



LEGEND MINING LIMITED

ACN: 060 966 145
ABN: 22 060 966 145

ANNOUNCEMENT

MUNNI MUNNI JOINT VENTURE IN \$3.1 MILLION SILVER TAILINGS DEAL

Legend Mining Limited wishes to announce a deal has been concluded with MKS Capital Limited (MKS), part of an International precious metals trading and financial services group, in regard to the silver tailings at the Elizabeth Hill project near Karratha in Western Australia, as follows:

- MKS will pay a minimum consideration of A\$3,100,000 to the Joint Venture parties in the proportions of 30% Legend Mining Limited, 70% East Coast Minerals NL.
- The first payment of A\$1,000,000 will be made after the signing of a formal Agreement and fulfilment of Conditions Precedent (satisfaction date) being within 45 days of the 28th September, 2001.
- An additional A\$1,000,000 is payable within 90 days following the satisfaction date and at least a further A\$1,100,000 within 120 days from the satisfaction date.
- Should the A\$ silver price for the first two business days following the date of signing of the formal Agreement exceed A\$8.50 per ounce, then MKS will pay the Joint Venture parties an additional A\$6,000 for each 1 cent the silver price is above A\$8.50 per ounce. This additional consideration will be paid within 120 days following the satisfaction date.
- MKS is to install at its own cost and liability the necessary retreatment and processing plant and equipment.
- All vat leach and tailings dam site rehabilitation costs will be met by MKS.

ON BEHALF OF THE BOARD OF LEGEND MINING LIMITED

MURRAY McDONALD
Director

1 October 2001

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