



## DECEMBER 2007 QUARTERLY REPORT

24 January 2008

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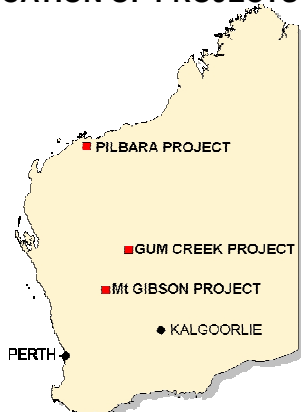
### PROJECTS

**Pilbara:** nickel-copper & zinc-copper

**Gum Creek:** copper-nickel-PGE, gold

**Mt. Gibson:** zinc-copper-gold

### LOCATION OF PROJECTS



### HIGHLIGHTS

- **First drill programmes provide geochemical encouragement for nickel at Gum Creek**
- **Tenement grant progress at Pilbara Project**
- **\$13M cash balance after \$43M distributed to shareholders by return of capital**

### OVERVIEW

Legend is well placed for a productive year.

At Gum Creek, the results of the early aircore and diamond drill programmes have given encouragement for the presence of nickel sulphide. Our ground EM programme has resumed following the Christmas break and RC drilling will recommence in early February. Once the results from all of these activities are collated we will be able to determine the direction of our future programmes.

The previously reported VTEM and ground EM results at our Pilbara Project have identified 11 anomalies ready to drill. Further tenements were advertised during the quarter with more to follow shortly. The grant process is expected to commence in March 2008 and Legend expects to be on the ground drilling in the second quarter this year.

Oxiana has progressed preparation and planning for the 2008 exploration programme at Mt Gibson.

The sale of the Gidgee Gold Project to Apex Minerals NL resulted in the return of capital of 34 million Apex shares, valued at \$43 million, to Legend shareholders on 12 November 2007. Many Legend optionholders exercised their options early, to become entitled to the Apex share distribution thereby raising more than \$8 million. The net result - Legend has a cash balance of \$13 million at the end of the quarter including a \$1.389 million cash deposit with Macquarie Bank which is security for Legend's Environmental Bonds.

Legend is also considering new project opportunities.



## 1. Gum Creek Project

The Gum Creek Project is divided into three areas, Bungarra, Thangoo and Woodley, and considered prospective for both intrusion-related (Cu-Ni-PGE) and komatiite flow-related (Ni) sulphide mineralisation, see Figure 1.

### Bungarra

#### *Python Diamond Drillhole*

Legend announced results from diamond drillhole LGCD001 at the Python prospect on 15 November 2007. The drillhole was completed to a depth of 200.8m and designed to target beneath an outcropping Ni-Cu-PGE gossan and intersect a strong coincident electromagnetic conductor. The drillhole details are presented in Table 1.

**Table 1: LGCD001 Diamond Drill Hole Details**

Hole ID	Easting MGA_94	Northing MGA_94	Dip	Azimuth (Magnetic)	Final Depth
LGCD001	750040	6980350	-70 <sup>0</sup>	270 <sup>0</sup>	200.8m

LGCD001 was drilled proximal to the basal margin of the Bungarra Intrusive Complex (BIC) and intersected predominantly gabbroic rocks of the BIC with some subordinate intervals of pyritic, felsic volcanic rocks representing the country rock external to the intrusion. The gabbro contains disseminated pyrite of between 1% and 4% throughout the entire hole, while trace amounts (<1%) of pyrrhotite are also observed.

A broad zone with anomalous PGE values was intersected from 7m downhole returning an interval of 8m @ 291 ppb Pt+Pd, 0.10% Ni, 0.21% Cu, associated with gossanous material hosted in strongly weathered gabbro. This interval lies at the contact between the gabbro and a felsic volcanic.

A sulphide zone occurs at a downhole depth of 51.4m to 56.5m hosted by gabbroic rock that is also in contact with felsic volcanic rock, suggesting a basal position for the sulphide zone. The 5.1m downhole interval contains sulphide at an overall abundance of 10% with zones of massive sulphide up to 80%. This zone returned an intersection of 5.6m @ 317 ppb Pt+Pd, 0.16% Ni, 0.15% Cu from 51.4m.



