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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 14, 2008

LEGEND INTERNATIONAL HOLDINGS, INC

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-32551
(Commission
File Number)

23-3067904
(I.R.S. Employer
Identification No.)

Level 8, 580 St Kilda Road, Melbourne, Victoria Australia 3004

(Address of Principal Executive Office) (Zip Code)

61-3-8532-2866

(Registrant's telephone number, including area code)

N/A

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

Effective July 14, 2008, Legend International Holdings, Inc., a Delaware corporation (the “Company”) entered into a Shares Option Agreement with the Indian Farmers Fertilizer Cooperative Limited (“IFFCO”).

Share Options Agreement

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

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

The total proceeds amount to \$100.5 million, and when exercised will be utilized to fund expenditure related to the Company’s phosphate project.

The Share Options Agreement also gives IFFCO a preemptive right to acquire its pro rata share of future issuances of Common Stock by the Company, with certain exceptions.

Rock Off-Take Agreement

Pursuant to the Share Options Agreement, the parties agreed to enter into a long-term rock off-take agreement (“ROTA”), which shall be separately negotiated but which shall be based on the following principles:

- IFFCO shall off take on a long term and the Company shall deliver to IFFCO to offtake directly or through its Affiliates 4 million tonnes of concentrated rock phosphate produced by the Company every year.
- The long term rock off-take agreement (the “ROTA”) shall be based on, among others, the following principles.
 - The concentrated rock phosphate should conform to specifications reasonably acceptable to IFFCO, such specifications shall be agreed to between the Company and IFFCO in the ROTA.
 - The supplies are FOB at one or more agreed ports in Australia.
 - The Price of the concentrate rock phosphate shall be at a discount of at least 5% to the Benchmark Price of rock.
 - At the Company’s option however,
 - The ROTA can have provisions for compensation to the Company in case IFFCO does not lift the contracted quantities and to IFFCO if the Company is unable to supply the contracted quantities.
 - In case the Benchmark Price falls below a value that reduces the return on investment of the project below an agreed amount, IFFCO can convert the entire discount into a subordinated loan at a nominal interest to be repaid in years when the market price is good. The details of this mechanism shall be agreed in the ROTA.
 - The minimum quantity supplied below which compensation claims can arise shall be 90% of the guaranteed quantities. Quantities below such minimum but not below 70% of the

contracted quantity, shall be rolled over to the following two years without any compensation, provided the Company does not sell the deficient quantity in the spot market.

- In case the Benchmark Price becomes such as it materially adversely affects the financial viability of either Party, the Parties will work together to mitigate the situation.

in which case the discount shall equal 10%.

- IFFCO shall provide no other support to the Company under the ROTA if the discount is 5%.
 - The benchmark Price (the “Benchmark Price”) shall be derived based on the price of equivalent quality of rock imported into India by IFFCO and other large importers. For this purpose only those buyers who import more than 350,000 tonnes per year will be considered. The Parties shall mutually decide transparent indicies and adjustment formulas for different rock specifications for this purpose.
 - In case the agreed indicies are not available, the Benchmark Price shall be derived based on the international market price of phosphoric acid delivered in India less cost of sulphur, fixed costs and other variable costs of phosphoric acid production, cost of transportation of rock from Australia to India and reasonable return on the production of phosphoric acid, divided by the specific consumption of rock of the specifications agreed in the ROTA. The details of this pricing structure shall be agreed in the ROTA.
- IFFCO shall be the marketing agent of the Company and act on the instructions of the Company in relation to the 20% of annual production that the Company may sell yearly on the spot market after the Company has fulfilled its annual obligations under its long-term supply agreement with IFFCO. IFFCO shall conduct these transactions on behalf of the Company in the spot market on an arm’s length basis.
 - For so long as IFFCO is a shareholder in the Company, either Party shall have a right of first refusal to participate with the other Party in the production, sale, marketing, distribution or in any other manner making available any fertilizer or related product in Australia (e.g., urea plant or triple super phosphate) on terms that shall be agreed to between the Company and IFFCO.
 - IFFCO shall facilitate the Company in procuring financing for the development and construction of the Company’s phosphate mines and related infrastructure (the “Project”), including introducing the Company to sources of project financing.
 - IFFCO shall also assist the Company by providing technical and personnel assistance on an arm’s length basis.
 - The Parties agree to use their reasonable best efforts to enter into a ROTA within 9 months following the closing. Unless mutually agreed, neither Party shall be obliged to enter into a ROTA if the Parties have not been able to execute a ROTA within 24 months of the closing and the Party seeking not to enter into the ROTA is not in breach of this Agreement. IFFCO shall also not be obliged to off take rock if the deliveries of the contracted quantities for the first year of operations, agreed in the ROTA, do not commence within 5 years of the Closing Date.

Other

In connection with the execution of the Shares Option Agreement, IFFCO entered into a Shareholders Agreement with Joseph Gutnick, the Company’s Chairman of the Board, President and Chief Executive Officer pursuant to which IFFCO purchased 15 million shares of Common Stock from an affiliate of Mr. Gutnick at \$1.87 per share. The parties agreed to vote in favor of the election of their respective Board nominees, including four nominees selected by Mr. Gutnick and two by IFFCO, subject to adjustment based upon their proportionate share ownership. The parties granted each other certain rights of first refusal and tag-along rights with respect to future

sale of shares by each other and their respective affiliates. In addition, the parties agreed to vote by mutual agreement with respect to certain material actions requiring stockholder approval.

In connection with the execution of the Shares Option Agreement and the Shareholders' Agreement, the Company agreed to increase the size of its Board of Directors from two members to six within 30 days following the closing and to appoint two nominees of IFFCO to the Company's Board of Directors, including the Managing Director of IFFCO, Dr. Awasthi and two additional nominees to be selected by Mr. Joseph Gutnick, the Company's Chairman of the Board, President and Chief Executive Officer. Mr. Gutnick's nominees are subject to the approval of BMO Nesbitt Burns in accordance with that certain Agency Agreement dated as of June 3, 2008. The Company also agreed to amend its Bylaws to require that certain material actions by the Company shall require the unanimous approval of the Board of Directors.

Item 3.02 Unregistered Sales of Equity Securities

- (i) As set out in Item 1.01 above, Legend International Holdings, Inc agreed to issue 30,000,000 options over shares of common stock.
- (ii) The securities described above were issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Act") under Section 4(2) of the Act and/or under Regulation S promulgated under the Act.

Item 8.01: Other Events

On July 16, 2008, the Company issued the attached press release in relation to a long term offtake agreement for phosphate rock with India's largest fertilizer enterprise (IFFCO) for its phosphate projects in Queensland, Australia.

Item 9.01: Financial Statement and Exhibits

- 99.1: Press Release dated July 16, 2008
- 99.2: Share Options Agreement dated July 14, 2008
- 99.3: Shareholders Agreement dated July 14, 2008

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LEGEND INTERNATIONAL HOLDINGS, INC.
(Company)

By:

Peter Lee
Secretary

Dated: July 16, 2008

INDEX TO EXHIBITS

- 99.1: Press Release dated July 16, 2008
- 99.2 Share Options Agreement dated July 14, 2008
- 99.3 Shareholders Agreement dated July 14, 2008

PRESS RELEASE

FOR IMMEDIATE RELEASE

IFFCO - India's Largest Fertilizer Enterprise – and Legend Announce Landmark Agreement

Melbourne, Australia – July 16, 2008 - Legend International Holdings, Inc (OTC-BB: LGDI) with phosphate projects in the State of Queensland, Australia, announced today that the Company has entered into an extensive Agreement with the Indian Farmers Fertilizer Cooperative Limited (“IFFCO”) under which:

1. The Managing Director of IFFCO (Indian Farmers Fertiliser Cooperative Limited), Dr. Awasthi is to join the Board of Legend International Holdings, Inc.

Commenting on his appointment, Dr. Awasthi said *“We are delighted to work with Mr. Joseph Gutnick and Legend to establish a significant fertilizer company in Australia.”*

2. In addition to the appointment of Dr. Awasthi to the Board of Legend International Holdings, Inc., IFFCO shall have the right to nominate another Board Member. The Company's Chairman, President and CEO Mr. Gutnick has the right to nominate three other Board Members.
3. Commenting on the Agreement, Mr. Joseph Gutnick stated *“It's a great honour and privilege for me to welcome Dr. Awasthi, the Managing Director of IFFCO, to join the Board of Legend International Holdings, Inc. I look forward to his direction and guidance in ensuring the success of our phosphate project.”*

Mr. Gutnick continued, *“I am also very excited by the opportunity to work with IFFCO a cooperative representing 50 million farmers and the largest fertilizer company in the burgeoning Indian market. The long term track record of IFFCO and its market coverage, provide Legend International Holdings, Inc. a customer who has the capacity and financial strength to commit to large volumes of phosphate on an annual basis for the life of the project. It also enables Legend International Holdings, Inc. the ability to further develop its interests in fertilizer products and a channel through which to distribute those products.”*

4. IFFCO shall receive 30 million options in Legend International Holdings, Inc. with the following strike prices and expiry dates:
 - a. 5,000,000 options, strike price \$2.50 and expiring 60 days from closing;
 - b. 8,000,000 options, strike price \$3.00 and expiring 12 months from closing;
 - c. 8,000,000 options, strike price \$3.50 and expiring 18 months from closing; and
 - d. 9,000,000 options, strike price \$4.00 and expiring 24 months from closing.

The total proceeds amount to \$100.5 million, and when exercised will be utilized to fund expenditure related to the project.

Under a separate Shareholders Agreement between IFFCO and Mr Gutnick, IFFCO will purchase from Mr. Gutnick 15 million shares at a price reflecting the development of the relationship between Mr Gutnick and IFFCO.

5. IFFCO signs principles of Off-take Agreement with Legend International Holdings, Inc. for phosphate rock from Legend International Holdings, Inc. The price of the rock will reflect the market price of long term International supply agreements to the Indian market. An alternate pricing mechanism would be the international phosphoric acid benchmark price.

6. IFFCO will provide both technical and financial facilitation to Legend International Holdings, Inc. in the development of its phosphate mining and shipment of its product to India.

