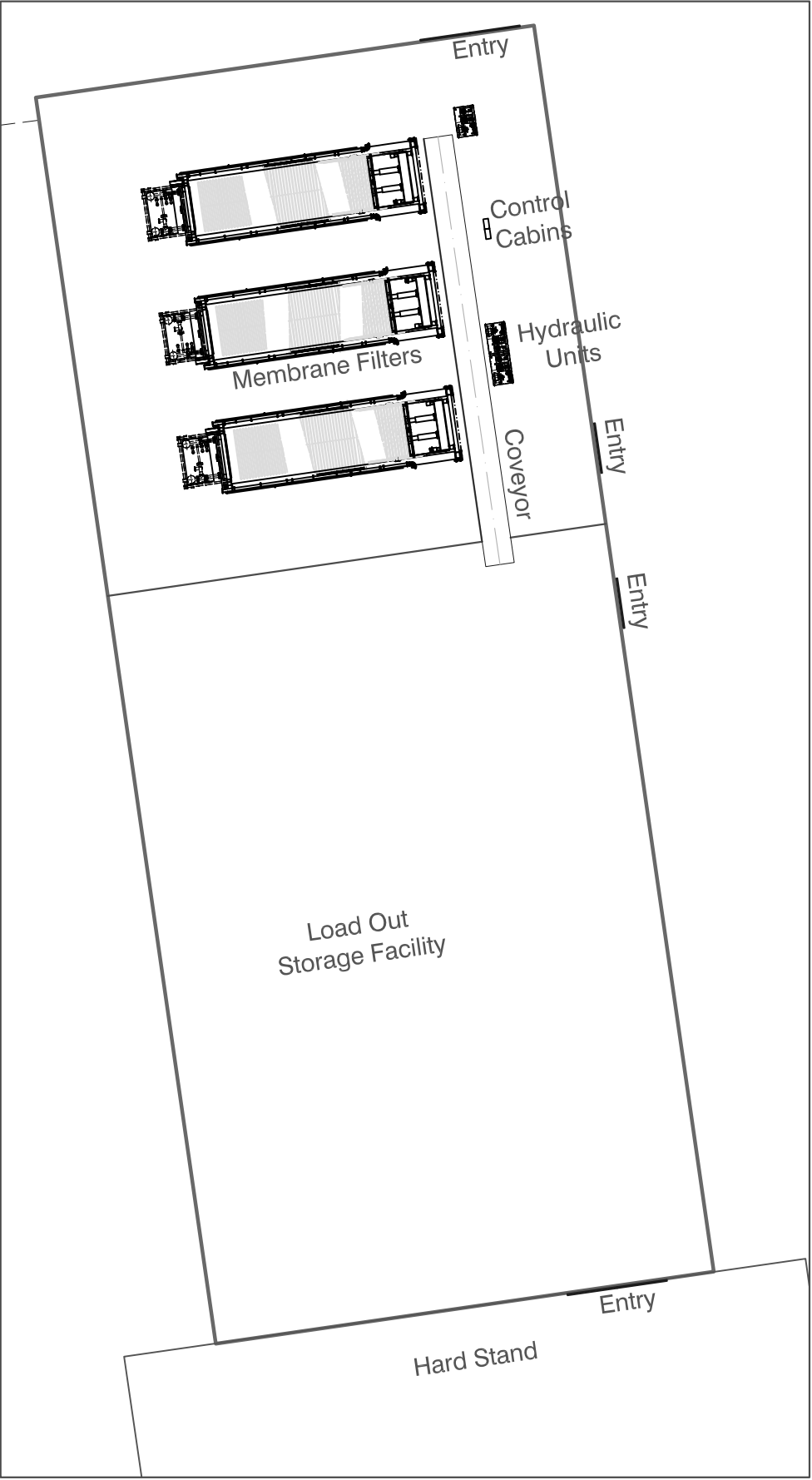
Legend plans to mine and beneficiate 3.45 Mtpa Run of Mine Ore (ROM) at the Paradise South deposit from an average grade of 15.5%  $P_2O_5$ , producing 1Mtpa phosphate concentrate at a grade of 33%  $P_2O_5$  via flotation. Through innovative techniques in flotation process technology, Legend has made advances in recovering ultrafine phosphate particles (<20  $\mu m$ ) which has significantly increased the reserve size and reduced mining costs. This technology using reagent conditioning at high weight % solids, de-ionised water and Jameson flotation cells is currently under application for an international patent by Legend International Holdings. The process is designed to recover at least 80%  $P_2O_5$  at a concentrate grade of 32%  $P_2O_5$  or greater from ores with highly variable  $P_2O_5$  feed grade and a particle size distribution of up to 80 wt% passing 20  $\mu m$ . The diagrams TP001 and TP002 illustrate the layout of the milling, classification, filtration and flotation areas with respect to the overall site. The beneficiation process involves tumbling the ROM ore in a rotary screen where the +25mm silica rich fraction is discarded and the -25mm fraction becomes the rod mill feed. After milling, the mill discharge is pumped to hydrocyclones where the cyclone overflow is filtered and becomes the feed for flotation. The cyclone underflow is returned back to the mill for regrinding.