A summary of anomalous PGE assay results is provided in Table 2 below.

**Table 2: LGCD001 - Summary Assay Results**

Hole ID	From (m)	To (m)	Int (m)	Pt (ppb)	Pd (ppb)	Pt+Pd (ppb)	Ni (%)	Cu (%)
LGCD001	7	15	8	35	256	291	0.10	0.21
LGCD001	40.7	41.2	0.5	150	511	661	0.25	0.29
LGCD001	51.4	57	5.6	49	268	317	0.16	0.15
LGCD001	69	70	1	159	212	371	0.03	0.08
LGCD001	138	140	2	108	62	170	0.07	0.14
Nickel (Ni) and Copper (Cu) assayed by XRF. Platinum (Pt), Palladium (Pd) assayed by 40g fire assay (lead collection) ICP-MS at Ultra Trace Pty Ltd, Perth. Sampling based on nominal 1m intervals of half-NQ2 drill core unless otherwise indicated. 1 percent (%) = 10,000 parts per million (ppm). 1 part per million (ppm) = 1,000 parts per billion (ppb)								

These results provided strong encouragement to warrant follow-up RC drill testing of the basal margin of the BIC along strike to the north and south of LGCD001, see below.

### ***Python RC Drilling***

A total of seven Reverse Circulation (RC) drillholes (LPYC001-007) for a total of 904m were completed at the Python prospect on 11 December 2007. The drilling was located along strike of diamond drillhole LGCD001, targeting beneath gossanous float with coincident ground EM conductors, interpreted to be associated with the basal margin of the BIC. All assay results are pending.

### **Thangoo & Woodley**

#### ***Aircore Drilling Results***

Legend announced the results from aircore drilling at Thangoo and Woodley on 30 October 2007. The programme comprised 137 holes for 7,458m, along 17 regional traverses targeting ultramafic units identified previously by ground reconnaissance and/or interpreted from aeromagnetic data, see Figure 2.

Ultramafic rocks with classic spinifex and olivine cumulate textures (and interbedded black shales) were intersected on a number of traverses. This together with high MgO values (>18%) from bottom-of-hole samples, confirmed the ultramafics as komatiites. Minor disseminated sulphide hosted by komatiite was also observed in several holes at Thangoo.



The drilling intersected broad zones of elevated nickel closely associated with high chromium values, summarised in Table 3 and Figure 2. These results provide encouragement for the possible presence of nickel mineralisation at depth or along strike.

**Table 3: Aircore Drill Results >0.5% Ni**

Hole	Easting	Northing	From	To	Int	Ni %	Cr %	Cu %	Co %
LGCA072	739700	6969900	16	60	44	0.51	1.11	0.001	0.022
Incl.			24	36	12	0.68	1.31	0.001	0.040
LGCA073	739750	6969900	24	28	4	0.53	0.05	0.020	0.059
LGCA079	739400	6970600	8	41 Eoh	33	0.52	1.25	0.006	0.035
LGCA114	740950	6965600	12	67 Eoh	55	0.51	0.75	0.006	0.055
LGCA117	741100	6965600	12	32	20	0.53	1.09	0.005	0.042
LGCA121	741300	6965600	24	56	32	0.63	0.71	0.007	0.067
All aircore holes inclined -60° deg to 270°, co-ordinates GDA_94 Zone 50. Samples collected by scoop and composited over 4m intervals. Nickel (Ni), Chromium (Cr), Copper (Cu) & Cobalt (Co) assayed by XRF at Ultra Trace Pty Ltd, Perth.									

### ***Thangoo RC Drilling***

A total of eight RC holes (LTHC001-008) for a total of 1,209m were completed at Thangoo on 19 December 2007. The drilling was targeting anomalous Ni-Cu geochemistry and favourable geological units (komatiite-black shale contacts) identified in the recent aircore drilling programme. All assay results are pending.

### ***Thangoo Ground EM Survey***

Based on the aircore drill results and favourable geology at Thangoo, two ground EM surveys covering 5.5km strike length of ultramafic units were planned. The northern survey area was completed in late December 2007, while the southern survey is currently underway. Results of the surveys will be reported following data processing and interpretation.