About Legend International Holdings Inc

Legend International Holdings, Inc (OTCBB:LGDI) is a mining and agriculture resource development company. The Company is principally focused on developing its phosphate deposits in the Georgina Basin in Queensland, Australia. The Company's exploration licences include approximately 5.2 million acres in Queensland and the Northern Territory, Australia. For further information please visit our website at www.lgdi.net

About IFFCO

IFFCO is India's largest fertilizer enterprise, a cooperative with over 50 million farmers associated with it, primarily engaged in production and marketing of nitrogenous and phosphate fertilizers in India. IFFCO has five fertilizer plants in India with a domestic annual capacity of producing 4.3 million tonnes of phosphatic fertilizers and 4.2 million tonnes of nitrogenous fertilizers. In addition to setting up the fertilizer manufacturing units in India, IFFCO has made strategic investments in several joint ventures in India and overseas. More details on IFFCO are available on its website www.iffco.nic.in

Forward-Looking Statements

Forward-looking statements in this press release are made pursuant to the "safe harbour" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties including, without limitation, the risks of exploration and development stage projects, risks associated with environmental and other regulatory matters, mining risks and competition and the volatility of mineral prices. Actual results and timetables could vary significantly. Additional information about these and other factors that could affect the Company's business is set forth in the Company's fiscal 2008 Annual Report on Form 10-K and other filings with the Securities and Exchange Commission.

For further information, contact:

Legend International Holdings, Inc.

Mr. Joseph Gutnick
Chief Executive Officer
Tel: +61 3 8532 2866
Fax: +61 3 8532 2805
josephg@axisc.com.au

or

New York Office
General Manager Business
Tel: +1 212 223 0018
Fax: +1 212 223 1169
legendinfo@axisc.com.au

SHARE OPTIONS AGREEMENT

Dated July 14, 2008

Between

**Indian Farmers Fertiliser Cooperative Limited
("IFFCO")**

And

**Legend International Holdings, Inc.
("LEGEND" or the "Company")**

SHARE OPTIONS AGREEMENT

This Share Options Agreement (this "**Agreement**") is made as of this 14th day of July, 2008 ("**Execution Date**"),

Between:

Indian Farmers Fertiliser Cooperative Limited, a multi state co-operative society duly incorporated and validly existing under the laws of India and having its registered office at C1, District Centre, Saket Place, New Delhi - 110017 (hereinafter referred to as "**IFFCO**", which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns);

AND

Legend International Holdings, Inc., a corporation incorporated in the State of Delaware under the Delaware General Corporation Law and having its principal office at Level 8, 580 St Kilda Road, Melbourne Victoria 3004, Australia (hereinafter referred as the "**LEGEND**" or the "**Company**", which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns).

(IFFCO, Legend are hereinafter collectively referred to as "**Parties**" and individually as a "**Party**")

WHEREAS:

- A. IFFCO is involved, interalia, in the business of production and distribution of fertilizers and other agri-related products and services to the farmers in India;
- B. Joseph Gutnick ("JG") is the Chairman of the Board, President and Chief Executive Officer of the Company and his Affiliates, Renika Pty Ltd. ("Renika") and Chabad House of Caulfield Pty Ltd. ("Caulfield"), are substantial shareholders of the Company;
- C. The Company is a corporation engaged in the business of mineral exploration and development and wishes to enter into the area of production and marketing of minerals;
- D. Pursuant to the signing of a Heads of Agreement between IFFCO and Legend on April 9, 2008, Legend and IFFCO have decided that IFFCO shall enter into a long term rock phosphate off take agreement and shall have the option to participate in the equity of the Company;
- E. The Parties have now agreed that **IFFCO** will have the option to purchase 30 million shares of the Company at a future date ("**IFFCO Options**").
- F. The Parties are entering into this Agreement in order to record the terms and conditions for the **IFFCO Options** in the Company by IFFCO and to exercise their mutual rights and obligations.

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions and understandings set forth in this Agreement and other good and valuable consideration (the receipt and adequacy of which are hereby mutually acknowledged), the Parties with the intent to be legally bound hereby agree as follows:

ARTICLE 1
DEFINITION AND INTERPRETATIONS

1.1 Definitions:

In this Agreement, the following words and expressions unless inconsistent with the context, shall bear the meanings assigned hereto:

"**Act**" shall mean the Delaware General Corporation Law, and any rules or regulations framed there under and any subsequent re-enactment thereof for the time being in force;

"**Affiliate**" shall mean any company, partnership, association, foundation, trust, co-operative society or other legal entity, which through ownership of voting stock or otherwise, directly or indirectly, is controlled by, under common control with, or in control of such company, partnership, association, foundation, co-operative society, natural person or other legal entity and in relation to a natural person, any Relative of such natural person. For the purpose of this definition the term "control" means ownership of more than fifty percent (50%) of the voting stock of a company, or the power to appoint or elect a majority of the directors of a company, or the power to direct the management of a company.

"**Agency Agreement**" shall mean the agreement between Legend and BMO Nesbitt Burns Inc., Wellington West Capital Markets Inc and BBY Limited, dated as of June 3, 2008.

"**Agreement**" shall mean this Share Options Agreement and includes any recitals and annexures to this Agreement, and any amendments to this Agreement effected in accordance with the terms of this Agreement;

"**Benchmark Price**" shall have the meaning ascribed to it in Article 5.1.3.6 hereto;

"**Board**" or "**Board of Directors**" shall mean the board of directors of the Company;

"**Business**" shall mean mineral exploration and development and related activities, as the same may be modified from time to time by the Board ;

"**Business Day**" shall mean a day which is not a Saturday or Sunday or a bank or other public holiday in Australia, India or the United States;

"**Chairman**" shall mean the chairperson of the Board;

"**Closing**" shall mean completion of the issue of the IFFCO Options and other allied actions required to be completed by the Closing Date;

"**Closing Date**" shall mean the date on which the Closing takes place;

"**Common Stock**" shall mean the common stock of the Company.

"**Confidential Information**" shall have the meaning ascribed to it in Article 9.1 hereto;

"**Director**" shall mean a director of the Company;

"Execution Date" shall have the meaning ascribed to it in the preamble;

"Effective Date" shall have the meaning ascribed to it in Article 3.1 hereto;

"Exempt Securities" shall mean shares of Common Stock issued after the Execution Date (other than shares issued as a result of the exercise of options on issue as on the Execution Date) to employees, officers, directors, consultants, other persons performing services for the Company pursuant to any stock option plan, or similar equity based compensatory arrangement approved by a majority of the Board of Directors not exceeding 6.5 million shares;

"General Meeting" shall mean the duly convened annual or special meeting of the Shareholders of the Company;

"Governing Documents" shall mean the By-Laws or Certificate of Incorporation or any other document that lays down the object and the rules of operations of the Company, as amended from time to time in accordance with the Act;

"IFFCO Options" shall have the meaning ascribed to it in Recital E of this Agreement;

"Indemnifying Party" shall have the meaning ascribed to it in Article 8.1 hereto;

"Indemnified Parties" shall have the meaning ascribed to it in Article 8.1 hereto;

"Law" shall mean any law, statute, ordinance, rule, regulation, guideline, policy or other pronouncement having the effect of law of any governmental authority, as currently interpreted and administered;

"Loss" shall have the meaning ascribed to it in Article 8.1 hereto;

"Owner" shall have the meaning ascribed to it in Article 9.1 hereto;

"Preemptive Securities" shall have the meaning ascribed to it in Article 4.3 hereto;

"Pre-issuance Offer Notice" shall have the meaning ascribed to it in Article 4.3 hereto

"Party" shall mean either IFFCO or Legend, as the case may be;

"Parties" shall mean IFFCO and Legend collectively;

"Person" shall mean any natural person, limited or unlimited liability company, corporation, partnership, proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof of any other entity that may be treated as a person under applicable Law;

"Project" shall have the meaning ascribed to it in Article 5.2.4 hereto

"Recipient" shall have the meaning ascribed to it in Article 9.1 hereto;

"Relative" of a natural person shall mean the person's child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law

and any other person (other than a tenant or employee) sharing the household of the specified person;

"**ROTA**" shall have the meaning ascribed to it in Article 5.1.3 hereto

"**Share**" shall mean a share in the authorized, issued and subscribed equity share capital of the Company;

"**Share Capital**" shall mean the paid-up equity/voting share capital of the Company;

"**Shareholder(s)**" shall mean any person holding Shares of the Company;

"**Shareholders Agreement**" shall mean the shareholders' agreement between IFFCO and JG entered into as of the date hereof;

"**The 1933 Act**" shall have the meaning ascribed to it in Article 7.3(f)(i) hereto; and

"**USD**" shall mean United States dollars.

1.2 Interpretations:

Except where the context requires otherwise, this Agreement will be interpreted as follows:

- (a) The definitions in Article 1.1 shall apply equally to both the singular and plural form of the terms defined.
- (b) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter form.
- (c) The words "*include*," "*includes*" and "*including*" shall be deemed to be followed by the phrase "*without limitation*."
- (d) Unless the context otherwise requires, (i) all references to Articles annexures are to Articles and Annexures to, this Agreement; and (ii) the terms "*herein*," "*hereof*," "*hereto*," "*hereunder*" and words of similar import refer to this Agreement as a whole.
- (e) Where any act, matter or thing is required by this Agreement to be performed or carried out on a certain day and that day is not a business day then that act, matter or thing shall be carried out or performed on the next following business day.

1.3 Any reference in this Agreement to an obligation to be performed by a Party shall be construed so as to include an obligation of such Party to procure that its Affiliates perform and/or comply with such obligation.

1.4 Unless defined in this Agreement capitalised terms used in this Agreement shall have the meaning as provided in the Share Purchase Agreement.

ARTICLE 2
IFFCO Options

- 2.1 IFFCO shall have the option to subscribe for, at any time before the last date of exercise of options (the “Last Option Exercise Date”), with a suitable discount for early exercise, and the Company shall be obliged to issue at the date of exercise of options not being later than the Last Option Exercise Date, clear of all Encumbrances, Shares as follows:

Name of the Party	Number of Shares	Purchase Price Per Share (USD)	Last Option Exercise Date
IFFCO	5 million	USD 2.5	60 days from the Closing Date
IFFCO	8 million	USD 3.0	12 months from the Closing Date
IFFCO	8 million	USD 3.5	18 months from the Closing Date
IFFCO	9 million	USD 4.0	24 months from the Closing Date

- 2.2 On the Closing Date the Company shall complete all documentation so as to vest the IFFCO Options with IFFCO.
- 2.3 Upon the issue of the IFFCO Options on the Closing Date, the capital structure and the shareholding and outstanding options and warrants of the Company shall be as listed in Annexure 1.

