



12 August 2008

ASX Announcement

ATO RULING ON NOVEMBER 2007 DISTRIBUTION OF APEX SHARES

Legend Mining Limited (ASX: LEG) ("Legend") is pleased to advise that the Australian Taxation Office (ATO) has published its Class Ruling on the distribution in specie of 1 ordinary share in Apex Minerals NL (ASX: AXM) ("Apex") for every 33.8285 ordinary Legend shares (the "Distribution") held on 2 November 2007 ("Record Date"). The Distribution was approved by Legend shareholders at a General Meeting on 25 October 2007.

Background on return of capital

The shareholders of Legend approved the Distribution of 34mil Apex shares following the sale by Legend of the Gidgee Gold Project to Apex. Based on the closing price of Apex shares of \$1.27 at the Record Date, the Distribution equated to 3.75 cents per Legend share.

The value of the 34 mil Apex shares distributed in specie to Legend shareholders was \$43,180,000.

Class Ruling

The ATO has confirmed Legend's accounting treatment of the distribution in specie, namely that \$30,334,386 (approximately 70.25%) is a return of capital and \$12,845,614 (approximately 29.75%) is an unfranked dividend.

Example

A Legend Shareholder who held 100,000 ordinary shares at the Record Date received 2,956 Apex shares under the Distribution. As the closing price of Apex shares was \$1.27 at the Record Date, the value of the 2,956 Apex shares was \$3,754.12. Based on the ATO Class Ruling, for taxation purposes:

1. Return of Capital is calculated as 70.25% of \$3,754.12 = \$2,637.27
2. Unfranked Dividend is calculated as 29.75% of \$3,754.12 = \$1,116.85

Website

A full copy of ATO Class Ruling on Legend's website: www.legendmining.com.au (and click on - Reports & Announcements) explains the income tax and capital gains tax implications of the Distribution for Legend shareholders.

Dividend Statement

Now that it has received the ATO Class Ruling, Legend will now send out a Dividend Statement to all shareholders registered on the Record Date.

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Overseas Resident Shareholders and Australian Resident Shareholders who did not provide their Tax File Numbers

Legend was required to withhold tax from the Distribution made to Overseas Resident Shareholders and Australian Resident Shareholders who did not provide their Tax File Numbers. Following finalisation of the ATO Class Ruling, these shareholders are entitled to a refund of excess tax withheld which Legend will pay in cash as soon as possible.

Disclaimer

Please note that the information in this announcement should not be viewed as specific tax advice and is intended as a general guide only. Each Shareholder should obtain specific taxation advice on the effect of the ATO Class Ruling, taking into account their particular circumstances.

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