



LEGEND MINING LIMITED

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LEGEND GRABS GOLDEN OPPORTUNITY AT GIDGEE

Legend Mining is now set to make the transition from gold explorer to producer next month when it takes over the operating 70,000 ounces per year Gidgee gold mine in Western Australia's highly prospective northern goldfields.

Legend will outlay just \$3.5 million in cash up to 30 June 2004 to acquire an operation that in the last quarter alone generated revenue of \$9.3 million and a cash surplus of \$3.4 million.

The total acquisition cost of \$6.5 million includes the cash component, \$1 million in shares (16.7 million new shares at 6 cents to Abelle Limited) and \$2 million for environmental bonds.

To cement the purchase, Legend today confirmed it had paid a \$200,000 deposit. The final step is the formality of shareholder approval at the general meeting on 15 December to place up to 50 million shares to raise \$4 million.

Legend managing director Murray McDonald said Gidgee is a tremendous acquisition at a great price, providing significant upside for Legend shareholders.

"It means Legend will be producing gold in the latter half of December," he said.

"Gidgee is one of those projects that keeps on going, having produced more than 1 million ounces of gold since 1987 from open pit and underground operations."

"In the September quarter alone, Gidgee produced 17,065 ounces of gold grading 5.85 g/t at a cash operating cost of A\$345 per ounce."

Mr McDonald went on to say that Gidgee is a perfect fit for Legend, being a solid producing asset, plus our exploration team knows the area well.

"Our immediate focus will be on converting resources into reserves at the Swan Bitter underground mine. Then we will move on the strategic opportunity embracing the 200,000 ounce Kingfisher and 300,000 ounce Wilsons deposits where we aim to open these up as new ore sources as quickly as possible," he said.

"While we will control over 600 km² of highly prospective gold country, our regional exploration effort will initially focus on the 2.5 kilometre strip between Swan Bitter and Kingfisher."

"The exploration potential of this 2.5 kilometre zone is considered to be enormous as there has been little drilling below 80 metres. It makes good business and economic sense for us to focus on this area as it is only a stone's throw from the mill," he said.

Gidgee became available following the takeover of Abelle by Harmony Gold and the subsequent disposal of some of the group's non-core Australian assets. Legend also welcomes the fact that Abelle will become a significant shareholder and thereby retain a strong interest in the project.

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