ARTICLE 3
EFFECTIVE DATE, CLOSING, TRANSFER OF SHARES AND DELIVERIES

3.1 **Effective Date:**

Save and except Article 9 (Confidentiality), Article 10.6 (Governing Law) and Article 10.7 (Dispute Resolution) which shall take effect from the date hereof, this Agreement shall come into force and effect from the Closing Date under this Agreement (the "**Effective Date**").

3.2 **Closing Date:**

The Parties agree that the Closing Date shall be within fifteen (15) Business Days of the Execution Date.

ARTICLE 4
POST CLOSING COVENANTS

4.1 **Management:**

Unless otherwise agreed between the Parties, the Board and the management team shall be constituted as provided in the Shareholders Agreement.

4.2 Rights and obligations of the Parties:

All the rights and obligations of the Parties shall be governed by this Agreement as amended from time to time. In case of contradiction or inconsistency between the provisions of the Governing Documents and the provisions of this Agreement, the provisions of this Agreement shall override as far as the Parties are concerned.

4.3 Future Issue of Shares:

Prior to any issuance of any additional shares of Common Stock other than Exempt Securities (the “Preemptive Securities”), the Company shall send to IFFCO a written notice of any proposed or intended issuance of Preemptive Securities (the “Pre-issuance Offer Notice”), which Pre-issuance Offer Notice shall (a) identify and describe the Preemptive Securities proposed or intended to be issued, (b) disclose the number, price and other terms upon which they are to be issued, (c) indicate the procedure by which IFFCO may offer to purchase its pro rata portion of such Preemptive Securities and (d) include a deadline for IFFCO to deliver a Notice of Acceptance and payment of the purchase price for its pro rata portion of Preemptive Securities to the Company, which deadline shall in no event be later than sixty (60) calendar days or earlier than thirty (30) calendar days after the date of the Pre-issuance Offer Notice. For purposes of this Section 4.3, IFFCO’s pro rata portion of Preemptive Securities shall be determined by multiplying (x) the number of Preemptive Securities proposed to be issued by (y) a fraction, the numerator of which is the aggregate number of issued and outstanding Shares then beneficially owned by IFFCO, and the denominator of which is the aggregate number of all issued and outstanding Shares. Nothing contained in this Article shall prohibit the Company from going ahead with the issue of the Preemptive Securities other than the IFFCO pro rata portion of the Preemptive Securities before the expiry of the deadline above.

ARTICLE 5 COMMITMENTS

5.1 Commitments of the Parties:

- 5.1.1 The Parties hereby agree and undertake towards each other to perform and observe all of the provisions of this Agreement, and all other agreements governing their relationship.
- 5.1.2 IFFCO shall off-take on a long term and the Company shall deliver to IFFCO to off-take directly or through its Affiliates 4 million tonnes of concentrated rock phosphate produced by the Company every year.
- 5.1.3 For the purpose of the offtake in Article 5.1.2 above, IFFCO shall enter into a long term rock off-take agreement (the “**ROTA**”) with the Company, the terms of which shall be separately negotiated but shall be based on the following principles.
 - 5.1.3.1 The concentrated rock phosphate should shall conform to specifications reasonably acceptable to IFFCO, such specifications shall be agreed to between the Company and IFFCO in the ROTA.
 - 5.1.3.2 The supplies are FOB at one or more agreed ports in Australia.

- 5.1.3.3 The Price of the concentrate rock phosphate shall be at a discount of at least 5% of the Benchmark Price of rock. IFFCO shall provide no other support to the Company under the ROTA.
- 5.1.3.4 At the Company's option however,
- a) The ROTA can have provisions for compensation to the Company in case IFFCO does not lift the contracted quantities and to IFFCO if the Company is unable to supply the contracted quantities.
 - b) In case the Benchmark Price falls below a value that reduces the return on investment of the project below an agreed amount, IFFCO can convert the entire discount into a subordinated loan at a nominal interest to be repaid in years when the market price is good. The details of this mechanism shall be agreed in the ROTA.
 - c) The minimum quantity supplied below which compensation claims can arise shall be 90% of the guaranteed quantities. Quantities below such minimum but not below 70% of the contracted quantity, shall be rolled over to the following two years without any compensation, provided the Company does not sell the deficient quantity in the spot market.
 - d) In case the Benchmark Price becomes such as it materially adversely affects the financial viability of either Party, the Parties will work together to mitigate the situation.
- 5.1.3.5 In case the Company exercises the option of entering into ROTA based on Article 5.1.3.4 above, the discount in Article 5.1.3.3 shall be read as 10%.
- 5.1.3.6 The benchmark price (the "**Benchmark Price**") shall be derived based on the price of equivalent quality of rock imported into India by IFFCO and other large importers. For this purpose only those buyers who import more than 350,000 tonnes per year will be considered. The Parties shall mutually decide transparent indicies and adjustment formula for different rock specifications for this purpose.
- 5.1.3.7 In case the agreed indicies mentioned in Article 5.1.3.6 are not available, the Benchmark Price shall be derived based on the international market price of phosphoric acid delivered in India less cost of sulphur, fixed costs and other variable costs of phosphoric acid production, cost of transportation of rock from Australia to India and reasonable return on the production of phosphoric acid, divided by the specific consumption of rock of the specifications agreed in the ROTA. The details of this pricing structure would be agreed in the ROTA.
- 5.1.4 IFFCO shall be the marketing agent of the Company and act on the instructions of the Company for the remaining rock phosphate produced, to be sold in the spot market on an arm's length basis.
- 5.1.5 During the validity of this Agreement, either Party shall have a right of first refusal to participate with the other Party in the production, sale, marketing, distribution or in any other manner

making available any fertilizer or related product in Australia (e.g., urea plant or triple super phosphate) on terms that shall be agreed to between the Company and IFFCO.

- 5.1.6 IFFCO shall facilitate the Company in procuring financing for the development and construction of the Company's phosphate mines and related infrastructure (the "Project"), including by introducing the Company to sources of project financing for the Project.
- 5.1.7 IFFCO shall also assist the Company by providing technical and personnel assistance on an arm's length basis.
- 5.1.8 The Parties agree to use their reasonable best efforts to enter into a ROTA in accordance with this Article 5 within 6 months following the Closing Date. Unless mutually agreed, neither Party shall be obliged to enter into a ROTA if the Parties have not been able to execute a ROTA within 24 months of the Closing Date and the Party seeking not to enter into the ROTA is not in breach of this Agreement. IFFCO shall also not be obliged to off-take rock if the deliveries of the contracted quantities for the first year of operations, agreed in the ROTA, do not commence within 5 years of the Closing Date.

ARTICLE 6 MANAGEMENT OF THE COMPANY

6.1 Management of the Company with the Board of Directors:

Subject to the rights of the Shareholders' contained in the Governing Documents and this Agreement, the management of the Company shall vest with the Board of Directors, and the Board shall be responsible for the overall direction and supervision of the management of the Company as mandated under the Act, and the Governing Documents. The officers of the Company shall have the authority and responsibilities delegated by the Board of Directors.

6.2 Indemnification of Directors:

The Company shall indemnify the Directors to the maximum extent permissible under Law, including against:

- 6.2.1 Any act, omission or conduct of or by the Company or their employees or agents as a result of which, in whole or in part, any Director is made a party to, or otherwise incurs any loss pursuant to any action, suit, claim or proceeding arising out of or relating to any such conduct; or
- 6.2.2 Any action or failure to act undertaken by a Director at the request of or with the consent of the Company; or
- 6.2.3 Contravention of any Law including without the generality of the foregoing, laws relating to the provident fund, gratuity, environment and pollution; and any action or proceedings taken against a Director in connection with any such contravention or alleged contravention.

ARTICLE 7
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTIES

7.1 Representations, Warranties and Covenants of the Company:

The Company represents warrants and covenants to the Parties as follows:

- (a) The Company is a company duly organized, validly existing under the laws of Delaware and has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) All corporate actions on the part of officers and directors of the Company necessary for the authorisation, execution and delivery of this Agreement by the Company and for the performance of all of its obligations hereunder have been taken.
- (c) This Agreement constitutes valid, legally binding and enforceable obligations of the Company.
- (d) The Company has done all acts, executed and delivered all instruments and documents, and done all things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.
- (e) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall violate, result in the breach of any material terms or provision of, or constitute a default under its statutes or regulations or any material agreement, indenture, instrument or order, law or regulation to which it is a party or by which it is bound.
- (f) The representations and warranties of the Company contained in Section 8 of the Agency Agreement are true and correct in all material respects, except as set forth on Annexure 2 annexed hereto.

7.2 Representations, Warranties and Covenants of IFFCO:

IFFCO represents warrants and covenants to the Parties as follows:

- (a) IFFCO is a multi-state co-operative society duly organized, validly existing and in good standing under the laws of India and has the power and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) All actions on the part of officers and directors of IFFCO necessary for the authorisation, execution and delivery of this Agreement by IFFCO and for the performance of all of its obligations hereunder have been taken.
- (c) This Agreement constitutes valid, legally binding and enforceable obligations of IFFCO.
- (d) IFFCO has done all acts, executed and delivered all instruments and documents, and done all things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.

- (e) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall violate, result in the breach of any material terms or provision of, or constitute a default under its statutes or regulations or any material agreement, indenture, instrument or order, law or regulation to which it is a party or by which it is bound.

ARTICLE 8 INDEMNITY

8.1 Indemnification:

Each Party ("**Indemnifying Party**") hereby irrevocably and unconditionally agrees to indemnify and hold the other Parties ("**Indemnified Parties**") harmless from and against any and all liabilities, losses, damages, costs, claims, actions, proceedings, judgements, settlements, expenses or the like (collectively ("**Loss**") which may be suffered or incurred directly, but not consequentially, by the Indemnified Parties as a result of any misrepresentation or breach of any representation or warranty made by the Indemnifying Party in this Agreement or non-fulfillment of or failure to perform any covenant or obligation or agreement or undertaking contained in this Agreement by the Indemnifying Party.

8.2 Notice of Claim:

Any indemnifiable claim under this Agreement must, in order to be valid and effective hereunder, be asserted by the Indemnified Party by prompt delivery of written notice thereof to the Indemnifying Party delivered within 60 (sixty) Business Days of discovery by the Indemnified Party of the breach of the breach of the pertinent covenant or obligation.

8.3 Limitation of Liability:

The Parties (including for this purpose, their Affiliates) shall not be liable for each others indirect, special or consequential damages (including lost profits or lost revenues) under this Agreement, regardless of whether such liability arises in tort, contract, breach of warranty, indemnification or otherwise.