### **Next Phases of Work**

A full interpretation of diamond/RC drilling results and ground EM data will be undertaken at the Python Prospect

A full interpretation of aircore/RC drilling results, incorporating the results of the soon to be completed ground EM surveys at Thangoo will be undertaken. It is envisaged that this work will define further aircore and RC drill targets.



Three RC drillholes at Dugite (2) and Adder (1) prospects on the eastern margin of the BIC targeting EM conductors are scheduled for late January 2008.

Follow-up aircore drilling (7,000m) at Thangoo and Woodley is scheduled for March-April 2008. An RC rig has also been booked (5,000m) for May 2008 to test targets generated at both Thangoo and Bungarra

## **2. Pilbara Project**

### **Tenement Status**

During the reporting period a further two exploration licences covering approximately 325km<sup>2</sup> were advanced in the grant process, following Section 29 Native Title advertising, giving an approximate grant date of April 2008. Legend is continuing to progress its remaining tenement applications in the Project.

### **Legend 100% Tenure**

A total of 82 soil samples were collected from four VTEM anomalies, Chapman (33), Varcoe (18), Milburn (17), Thorp (14), see Figure 3. The sampling was centred on the strongest part of the anomalies with the aim of identifying elevated base metal and gold geochemistry.

Anomalous copper results were returned from a traverse at Chapman, with a maximum value of 1,080ppm Cu associated with subcropping gabbro. These anomalous results coincide with the modelled ground EM conductor increasing the potential of the prospect.

### **Mt Marie JV (Legend earning 70%, Fox Resources Limited 100% diluting)**

A total of 44 soil samples were collected from three VTEM anomalies, Osborne (26), Hickmott (11) and Paton (7) on Mt Marie JV tenements, see Figure 3. No significant results were returned, which was not totally unexpected given there is no surface expression of the modelled ground EM conductors.

It is envisaged that the two exploration licences comprising the Mt Marie JV Project will be Section 29 advertised in late January, giving a May 2008 grant date.



### **Next Phases of Work**

VTEM data processing and interpretation will be completed during the next quarter and all anomalies ranked to prioritise follow-up activities.

Drilling of previously identified VTEM/ground EM targets will follow the grant of tenure.

### **3. Mt Gibson Project (Farm-In & Joint Venture: Oxiana earning 75%)**

The Mt Gibson Project (zinc-copper-gold) is the subject of a Farm-In and Joint Venture Agreement between Legend and Oxiana Exploration Pty Ltd, a wholly-owned subsidiary of Oxiana Limited (ASX:OXR), signed on 31 August 2007. The Project is considered prospective for volcanic-hosted massive sulphide style mineralisation similar to Oxiana's world-class Golden Grove Mine situated 100km to the north.

During the quarter, Oxiana continued to develop an exploration strategy for the Project and commenced relogging historic drillholes and interrogating the extensive geochemical dataset. Drillhole targeting will be undertaken during the first quarter of 2008 with downhole geophysics and diamond drilling planned to commence in the second quarter of 2008.

### **4. Corporate**

The return of capital of 34 million Apex Minerals NL ordinary shares, as approved by shareholders at the General Meeting on 25 October 2007, was completed on 12 November 2007. The return of capital was valued at \$43.4 million being 3.75 cents per Legend share. The Company has received a draft tax ruling from the Australian Taxation Office ("ATO") on what proportion of the return of capital will be deemed an unfranked dividend and therefore what proportion is deemed a return of capital. The Company's tax specialists are engaged in further dialogue with the ATO on this draft tax ruling and the Company will advise shareholders of the outcome as soon as possible.

During the quarter a total of 209,098,405 listed and unlisted 4 cent options were exercised prior to the return of capital, thereby raising \$8,363,936. As a result of the return of capital, the exercise price of the listed 4 cent options was reduced to 0.25 cents per option. A further 9,710,109 listed 0.25 cent options have been exercised since the return of capital thereby raising an additional \$24,275.



