

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

LEGEND MINING LIMITED

ABN

22 060 966 145

Quarter ended ("current quarter")

30 September 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	9	41
1.2 Payments for		
(a) exploration and evaluation	(1,769)	(3,696)
(b) development	-	-
(c) production	-	-
(d) administration	(194)	(999)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	86	146
1.5 Interest and other costs of finance paid	(574)	(988)
1.6 Income taxes paid	-	-
1.7 Other		
Sale of Gold from Mill clean	13	450
DoIR rent refunds on tenement application withdrawals	35	367
Net Operating Cash Flows	(2,394)	(4,679)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(125)	(125)
(c) other fixed assets	(118)	(203)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	11	11
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other		
Repayment of Performance Bond Deposits	-	3,145
Non refundable deposit on proposed sale of Joint Venture Interest	-	11
Net investing cash flows	(232)	2,839
1.13 Total operating and investing cash flows (carried forward)	(2,626)	(1,840)

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1.13	Total operating and investing cash flows (brought forward)	(2,626)	(1,840)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	10,733	10,733
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(3,000)	(3,000)
1.18	Dividends paid	-	-
1.19	Other		
	Application monies for Rights Issue	(3)	386
	Payment of costs of Rights Issue	(452)	(452)
	Net financing cash flows	7,278	7,667
	Net increase (decrease) in cash held	4,652	5,827
1.20	Cash at beginning of quarter/year to date	1,583	408
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	6,235	6,235

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	116
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors salary & consultancy fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	3,145	3,145
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,767
4.2 Development	-
Total	2,767

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,220	1,583
5.2 Deposits at call	5,015	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,235	1,583

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil	Nil	Nil	Nil
6.2 Interests in mining tenements acquired or increased	E51/1144	Granted	0%	100%
	E51/1145	Granted	0%	100%
	E53/1215	Granted	0%	100%
	E53/1216	Granted	0%	100%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	861,564,429	861,564,429		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	402,986,107	402,986,107	4.0	Fully paid
7.5 +Convertible debt securities <i>(description)</i>	-			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- (1)			
7.7 Options <i>(description and conversion factor)</i>	15,000,000 2,000,000 1,500,000 286,986,107	- - - 152,786,107	<i>Exercise price</i> 20.0 10.0 30.0 4.0	<i>Expiry date</i> 20.04.2007 07.02.2008 30.07.2009 31.07.2008
7.8 Issued during quarter	412,086,107	152,886,107	4.0	31.07.2008
7.9 Exercised during quarter	125,100,000	100,000	4.0	31.07.2008
7.10 Expired during quarter	50,000	-	20.0	30.07.2007
7.11 Debentures <i>(totals only)</i>	-			
7.12 Unsecured notes <i>(totals only)</i>	-			

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 27 October 2006.....
(Company secretary)

Print name: Tony Walsh

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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