ARTICLE 9 CONFIDENTIALITY

9.1 Confidential Information:

For purposes of this Agreement, "**Confidential Information**" shall mean all written and/or tangible information created by the Company or disclosed by a Party (in either case "**Owner**") to the receiving Party ("**Recipient**") which is marked confidential or proprietary and/or not generally available to the public, including, but not limited to information relating to this Agreement, in whole or in part to present and future products, services, business plans and strategies, marketing ideas and concepts, present and future product plans, financial data and business plans. Notwithstanding the foregoing, information shall not be deemed confidential and the Recipient shall have no obligation with respect to any such information which:

- (a) is already known to the Recipient; or
- (b) is or becomes publicly known through no negligence or other wrongful act of the Recipient; or
- (c) is received by the Recipient from a third party without similar restriction and without breach of this Agreement; or
- (d) is independently developed by the Recipient.

Notwithstanding the foregoing, each Party acknowledges and agrees that as a public company registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, the Company shall be required to make public disclosure of the terms of this Agreement and the Shareholders Agreement and to file copies of such Agreements with the Securities and Exchange Commission.

9.2 Treatment of Confidential Information:

From the execution of this Agreement and after the Recipient ceases to be a shareholder in the Company, the Recipient shall, and shall cause its Affiliates to, keep confidential and will not disclose, and will cause its Affiliates not to disclose, to Third Parties, the Confidential Information received from, or made available by the Owner and will use and cause its Affiliates to use the same level of care with respect to the Confidential Information as Recipient employs with respect to its own proprietary and confidential information of like importance, and will not use and will cause Affiliates not to use such Confidential Information for any purpose other than the performance of its obligations under this Agreement.

9.3 Notice Prior to Disclosure:

If the Recipient (or its Affiliates) is required by Law (including by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, the Recipient will promptly notify the Owner of such request or requirement. If the Recipient (or any of its Affiliates) is compelled to disclose the Confidential Information or else stand liable for contempt or suffer other censure or significant legal penalty, the Recipient (or its Affiliate) may disclose only so much of the Confidential Information to the Party compelling disclosure as is required by Law.

9.4 Exercise of Due Diligence:

Each Party shall ensure that any of its employees involved in or otherwise having knowledge of any Confidential Information shall comply with the obligations set forth in this Article 9.

9.5 Disclosure of Confidential Information:

All Directors shall be entitled to be informed by the Party appointing such Director of all matters concerning the Company's affairs. Each Director and each Recipient undertakes to keep such information confidential and shall not use or disclose any Confidential Information to any third party for any unauthorized purpose and shall take all reasonable precautions for the safe custody of such Confidential Information for so long as it shall remain confidential or proprietary. The Parties shall however be permitted to disclose Confidential Information only to their directors, investors, investment advisors, lenders, employees and employees of investment advisors, other

advisors, including financial and legal advisors, and agents or pursuant to any legally mandated reporting requirements, or as required pursuant to the constitutional documents of the Parties or the Affiliates of the Parties.

ARTICLE 10 MISCELLANEOUS

10.1 Notices:

Any notices, requests, demands or other communication required or permitted to be given under this Agreement shall be written in English and shall be delivered in person, or sent by courier or by certified or registered mail, postage prepaid or transmitted by facsimile and properly addressed as follows:

If to IFFCO:

Name: Indian Farmers Fertiliser Cooperative Limited
Address: IFFCO Sadan, C-1
District Centre, Saket Place
New Delhi - 110017
Attention: Managing Director
Fax: +91-11-40593101

If to the Company by international courier:

Name: Legend International Holdings, Inc.
Address: Level 8, 580 St Kilda Road
Melbourne Victoria 3004
Australia
Attention: Joseph Gutnick
Fax: +613-8352-2852

If to the Company by post:

Name: Legend International Holdings, Inc.
Address: P.O. Box 6315 St. Kilda Road Central,
Melbourne Victoria 8008
Australia
Attention: Joseph Gutnick
Fax: +613-8352-2852

or at such other address as the Party to whom such notices, requests, demands or other communication is to be given shall have last notified the Party giving the same in the manner provided in this Article 10.1, but no such change of address shall be deemed to have been given until it is actually received by the Party sought to be charged with the knowledge of its contents. Any notice, request, demand or other communication delivered to the Party to whom it is addressed as provided in this Article 10.1 shall be deemed (unless there is evidence that it has been received earlier) to have been given and received if:

- (a) sent by mail, except air mail, ten Business Days after posting it;
- (b) sent by air mail, six Business Days after posting it; and
- (c) sent by facsimile, when confirmation of its transmission has been recorded by the sender's facsimile machine.

10.2 Waiver of Rights:

Failure or delay on the part of either Party to exercise any right, power or privilege under this Agreement shall not operate as a waiver thereof; nor shall any single or partial non-exercise of any right, power or privilege preclude any other future exercise thereof.

10.3 Severability:

This Agreement is severable and if any provision hereof is determined to be illegal or unenforceable, the offending provision shall be struck off without affecting the remaining provisions of this Agreement, in which case, if appropriate and necessary, the Parties shall immediately consult with each other in order to find an equitable solution.

10.4 Surviving Provisions:

- 10.4.1 The rights and obligations of the Parties in respect of Articles 5,8, 9 and 10 shall continue to have effect in accordance with their respective terms notwithstanding the termination of this Agreement.
- 10.4.2 The termination of this Agreement will not in any manner affect the rights and obligations in respect of antecedent breaches of this Agreement.

10.5 Entire Agreement:

This Agreement and all annexures set forth the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior agreements, understandings and representations, written and oral.

10.6 Governing Law:

The validity, interpretation, implementation and resolution of disputes of this Agreement shall be governed by the laws of England.

10.7 Dispute Resolution:

- (a) In the event any dispute arises between the Parties out of or in relation to this Agreement, including any dispute regarding its interpretation, breach, termination or validity, the Parties shall attempt in the first instance to resolve such dispute through friendly and amicable consultations.
- (b) If a dispute arising between the Parties out of or in relation to this Agreement has not been resolved through consultations under Article 10.7(a) within thirty (30) days after the

Party(ies) has served written notice on the other Party(ies) requesting the commencement of such consultations, then the dispute shall be referred to an arbitral tribunal. The arbitration shall be conducted before an arbitral tribunal composed of 3 (three) arbitrators. The arbitration proceedings shall take place in Singapore and be conducted in English in accordance with the provisions of the Singapore International Arbitration Rules as may be in force from time to time. The arbitration award shall be final and binding on the Parties, and the Parties shall be bound thereby and act accordingly. The costs of arbitration shall be borne by the Parties as designated in the arbitration award.

- (c) While any dispute is under consultation or arbitration, except for the matters under dispute, the Parties shall continue to exercise their remaining respective rights, and fulfill their remaining respective obligations in accordance with this Agreement.
- (d) Notwithstanding the existence of any dispute or difference between the Parties which is referred to settlement or, as the case may be, arbitration, all Parties shall, during the pendency of the settlement or, as the case may be, arbitration, continue to act on matters under this Agreement which are not the subject matter of the dispute or differences as if no such dispute or difference had arisen to the end and intent that the business and operations of the Company are not affected during the pendency of such settlement or arbitration.
- (e) The arbitration panel may not limit, expand or otherwise modify the terms of this Agreement.

10.8 Relationship:

Nothing in this Agreement shall be in any way construed to constitute either Party as the agent, employee or representative of the other.

10.9 Amendments:

This Agreement may be amended only by an instrument in writing signed by duly authorised representatives of each of the Parties.

10.10 Assignment:

Except as otherwise provided in this Agreement, the rights and obligations under this Agreement shall not be assigned by any Party to any person.

10.11 Counterparts:

This Agreement may be entered into in any number of counterparts each of which, when executed and delivered, shall be an original, but all the counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties by their duly authorised representatives have executed this Agreement on the day first above written

For **Indian Farmers Fertiliser Cooperative Limited**

For **Legend International Holdings, Inc.**

s/s/ U.S. Awasthi

s/s/ JI Gutnick

Name: U.S. Awasthi
Designation: Managing Director

Name: JI Gutnick
Designation: President & CEO

Date: July 14, 2008

Date: July 14, 2008

Witnessed by: Sanjay Jain

Witnessed by: Peter James Lee

Annexure 1

Capital Structure

Authorised Capital	320,000,000 shares consisting of 300,000,000 shares of common stock having a par value of \$0.001 per share and 20,000,000 preferred stock having par value of \$0.001 per share.
Issued Capital	221,079,516 shares of common stock having a par value of \$0.001 per share.
Reserved for issuance	20,412,170 Options.

Annexure 2

Exceptions to Company Representations and Warranties

Other than as disclosed in Schedule 8.Q to the Agency Agreement and the Form-10 Q for the quarter ended March 31, 2008, transactions with AXIS Consultants Pty Ltd since March 31, 2008 have been in the normal course of business.