In 2009 Legend carried out a 1 tonne per hour pilot plant, processing 40 tonnes of Paradise South ROM ore. This test work indicated that a single rod mill in closed circuit with hydrocyclone could process -25mm feed and produce a cyclone overflow with a  $P_{80}$  of 150 $\mu m$  which is Legend's target particle size for downstream flotation. The circulating load to the rod mill was calculated to be 114%. The average power consumption of the pilot rod mill was between 6 and 8 kWh/t. The Paradise South -25mm feed to the rod mill is known to be relatively soft with a Bond Rod Mill Work Index of 8 kWh/t.





Beneficiation Plant Layout Plan



Filtration and Load Out Facility Layout Plan

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## **Detailed Rod Mill Specifications**

Legend requires a single rod mill to reduce the particle size of the mill feed from 100% -25mm to between 55% and 60% passing 150µm. Closed circuit particle classification by hydrocyclone must be able to generate a cyclone overflow with a P<sub>80</sub> of 150µm from this mill discharge.

Please provide response for the rod mill using the following sub-headings as a guide:

- An overview of the Supplier's business.
- Technical specification sheet for the rod mill including weights, dimensions, power consumption, critical speed, motor size and recommendations for liners, rods and feeders.
- Engineering drawings.
- Recommendation as to the area (floor space) needed to install and operate the mill including charging of rods into the mill.
- Point of manufacture and summary of installation process.
- Detailed price summary for supply of rod mill to mine site.
- Lead time and schedule for manufacture and delivery to mine site.
- A summary of mine sites the rod mills have been supplied to previously.
- A summary of options for post-installation service and maintenance.

## **Assumptions & Constraints**

Legend assume that the feasibility study including pilot plant test work that was carried out on Paradise South ROM ore and the information that provided is suitable for suppliers to specify the rod mill.

## **Terms and Conditions**

### **Supplier Standards**

As a minimum Legend requires our suppliers to maintain policies that support fair competition and integrity, require adherence to applicable laws, standards and regulations, and prohibit giving or receiving bribes, with a process for assuring compliance. The extension of personal gifts and gratuities by suppliers to Legend personnel and their families in a manner that could be interpreted as seeking preferential treatment is expressly prohibited.

Legend requires our suppliers to demonstrate strong organizational commitment to responsible health and safety management and the elimination of workplace injuries and illnesses, with a process for obtaining assurance on compliance with those policies, both internally and externally, by regular audits, reviews and reports. We value suppliers who actively manage and communicate product health and safety risks.

Suppliers must also demonstrate a strong organizational commitment to: responsible environmental management; the elimination of environmental incidents; waste minimization; responsible resource utilization; product stewardship; and greenhouse gas reduction. They must have a consistent record of compliance and remediation of damage caused by operations and incidents. We value a strong demonstrated organizational commitment to a precautionary approach to environmental challenges, promoting greater environmental responsibility and the development and diffusion of environmentally friendly technologies.

Legend has the expectation that all suppliers will:

- Be aligned with our business objectives (reducing costs, enhancing value, reducing and/or eliminating wastes, reducing variation, increasing operating or energy efficiency).
- Be financially secure.
- Be a direct manufacturer of goods, or an authorized agent/distributor thereof.
- Have technically capable and competent personnel to support the goods and/or services supplied.
- Maintain appropriate quality assurance systems and processes.
- Agree to supply on the basis of Legend's terms and conditions.
- Be able to transact business electronically, including internet compliance, purchase orders, invoices and payments in a form compatible with Legend.

#### **Contract Terms**

Contractual terms will include (but are not limited to):

- Warranties by the Supplier as to performance standards of the Beneficiation Plant as outlined;
- Warranties by Legend as to rights over the construction site (e.g. Mining Lease and relevant regulatory authorizations);
- Bank Guarantees;
- Payment milestones and Retention monies;
- Indemnities regarding third party claims;
- Confidentiality and Intellectual Property;
- Insurance requirements;
- Delivery timetable, force majeure, liquidated damages for delay;

- Variation procedure;
- Passing of Title and risk;
- Termination rights;
- Dispute resolution.

Full terms and conditions of contract will be provided to short-listed Suppliers for discussion and negotiation.

### **Selection Criteria**

Award will be made to those suppliers who meet Legend's business needs , standards and who make the best offers considering all relevant factors including health, safety, environment, quality, service, competitive pricing, technical ability and consistency. The following specific criteria will be used to assess the supplier's submission of rod mill for Legend's Beneficiation Plant.

- Metallurgical Performance: The Supplier must be able to guarantee that the rod mill can process a feed of 100% -25mm and produce a milled product with a particle size of at least 55% to 60% passing 150µm so that a hydrocyclone will be able to generate an overflow with P<sub>80</sub> of 150µm.
- Price: Legend will assess each submission using a cost comparison.
- Supply and Service: The beneficiation plant construction and commissioning schedule will be dependent on major equipment lead times. Legend will take into account lead time for supply of the rod mill along with after sales service including maintenance and availability of ancillary equipment such as liners and feeders.