LEGEND INTERNATIONAL HOLDINGS, INC

REGISTER OF OPTION HOLDERS AS AT JULY 13, 2008

Name	Options Held
Pinchas T Althaus	205,000
Curtiss H Borglund SR	45,000
Ray G Buckles	9,000
Neill M Dalrymple JR	9,000
Jeff Deell	22,500
E*Trade Clearing LLC	109,250
Norman Goldman	9,000
Goldman Sachs Execution & Clearing LP	2,250
Martin Hagenson	9,000
Harold A Havekotte	45,000
Walter Ho & Helen Ho	9,000
John A Hudak	9,000
Ms Suo Lee	22,500
Merrill Lynch Pierce Fenner & Smith Inc	54,000
Morgan Stanley DW Inc	2,250
National Financial Services LLC	20,250
National Investor Services Corp	9,000
Penson Financial Services, Inc	87,750
Preston Family Trust	18,000
Monica Preston	9,000

Jeffery Puckett	54,000
Gregory A Sablic	18,000
Dinesh V Sheth	9,000
Richard Slade	27,000
Duane A Smith	9,000
Southwest Securities Inc	1,350
UBS Financial Services Inc CDN FBO	37,800
Union Valoren AG	67,500
Vernon Wong	18,000
CMS Capital	251,400
Ameritrade, Inc	75,870
	<u>1,274,670</u>

LEGEND INTERNATIONAL HOLDINGS INC
2006 EQUITY INCENTIVE PLAN
OPTIONS ON ISSUE

	Note	Exercisable @US\$0.444	Exercisable @US\$1.00	Exercisable @US\$2.00	Exercisable @US\$4.10	Exercisable @US\$3.48	Exercisable TBA	Total
Joseph Gutnick	1		2,250,000	5,000,000				7,250,000
Mordi Gutnick	2	562,500	2,562,500					3,125,000
Peter Lee	3	787,500	1,787,500					2,575,000
Craig Michael	4	150,000	1,400,000					1,550,000
Jonathon Herzog	5		900,000					900,000
Robyn Hilliard	6	150,000	150,000					300,000
Pat Breen	7	56,250	56,250					112,500
Ros Groves	8	56,250	56,250					112,500
Adam Wright	9	56,250	56,250					112,500
Jim Wright	10	150,000	150,000					300,000
Mark Edwards	11	150,000	350,000					500,000
Gemma McGoldrick	12		112,500					112,500
Louisa van Bureen	13		112,500					112,500
Simon Lee	14		400,000					400,000
Menachem Vorchheimer	15		250,000					250,000
Rachel Hoath	16		112,500					112,500
Michelle Hough	17				200,000			200,000

David Tyrwhitt	18			1,000,000		1,000,000
Vivienne Bryner	19				112,500	112,500
		2,118,750	10,706,250	5,000,000	112,500	19,137,500

- 1 2,250,000 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months
5,000,000 options issued February 7, 2008 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months
- 2 562,500 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
562,500 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
2,000,000 options issued December 28, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 3 787,500 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
787,500 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
1,000,000 options issued December 28, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 4 150,000 options issued September 10, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
150,000 options issued September 10, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
1,250,000 options issued December 28, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 5 150,000 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
150,000 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 6 112,500 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
112,500 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
37,500 options issued May 18, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
37,500 options issued May 18, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 7 56,250 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.

- 56,250 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 8 56,250 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
56,250 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 9 56,250 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
56,250 options issued September 19, 2006 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 10 150,000 options issued May 18, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
150,000 options issued May 18, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 11 150,000 options issued December 19, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$0.444.
150,000 options issued December 19, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
200,000 options issued December 28, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 12 112,500 options issued December 28, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 13 112,500 options issued December 28, 2007 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 14 400,000 options issued February 18, 2008 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 15 250,000 options issued May 29, 2008 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 16 112,500 options issued May 29, 2008 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$1.00.
- 17 200,000 options issued July 7, 2008 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$4.10.
- 18 1,000,000 options issued July 11, 2008 vest 1/3rd after 12 months, 1/3rd after 24 months and 1/3rd after 36 months with an exercise price of US\$3.48.
- 19 Exercise price to be set at date of commencement

SHAREHOLDERS AGREEMENT

Dated July 14, 2008

Between

**Indian Farmers Fertiliser Cooperative Limited
("IFFCO")**

And

**Joseph Gutnick
("JG")**

SHAREHOLDERS AGREEMENT

This Shareholders Agreement (this "**Agreement**") is made as of this 14th day of July,, 2008 ("**Execution Date**"),

Between:

Indian Farmers Fertiliser Cooperative Limited, a multi state co-operative society duly incorporated and validly existing under the laws of India and having its registered office at C1, District Centre, Saket Place, New Delhi - 110017 (hereinafter referred to as "**IFFCO**", which expression shall unless repugnant to the context or meaning thereof, include its successors and permitted assigns);

AND

Joseph Gutnick, ("**JG**") President and CEO of Legend International Holdings, Inc. ("**Legend**" or "**Company**"), which expression shall unless repugnant to the context or meaning thereof include his legal heirs and permitted assigns);

(IFFCO and JG are hereinafter collectively referred to as "**Parties**" and individually as a "**Party**")

WHEREAS:

- A. IFFCO is involved, interalia, in the business of production and distribution of fertilizers and other agri-related products and services to the farmers in India;
- B. JG is the Chairman of the Board, President and Chief Executive Officer of the Company and his Affiliates, Renika Pty Ltd. ("**Renika**") and Chabad House of Caulfield Pty Ltd. ("**Caulfield**"), are substantial shareholders of the Company;
- C. The Company is a corporation engaged in the business of mineral exploration and development, and wishes to enter into the area of production and marketing of minerals;
- D. As of the Execution Date, IFFCO and Legend have entered into a Share Option Agreement ("**Share Option Agreement**") wherein IFFCO or its Affiliates shall, interalia, have the option to subscribe to the Shares at a future date on the terms and conditions of the Share Options Agreement; and
- E. IFFCO and JG are now entering into this Agreement in order to regulate their relationship as shareholders, either directly or through their Affiliates, hereto in the management and operation of the Company and exercise their mutual rights and obligations in relation to the Company in accordance with the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants, terms and conditions and understandings set forth in this Agreement and other good and valuable consideration (the receipt and adequacy of which are hereby mutually acknowledged), the Parties with the intent to be legally bound hereby agree as follows:

ARTICLE 1
DEFINITION AND INTERPRETATIONS

1.1 Definitions:

In this Agreement, the following words and expressions unless inconsistent with the context, shall bear the meanings assigned hereto:

"**Act**" shall mean the Delaware General Corporation Law, and any rules or regulations framed there under and any subsequent re-enactment thereof for the time being in force;

"**Affiliate**" in relation to a Party shall mean any company, partnership, association, foundation, trust, co-operative society or other legal entity, which through ownership of voting stock or otherwise, directly or indirectly, is controlled by, under common control with, or in control of such Party and in relation to JG, includes any Relative of such natural person. For the purpose of this definition the term "control" means ownership of more than fifty percent (50%) of the voting stock of a company, or the power to appoint or elect a majority of the directors of a company, or the power to direct the management of a company.

It is clarified that the following are Affiliates of JG and on the Execution Date hold Shares in the Company and shall execute an Affiliate Deed of Adherence before Closing Date.

Renika Pty Ltd.

Chabad House of Caulfield Pty Ltd.

"**Affiliate Deed of Adherence**" shall have the meaning ascribed to it in Article 3.1 hereto;

"**Agency Agreement**" shall mean the agreement between Legend and BMO Nesbitt Burns Inc., Wellington West Capital Markets Inc and BBY Limited, dated as of June 3, 2008.

"**Agreement**" shall mean this Shareholders Agreement and includes any recitals and annexures to this Agreement, and any amendments to this Agreement effected in accordance with the terms of this Agreement;

"**Board**" or "**Board of Directors**" shall mean the board of directors of the Company;

"**Business**" shall mean mineral exploration, development, production and sale of minerals and related activities, and such business as may be decided from time to time by the Board ;

"**Business Day**" shall mean a day which is not a Saturday or Sunday or a bank or other public holiday in Australia, India or the United States;

"**Chairman**" shall mean the chairperson of the Board;

"**Chief Executive Officer**" or "**CEO**" shall have the meaning ascribed to it in the Governing Documents;

"**Closing Date**" shall be 15 Business Days after the Execution Date;

"**Common Stock**" shall mean the common stock of the Company;

"**Company Representations**" shall have the meaning ascribed to it in Article 5.1 hereto.

"**Confidential Information**" shall have the meaning ascribed to it in Article 9.1 hereto;

"**Determination Notice**" shall have the meaning ascribed to it in Article 7.3.2 hereto;

"**Director**" shall mean a director of the Company;

"**Execution Date**" shall have the meaning ascribed to it in the preamble;

"**Exempt Securities**" shall mean shares of Common Stock issued after the Execution Date (other than shares issued as a result of the exercise of options on issue as on the Execution Date) to employees, officers, directors, consultants, other persons performing services for the Company pursuant to any stock option plan, or similar equity based compensatory arrangement approved by a majority of the Board of Directors not exceeding 6.5 million shares;

"**General Meeting**" shall mean the duly convened annual or extraordinary general meeting of the Shareholders of the Company;

"**Governing Documents**" shall mean the By Laws or Certificate of Incorporation any other document that lays down the object and the rules of operations of the Company, as amended from time to time in accordance with the Act;

"**IFFCO Nominee**" shall mean a Director nominated by IFFCO;

"**Indemnifying Party**" shall have the meaning ascribed to it in Article 8.1 hereto;

"**Indemnified Party**" shall have the meaning ascribed to it in Article 8.1 hereto;

"**JG Nominee**" shall mean a Director nominated by JG;

"**Law**" shall mean any law, statute, ordinance, rule, regulation, guideline, policy or other pronouncement having the effect of law of any governmental authority, as currently interpreted and administered;

"**Loss**" shall have the meaning ascribed to it in Article 8.1 hereto;

"**No Purchase Notice**" shall have the meaning ascribed to it in Article 5.4.1(c) hereto;

"**Notifying Party**" shall have the meaning ascribed to it in Article 7.3.2 hereto;

"**Offer Acceptance Notice**" shall have the meaning ascribed to it in Article 5.4.1(a) hereto;

"**Offered Party**" shall have the meaning ascribed to it in Article 5.4.1 hereto;

"**Offering Party**" shall have the meaning ascribed to it in Article 5.4.1 hereto;

"**Offer Period**" shall have the meaning ascribed to it in Article 5.4.1 hereto;

"**Offer Price**" shall have the meaning ascribed to it in Article 5.4.1 hereto;

"**Offered Shares**" shall have the meaning ascribed to it in Article 5.4.1 hereto;

"**Owner**" shall have the meaning ascribed to it in Article 9.1 hereto;

"**Party**" shall mean either IFFCO or JG, as the case may be;

"**Parties**" shall mean IFFCO and JG collectively;

"**Person**" shall mean any natural person, limited or unlimited liability company, corporation, partnership, proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof of any other entity that may be treated as a person under applicable Law;

"**Prospectus**" shall have the meaning ascribed to it in Article 5.1 hereto;

"**Recipient**" shall have the meaning ascribed to it in Article 9.1 hereto;

"**Rectification Period**" shall have the meaning ascribed to it in Article 7.3.3 hereto;

"**Relative**" of a natural person shall mean the person's child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law;

"**Share**" shall mean a share in the authorized, issued and subscribed equity share capital of the Company;

"**Share Capital**" shall mean the paid-up equity/voting share capital of the Company;

"**Share Options Agreement**" shall have the meaning ascribed to it in Recital D;

"**Shareholder(s)**" shall mean any person holding Shares of the Company;

"**Shareholder Group**" shall have the meaning ascribed to it in Article 5.3.5;

"**Subsidiary**" shall have the meaning ascribed to it in the Act;

"**Tag Along Acceptance Notice**" shall have the meaning ascribed to it in Article 5.4.1.

"**Tag Along Rights**" shall have the meaning ascribed to it in Article 5.4.3.

"**Tag Along Shares**" shall have the meaning ascribed to it in Article 5.4.3.

"**Terminated Party**" shall have the meaning ascribed to it in Article 7.3.1 hereto;

"**Termination Event**" shall have the meaning ascribed to it in Article 7.3 hereto;

"**Third Party Buyer**" shall have the meaning ascribed to it in Article 5.4.1 hereto;

"**Transfer**" shall have the meaning ascribed to it in Article 5.2.1 hereto;

"**Transfer Notice**" shall have the meaning ascribed to it in Article 5.4.1 hereto.

"**Unanimity Matters**" shall have the meaning ascribed to it in Article 4.3.1 hereto;

"**Voting Securities**" means the Common Stock and any other securities of the Company or its successors that are entitled by their terms to vote generally in the election of directors of the

Company or its successors and all options, rights, warrants and other securities convertible into, or exercisable or exchangeable for, any shares of the Common Stock or other securities possessing such voting rights.

1.2 Interpretations:

Except where the context requires otherwise, this Agreement will be interpreted as follows:

- (a) The definitions in Article 1.1 shall apply equally to both the singular and plural form of the terms defined.
 - (b) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter form.
 - (c) The words "*include*," "*includes*" and "*including*" shall be deemed to be followed by the phrase "*without limitation*."
 - (d) Unless the context otherwise requires, (i) all references to Articles annexures are to Articles and Annexures to, this Agreement; and (ii) the terms "*herein*," "*hereof*," "*hereto*," "*hereunder*" and words of similar import refer to this Agreement as a whole.
 - (e) Where any act, matter or thing is required by this Agreement to be performed or carried out on a certain day and that day is not a business day then that act, matter or thing shall be carried out or performed on the next following business day.
- 1.3 Any reference in this Agreement to an obligation to be performed by a Party shall be construed so as to include an obligation of such Party to procure that its Affiliates perform and/or comply with such obligation.
- 1.4 Unless defined in this Agreement capitalised terms used in this Agreement shall have the meaning as provided in the Share Purchase Agreement.

ARTICLE 2 PURPOSE AND OBJECTIVES

2.1 Commitments of the Parties:

2.1.1 The Parties hereby agree and undertake towards each other:

- (a) to perform and observe all of the provisions of this Agreement, and all other agreements governing their relationship as Shareholders of the Company;
- (b) to procure that (i) every person for the time being representing it in its capacity as Shareholder; and (ii) every person appointed as a Director in terms of this Agreement will exercise any power to vote or cause the power to vote to be exercised, at any meeting of the Shareholders or the Board of the Company, as the case may be, so as to enable the approval of any and every resolution necessary or desirable to procure that the affairs of the Company are conducted in accordance with and otherwise to give full effect to this Agreement, and likewise so as to ensure that no resolution is passed which is not in accordance with such provisions, subject to the compliance by the Directors with their fiduciary duties to Shareholders and all other obligations under the Act; and

(c) to cause any of its Affiliates, to comply with the provisions of this Article 2.1.1.

2.1.2 JG shall support any and all resolutions in the Board and the General Meetings to procure that in case of a fresh issue of Shares of the Company other than Exempt Securities, IFFCO shall have the right to subscribe to such number of Shares of any such issue so as to maintain its percentage equity in the Company post issue as it existed prior to the issue.

2.2 Governing Documents:

The Parties agree that to the extent the Governing Documents are in conflict with or are inconsistent with the terms and conditions of this Agreement, inter se the Parties, the provisions of this Agreement shall prevail and the Parties shall take such steps as may be reasonably necessary to alter the Governing Documents as soon as is practicable so as to eliminate such conflict or inconsistency, subject to the Act.

ARTICLE 3 AFFILIATES

3.1 In computing the shareholding of a Party for the purposes of this Agreement, the Shares held by its respective Affiliates shall be taken into account, provided however, that the Affiliate(s) to whom the Shares are allotted shall covenant with the other Parties in the form of Deed of Adherence as specified in **Annexure 1** hereof ("**Affiliate Deed of Adherence**") to observe this Agreement and to perform all the obligations of a Party under this Agreement and thereupon each such Affiliate shall be treated as a Party herein or therein.

ARTICLE 4 MANAGEMENT OF THE COMPANY

4.1 Board of Directors:

4.1.1 On or before the Closing Date, the Board shall be (a) increased to six (6) members, subject to the removal provisions of the Company's Governing Documents, and (b) initially composed of four (4) JG Nominees and two (2) IFFCO Nominees. Thereafter the Parties shall be entitled to nominate Directors on the Board proportionate to their respective shareholding (along with the shareholding of their Affiliates) in the Company subject to IFFCO having the right to nominate at least two (2) Directors. In the event that the shareholding of JG is less than that of IFFCO, IFFCO shall have the option to maintain the composition of the Board as it existed immediately prior to JG's shareholding becoming less than that of IFFCO, or to call a General Meeting to elect a new Board of Directors.

4.1.2 At any subsequent General Meeting, each Party shall vote or cause to be voted all Voting Securities owned by him or it or which he or it has voting control, and otherwise use its respective reasonable best efforts, so as to cause to be elected as Directors nominees selected by each Party to their respective shareholding (along with the shareholders of their Affiliates) in the Company subject to JG and his Affiliates having the right to nominate one Director more than IFFCO and its Affiliates as long as the shareholding of JG and his Affiliates in the Company is higher than that of IFFCO and its Affiliates. In the event that the shareholding of JG and his Affiliates is less than that of IFFCO and its Affiliates, IFFCO shall have the option to maintain the composition of the Board as it existed immediately prior to JG's and his Affiliates' shareholding becoming less than that of IFFCO and its Affiliates, or to call a General Meeting to elect a new Board of Directors. The nominees selected by the Parties must meet the requirements of the

American Stock Exchange or other exchange or market upon which the Common Stock is traded, including, if applicable, the requirement that a majority of the Board of Directors be “independent directors.” Nothing contained herein shall be deemed to limit the rights of the remaining Shareholders to nominate candidates for election to the Board in accordance with the Act.

- 4.1.3 In the event that any JG Nominee or IFFCO Nominee shall for any reason cease to serve as a member of the Board during his or her term of office, the resulting vacancy on the Board will be filled by a representative designated, respectively, by JG or IFFCO, as the case may be.

4.2 Committee of the Board:

In case the Board constitutes committees or sub-committees of the Board, at least one JG Nominee and one IFFCO Nominee shall be entitled to be members of all committees; provided that, the appointees selected by the Parties to serve on any Board committee or sub-committee must meet the requirements of the American Stock Exchange or other exchange or market upon which the common stock is traded, including, if applicable, the requirement that the members of a committee or sub-committee be “independent directors.”

4.3 Unanimity Matters:

- 4.3.1 The Parties agree that a decision on any of the matters listed at Annexure 2 (“Unanimity Matters”) shall require the unanimous approval of the Board. In addition, to the extent that the approval of Shareholders is required for a Unanimity Matter, the Parties agree to vote their shares of Voting Stock on the matter only by mutual agreement.
- 4.3.2 If the Parties are unable to agree on any Unanimity Matter, the matter will be resolved under the Provisions of Article 10.7 of this Agreement dealing with dispute resolutions.

**ARTICLE 5
TRANSFER OF SHARES**

5.1 Transfer of Shares by JG to IFFCO

Notwithstanding any other provisions of this Article, before the Closing Date, JG shall sell 15 (fifteen) million Shares out of his own or his Affiliates’ shareholding in the Company to IFFCO or its Affiliates for a consideration of USD 1.87 per Share for a total consideration of USD 28.05 million, which shall be payable before the Closing Date by wire transfer of immediately available funds to a bank designated by JG.

JG represents and warrants that the representations and warranties (the “Company Representations”) set forth in Section 8 of the Agency Agreement are true and correct in all material respects except as set forth in Annexure 2 annexed hereto.

IFFCO acknowledges and agrees that the Shares are being sold pursuant to that certain prospectus dated April 17, 2008 (the “Prospectus”) and the Company Representations and represents that it has reviewed the Prospectus, including the information set forth under the heading “Risk Factors.”

5.2 Restriction of Transfer:

- 5.2.1 Each Party shall sell, transfer, assign, pledge, or otherwise dispose off (“**Transfer**”) its Shares in the Company only in accordance with this Agreement. The Board and /or the Company shall not

register any Transfer unless such Transfer is made in accordance with this Agreement.

5.3 Transfer to Affiliate:

- 5.3.1 Either Party is entitled to Transfer its Shares to one or more of its Affiliate provided that such Affiliate enters into an Affiliate Deed of Adherence to be bound by the provisions of this Agreement.
- 5.3.2 In the event that any Person holding Shares in accordance with the provisions of this Agreement by virtue of being an Affiliate of a Party ceases to be an Affiliate of such Party, such Party shall acquire or cause any of its other Affiliate to acquire, full and unconditional title in and to all of the Shares then held by such Person ceasing to qualify as an Affiliate.
- 5.3.3 Any Party entitled to purchase Shares under this Article 5 shall have the right to designate any of its Affiliate(s) to purchase the Shares, in place and stead of such Party.
- 5.3.4 The provisions of Article 5.2 (Restriction on Transfer) shall apply to an Affiliate to whom any Shares have been transferred under this Article 5.3.
- 5.3.5 Notwithstanding any provisions to the contrary in this Agreement, if any Party transfers part of its Shares to any Affiliate or additional Shares are issued to any Affiliates of such Party (i) all of such Party, and/or Affiliates (Collectively, the "**Shareholder Group**") shall be treated as a single Party qua such Party. A breach by any one person in the Shareholder Group of its rights, obligations, covenants or undertakings hereunder shall be deemed as a collective breach by the other members of the Shareholder Group of their respective rights, obligations, covenants or undertakings hereunder, and (ii) JG and IFFCO shall (a) act for and on behalf of each member of their respective Shareholder Group under this Agreement in respect of any right, action or waiver to be exercised by any member of their Shareholder Group (including the nomination, replacement or removal of the Directors) and (b) be responsible for causing each of the members of the Shareholder Group to perform its obligations, covenants and undertakings hereunder.

5.4 Pre-emptive and Tag Along Rights:

Subject to Article 5.3 above, a Party may Transfer its Shares in the Company without restriction subject only to complying with Section 5.4 as follows:

- 5.4.1 In the event a Shareholder desires to Transfer its Shares ("**Offering Party**") to any third party, it shall first offer all and not less than all, of its/its Affiliates Offered Shares (as defined hereinafter) to the other Shareholder ("**Offered Party**") in proportion to their then Shareholding by serving a notice in writing ("**Transfer Notice**") to the Offered Party mentioning therein (a) the total number of Shares proposed to be offered for sale ("**Offered Shares**"); (b) the price at which the Offered Shares are being offered for sale ("**Offer Price**"); and (c) other terms and conditions for the Offered Shares including the period for which such offer shall be available to Offered Party, which period shall not be less than 30 (thirty) days ("**Offer Period**"); and (d) the complete details and identity of the proposed buyer ("**Third Party Buyer**") willing to purchase the Offered Shares. Upon receipt of the Transfer Notice, the Offered Party shall, within the Offer Period, communicate through notice in writing as to whether:
 - (a) the Offered Party is willing to purchase all, but not less than all, of the Offered Shares ("**Offer Acceptance Notice**"). In such case, the provisions of Article 5.4.2 shall apply;
 - or

- (b) the Offered Party is not willing to acquire the Offered Shares but is willing to exercise the Tag Along Rights ("**Tag Along Acceptance Notice**"). In such event, the provisions of Article 5.4.3 shall apply; or
 - (c) the Offered Party is neither willing to acquire the Offered Shares nor willing to exercise the Tag Along Rights ("**No Purchase Notice**"); or if the Offered Party fails to complete the share purchase after giving the Offer Acceptance Notice within the time period mentioned in Article 5.4.2 below except when such failure is owing to any Governmental Approval or owing to any default of the Offering Party; or if the Offered Party fails to respond to the Transfer Notice within the timeframe indicated therein, shall be deemed to be not interested in acquiring the Offered Shares or exercising the Tag Along Rights and the same shall be deemed to be No Purchase Notice from the Offered Party. In such event, the Offering Party shall within 90 (ninety) days of the No Purchase Notice, have the right to sell, the Offered Shares to the Third Party Buyer, provided that such Third Party Buyer agrees to purchase the Offered Shares at a price not less than the Offer Price and on terms and conditions not more favourable than those offered to the Offered Party in the Transfer Notice. It is clarified that if the Third Party Buyer fails to consummate the purchase of Shares within 90 (ninety) days of the No Purchase Notice or any of the material terms of the offer change before the transaction is consummated, the Offering Party shall again be required to comply with the provisions under this Article.
- 5.4.2 Upon receipt of the Offer Acceptance Notice, transfer of all, but not less than all, of the Offered Shares to the Offered Party shall take place at the time and date at the registered office of the Company within 30 (thirty) days from the receipt of the Offer Acceptance Notice by the Offering Party.
- 5.4.3 The Offered Party shall have the tag along right but not the obligation to sell and transfer such proportionate number of Shares ("**Tag Along Shares**") to the Third Party Buyer at the same price and on terms and conditions on which the Third Party Buyer agreed to purchase the Offered Shares from the Offering Party ("**Tag Along Rights**"). The Tag Along Shares shall be in proportion to the other Shares vis-à-vis the Shares held by the Offering Party (as an example, if an Offering Party proposes to sell 10% (ten percent) of its total Shareholding, the Tag Along Shares will be 10% (ten percent) of the total Shareholding of the Offered Party. In the event, the Offered Party exercises its Tag Along Rights, the Offered Party shall communicate its acceptance to the Offering Party within the Offer Period, as per Article 5.4.1(b) above. Upon the Offered Party exercising its Tag Along Rights, the Offering Party shall ensure that the Third Party Buyer shall purchase the Tag Along Shares from the Offered Party and make payment of the consideration to the Offered Party simultaneously with the Third Party Buyer purchasing the Offered Shares and making payment to the Offering Party for the same, whichever is earlier. The Offering Party shall also provide a representation to the Offered Party that no consideration, tangible or intangible, is being offered which is not reflected in the Offer Price (including a refund or discount).

ARTICLE 6

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTIES

6.1 Representations, Warranties and Covenants of JG:

JG represents, warrants and covenants to the Parties as follows:

- (a) JG has the power and authority to enter into this Agreement and to perform his obligations hereunder.

- (b) All actions on the part of JG necessary for the authorisation, execution and delivery of this Agreement by JG and for the performance of all of his obligations hereunder have been taken.
- (c) This Agreement constitutes valid, legally binding and enforceable obligations of JG.
- (d) JG has done or will do all acts, executed and delivered all instruments and documents, and done all things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.
- (e) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall violate, result in the breach of any material terms or provision of, or constitute a default under its statutes or regulations or any material agreement, indenture, instrument or order, law or regulation to which he is a party or by which he is bound.
- (f) The Shares being sold to IFFCO or its Affiliates, pursuant to this agreement are voting shares and are freely transferable, subject to compliance with the applicable United States Federal securities laws.

6.2 Representations, Warranties and Covenants of IFFCO:

IFFCO represents, warrants and covenants to the Parties as follows:

- (a) IFFCO is a multi-state co-operative society duly organized, validly existing and in good standing under the laws of India and has the power and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) All actions on the part of officers and directors of IFFCO necessary for the authorisation, execution and delivery of this Agreement by IFFCO and for the performance of all of its obligations hereunder have been taken.
- (c) This Agreement constitutes valid, legally binding and enforceable obligations of IFFCO.
- (d) IFFCO has done or will do all acts, executed and delivered all instruments and documents, and done all things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.
- (e) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall violate, result in the breach of any material terms or provision of, or constitute a default under its statutes or regulations or any material agreement, indenture, instrument or order, law or regulation to which it is a party or by which it is bound.

ARTICLE 7 TERM AND TERMINATION

7.1 Term:

This Agreement shall be valid and binding unless terminated in accordance with the provisions of this Agreement.

7.2 **Termination:**

This Agreement may be terminated by the Parties by mutual written agreement between the Parties and shall be terminated automatically in the event that any Party ceases to hold at least 3% (three percent) of the Share Capital, directly or indirectly. This Agreement may also be terminated in accordance with Section 7.3.4.

7.3 **Right to Terminate for Cause:**

7.3.1 Occurrence of any of the following events in respect of all of JG and Affiliates or IFFCO and Affiliates ("**Terminated Party**") shall be a Termination Event for the purpose of this Article 7.3:

- (a) if any Party is in breach of or fail to observe or comply with any material term, covenant or obligation contained in this Agreement or termination (due to breach) of any other agreement between the Parties or their respective Affiliates, relating to the Company;
- (b) Terminated Party goes into liquidation (other than a voluntary liquidation for the purpose of reconstruction and where all rights and obligations are validly assigned) or receivership or is otherwise insolvent or an order of winding up is passed by a competent court, as applicable.

7.3.2 In the event of the occurrence of a Termination Event, any Party (the "**Notifying Party**") shall give Notice of the alleged Termination Event ("**Determination Notice**") to the Terminated Party.

7.3.3 The Terminated Party shall have period of 30 (thirty) Business Days from the receipt of the Determination Notice to rectify the Termination Event. If such Termination Event is not reasonably capable of being rectified within such period of 30 (thirty) Business Days, the Terminated party shall take substantial and appropriate steps to effectuate such rectification within a period of 30 (thirty) Business Days from the receipt of the Determination Notice and rectify such Termination Event within a period of 60 (sixty) Business Days of the receipt of the Determination Notice (such period of 30 (thirty) Business Days or 60 (sixty) Business Days, as the case may be, the "**Rectification Period**").

7.3.4 If upon expiry of the Rectification Period, a Termination Event has not been so rectified,, the non-Terminated Party shall have the right to terminate this Agreement immediately upon written notice to the Terminated Party.

ARTICLE 8 INDEMNITY

8.1 **Indemnification:**

Each Party ("**Indemnifying Party**") hereby irrevocably and unconditionally agrees to indemnify and hold the other Party ("**Indemnified Party**") harmless from and against any and all liabilities, losses, damages, costs, claims, actions, proceedings, judgements, settlements, expenses or the like (collectively ("**Loss**") which may be suffered or incurred directly, but not consequentially, by the Indemnified Parties as a result of any misrepresentation or breach of any representation or warranty made by the Indemnifying Party in this Agreement or non-fulfillment of or failure to perform any covenant or obligation or agreement or undertaking contained in this Agreement by the Indemnifying Party.

8.2 Notice of Claim:

Any indemnifiable claim under this Agreement must, in order to be valid and effective hereunder, be asserted by the Indemnified Party by prompt delivery of written notice thereof to the Indemnifying Party delivered within 60 (sixty) Business Days of discovery by the Indemnified Party of the breach of the breach of the pertinent covenant or obligation.

8.3 Limitation of Liability:

The Parties (including for this purpose, their Affiliates) shall not be liable for each others indirect, special or consequential damages (including lost profits or lost revenues) under this Agreement, regardless of whether such liability arises in tort, contract, breach of warranty, indemnification or otherwise.

ARTICLE 9 CONFIDENTIALITY

9.1 Confidential Information:

For purposes of this Agreement, "**Confidential Information**" shall mean all written and/or tangible information created by the Company or disclosed by a Party (in either case "**Owner**") to the receiving Party ("**Recipient**") which is marked confidential or proprietary and/or not generally available to the public, including, but not limited to information relating to this Agreement, in whole or in part to present and future products, services, business plans and strategies, marketing ideas and concepts, present and future product plans, financial data and business plans. Notwithstanding the foregoing, information shall not be deemed confidential and the Recipient shall have no obligation with respect to any such information which:

- (a) is already known to the Recipient; or
- (b) is or becomes publicly known through no negligence or other wrongful act of the Recipient; or
- (c) is received by the Recipient from a third party without similar restriction and without breach of this Agreement; or
- (d) is independently developed by the Recipient.

Notwithstanding the foregoing, the Parties acknowledge and agree that as a public company registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, the Company shall be required to make public disclosure of the terms of this Agreement and the Share Options Agreement and to file copies of such Agreements with the Securities and Exchange Commission.

9.2 Treatment of Confidential Information:

From the execution of this Agreement and after the Recipient ceases to be a shareholder in the Company, the Recipient shall, and shall cause its Affiliates to, keep confidential and will not disclose, and will cause its Affiliates not to disclose, to Third Parties, the Confidential Information received from, or made available by the Owner and will use and cause its Affiliates to use the same level of care with respect to the Confidential Information as Recipient employs with respect to its own proprietary and confidential information of like importance, and will not use and will cause Affiliates not to use such Confidential Information for any purpose other than

the performance of its obligations under this Agreement.

9.3 Notice Prior to Disclosure:

If the Recipient (or its Affiliates) is required by Law (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, the Recipient will promptly notify the Owner of such request or requirement. If the Recipient (or any of its Affiliates) is compelled to disclose the Confidential Information or else stand liable for contempt or suffer other censure or significant legal penalty, the Recipient (or its Affiliate) may disclose only so much of the Confidential Information to the Party compelling disclosure as is required by Law.

9.4 Exercise of Due Diligence:

Each Party shall ensure that any of its employees involved in or otherwise having knowledge of any Confidential Information shall comply with the obligations set forth in this Article 9.

9.5 Disclosure of Confidential Information:

All Directors shall be entitled to be informed by the Party appointing such Director of all matters concerning the Company's affairs. Each Director and each Recipient undertakes to keep such information confidential and shall not use or disclose any Confidential Information to any third party for any unauthorized purpose and shall take all reasonable precautions for the safe custody of such Confidential Information for so long as it shall remain confidential or proprietary. The Parties shall however be permitted to disclose Confidential Information only to their directors, investors, investment advisors, lenders, employees and employees of investment advisors, other advisors, including financial and legal advisors, and agents or pursuant to any legally mandated reporting requirements, or as required pursuant to the constitutional documents of the Parties or the Affiliates of the Parties.

**ARTICLE 10
MISCELLANEOUS**

10.1 Notices:

Any notices, requests, demands or other communication required or permitted to be given under this Agreement shall be written in English and shall be delivered in person, or sent by courier or by certified or registered mail, postage prepaid or transmitted by facsimile and property addressed as follows:

If to IFFCO:

Name:	Indian Farmers Fertiliser Cooperative Limited
Address:	IFFCO Sadan, C-1 District Centre, Saket Place New Delhi - 110017
Attention:	Managing Director
Fax:	+91-11-40593101

If to the JG by international courier:

Name: Joseph Gutnick
Address: Level 8, 580 St Kilda Road
Melbourne Victoria 3004
Australia
Attention: Joseph Gutnick
Fax: +613-8352-2852

If to the JG by post:

Name: Joseph Gutnick
Address: P.O. Box 6315 St. Kilda Road Central,
Melbourne Victoria 8008
Australia
Attention: Joseph Gutnick
Fax: +613-8352-2852

or at such other address as the Party to whom such notices, requests, demands or other communication is to be given shall have last notified the Party giving the same in the manner provided in this Article 10.1, but no such change of address shall be deemed to have been given until it is actually received by the Party sought to be charged with the knowledge of its contents. Any notice, request, demand or other communication delivered to the Party to whom it is addressed as provided in this Article 10.1 shall be deemed (unless there is evidence that it has been received earlier) to have been given and received if:

- (f) sent by mail, except air mail, ten Business Days after posting it;
- (g) sent by air mail, six Business Days after posting it; and
- (h) sent by facsimile, when confirmation of its transmission has been recorded by the sender's facsimile machine.

10.2 Waiver of Rights:

Failure or delay on the part of either Party to exercise any right, power or privilege under this Agreement shall not operate as a waiver thereof; nor shall any single or partial non-exercise of any right, power or privilege preclude any other future exercise thereof.

10.3 Severability:

This Agreement is severable and if any provision hereof is determined to be illegal or unenforceable, the offending provision shall be struck off without affecting the remaining provisions of this Agreement, in which case, if appropriate and necessary, the Parties shall immediately consult with each other in order to find an equitable solution.

10.4 Surviving Provisions:

- 10.4.1 The rights and obligations of the Parties in respect of Articles 5, 8, 9 and 10 shall continue to have effect in accordance with their respective terms notwithstanding the termination of this Agreement.

10.4.2 The termination of this Agreement will not in any manner affect the rights and obligations in respect of antecedent breaches of this Agreement.

10.4.3 If either Party ceases to hold, directly or indirectly, at least 3% (three percent) of the Share Capital in the Company and this Agreement terminates, such Party shall, procure the removal of the Directors appointed by it in accordance with the provisions of Article 4.

10.5 Entire Agreement:

This Agreement and all annexures set forth the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior agreements, understandings and representations, written and oral.

10.6 Governing Law:

The validity, interpretation, implementation and resolution of disputes of this Agreement shall be governed by the laws of England.

10.7 Dispute Resolution:

- (a) In the event any dispute arises between the Parties out of or in relation to this Agreement, including any dispute regarding its interpretation, breach, termination or validity, the Parties shall attempt in the first instance to resolve such dispute through friendly and amicable consultations.
- (b) If a dispute arising between the Parties out of or in relation to this Agreement has not been resolved through consultations under Article 10.7(a) within thirty (30) days after the Party(ies) has served written notice on the other Party(ies) requesting the commencement of such consultations, then the dispute shall be referred to an arbitral tribunal. The arbitration proceedings shall take place in Singapore and be conducted in English in accordance with the provisions of Singapore International Arbitration Rules of arbitration as may be in force from time to time. The arbitration award shall be final and binding on the Parties, and the Parties shall be bound thereby and act accordingly. The costs of arbitration shall be borne by the Parties as designated in the arbitration award.
- (c) While any dispute is under consultation or arbitration, except for the matters under dispute, the Parties shall continue to exercise their remaining respective rights, and fulfill their remaining respective obligations in accordance with this Agreement.
- (d) Notwithstanding the existence of any dispute or difference between the Parties which is referred to settlement or, as the case may be, arbitration, all Parties shall, during the pendency of the settlement or, as the case may be, arbitration, continue to act on matters under this Agreement which are not the subject matter of the dispute or differences as if no such dispute or difference had arisen to the end and intent that the business and operations of the Company are not affected during the pendency of such settlement or arbitration.
- (e) The arbitration panel may not limit, expand or otherwise modify the terms of this Agreement.

10.8 Relationship:

Nothing in this Agreement shall be in any way construed to constitute either Party as the agent, employee or representative of the other.

10.9 Amendments:

This Agreement may be amended only by an instrument in writing signed by duly authorised representatives of each of the Parties.

10.10 Assignment:

Except as otherwise provided in this Agreement, the rights and obligations under this Agreement shall not be assigned by any Party to any person.

10.11 Counterparts:

This Agreement may be entered into in any number of counterparts each of which, when executed and delivered, shall be an original, but all the counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties by their duly authorised representatives have executed this Agreement on the day first above written

For **Indian Farmers Fertiliser Cooperative Limited**

For **Legend International Holdings, Inc.**

s/s/ U.S. Awasthi

s/s/ JI Gutnick

Name: U.S. Awasthi
Designation: Managing Director

Name: JI Gutnick
Designation: President & CEO

Date: July 14, 2008

Date: July 14, 2008

Witnessed by: Sanjay Jain

Witnessed by: Peter James Lee

ANNEXURE 1
AFFILIATE DEED OF ADHERENCE

This Affiliate Deed of Adherence ("**Affiliate Deed**") is executed this [●] day of [●] by [●], a company/body corporate incorporated under the laws of [●] having its registered office/principal place of business at [●] (the "**Transferee**").

WHEREAS:

- A. By a Shareholders Agreement dated [●] (the "**Shareholders Agreement**") among JG and IFFCO (collectively the "**Parties**"), the Parties agreed to regulation of their rights and liabilities as shareholders of the Company.
- B. The Shareholders Agreement requires, inter alia, that, concurrently with the ownership of Shares by any of the Parent's Affiliates, through Transfer of Shares or rights, by any Party ("**Parent**"), such Affiliates shall, as a condition of such Transfer of Shares to it execute this Affiliate Deed and be bound by the Shareholders Agreement.

NOW THIS AFFILIATE DEED WITNESSETH AS FOLLOWS:

1. Definition and Interpretation

Capitalised terms used but not defined in this Affiliate Deed shall, unless the context otherwise requires, have the respective meanings ascribed thereto in the Shareholders Agreement.

2. Undertakings

- 2.1 Transferee hereby acknowledges that it has received a copy, and has read and understands, the Shareholders Agreement, and covenants, agrees and confirms that it shall be bound by all provisions of the Shareholders Agreement as if it was an original party thereto, including with respect to the rights and obligations of the Parent contained therein, and the Shareholders Agreement shall have full force and effect on it, and shall be read and construed to be binding on it.
- 2.2 Transferee hereby further confirms that if at any time it ceases to be an Affiliate of the Parent it shall, upon or prior to ceasing to be an Affiliate, notify each of the Parent and the Company of such fact and Transfer to the Parent or to any other Affiliate of the Parent designated by the Parent, all of the Shares then held by the Transferee.

3. Governing Law

The Affiliate Deed shall be governed by and construed in accordance with the laws of England. The terms and conditions of the Shareholders Agreement in relation to the provisions regarding arbitration and other terms and conditions shall be deemed to have been incorporated in this Affiliate Deed.

Signed by:

By: [●]
Name: [●]
Title: [●]

ANNEXURE 2
UNANIMITY MATTERS

1. Amendment to the Company's Certificate of Incorporation to increase the number of authorized shares of capital stock.
2. Appointment and removal of a President Chairman and Chief Executive Officer.
3. Transactions relating to the sale, transfer or disposal of assets and substantial investment in property, plant, equipment or other facilities in excess of USD 10 million at any one time that are not part of the yearly budget. Loans and guarantees or other security in excess of USD5 million except in the ordinary course of business.
4. Any amalgamation, merger or de-merger involving the Company other than spinning off the interests in the diamond and base metals business maintaining the same shareholding pattern in the spun off entity..
5. To approve: (a) the yearly budget, the business plans and the strategic plans of the Company; and (b) expenditures that exceed the approved yearly budget by more than 15%.
6. To approve any investment of surplus funds (excluding bank deposits or the purchase of short-term investments) outside of the Business in an amount exceeding 5 million in a single tranche of deployment.
7. To change auditors or appoint or change internal auditors.
8. To enter into or modify any arrangement or agreement, which provides any special rights upon any shareholder of the Company outside of this Agreement;
9. To commence any activity or operations which is not a part of the Company's Business (which shall include present Northern Territory Tenements and exploration for gold, diamonds and base metals on these tenements) and to diversify into any new products/services other than fertilizer business through a joint venture or otherwise.