M.W. ✓

**Mark Wilson**

Managing Director

24 January 2008

*The information in this announcement that relates to Exploration Results has been reviewed by Mr Derek Waterfield, a Member of the Australian Institute of Geoscientists and a full time employee of Legend Mining Limited. Mr Waterfield has sufficient relevant experience in the styles of mineralisation and types of deposit under consideration, and in the activity he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code), and consents to the inclusion of the information in the form and context in which it appears.*



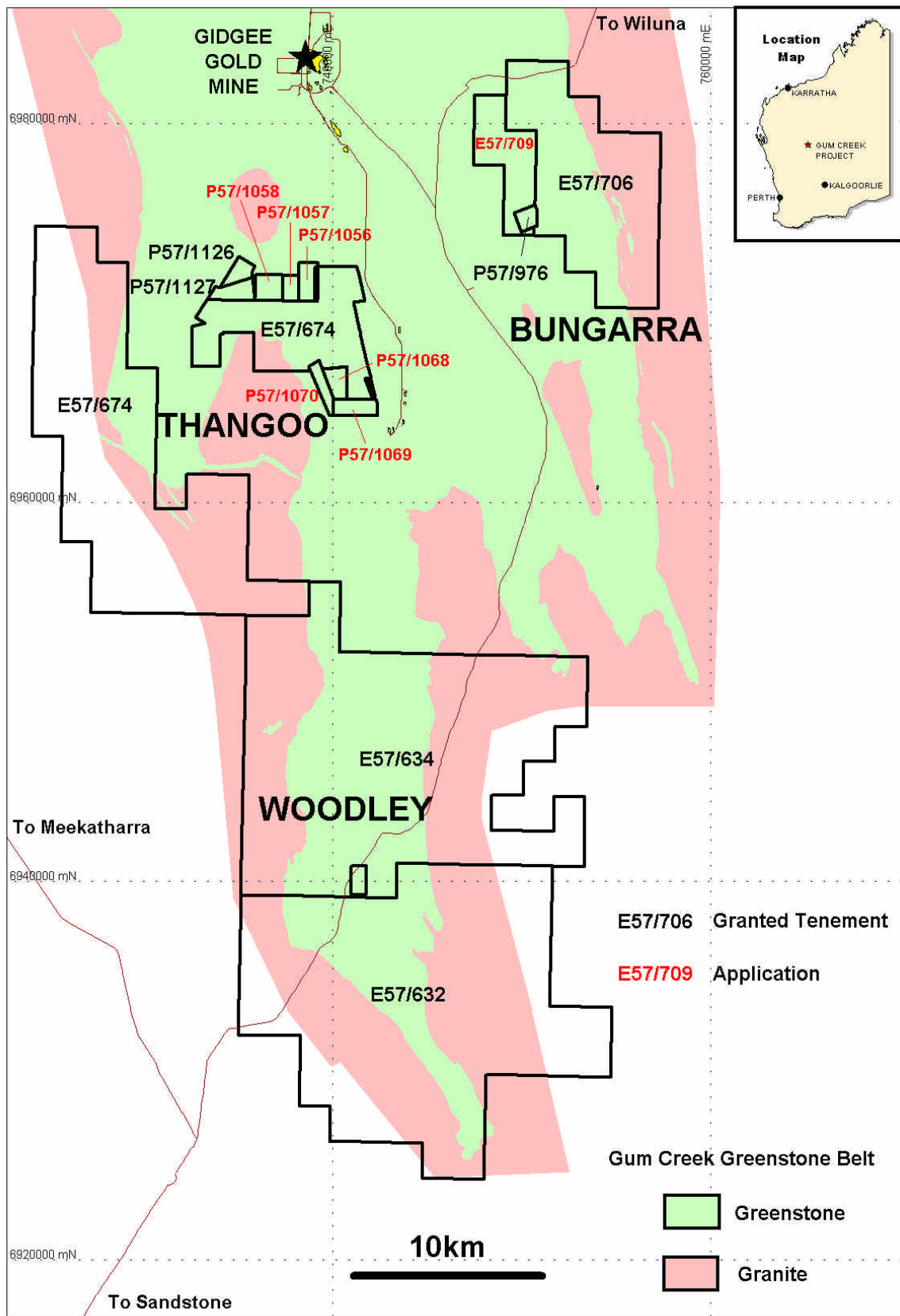


Figure 1: Gum Creek Project



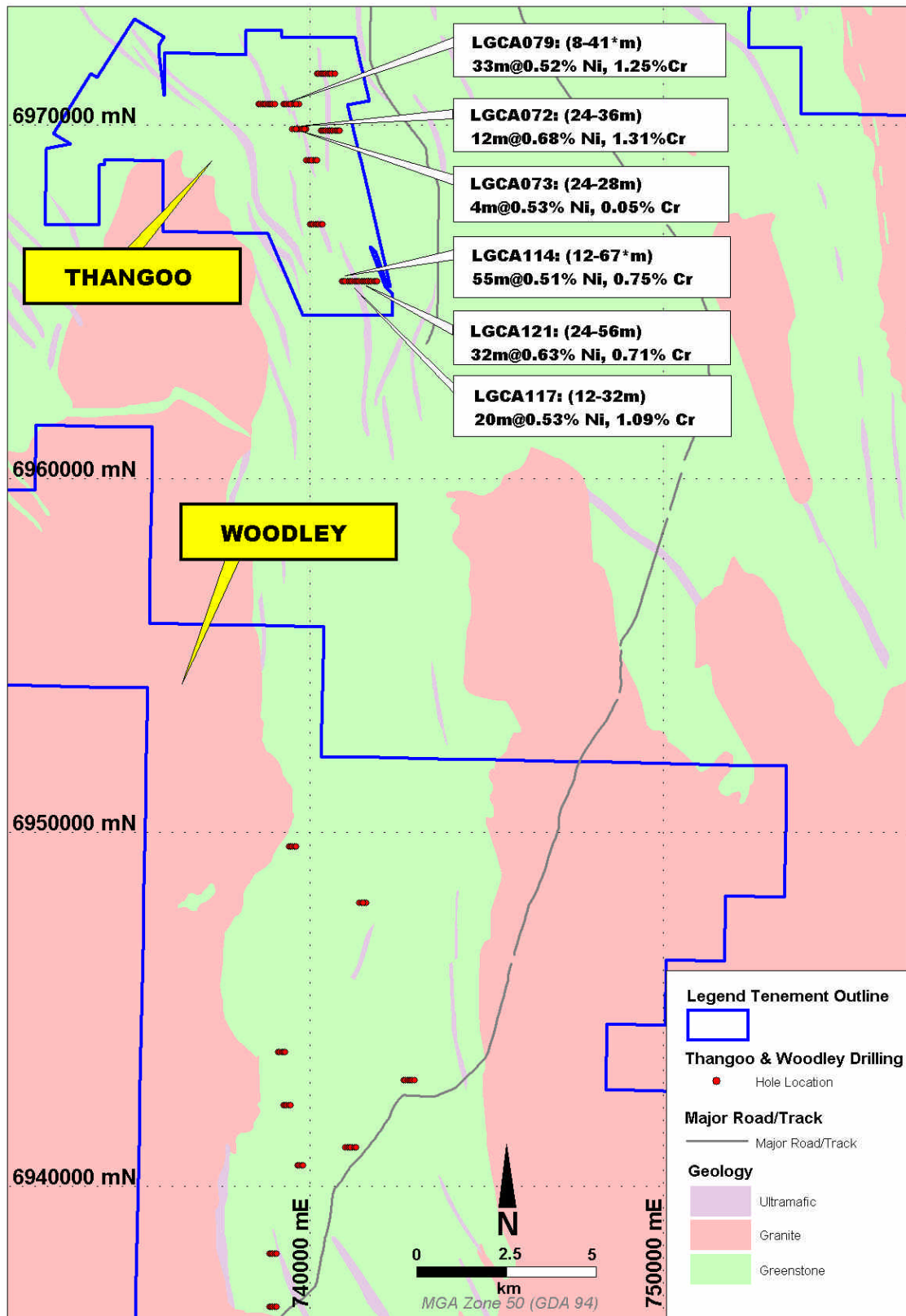
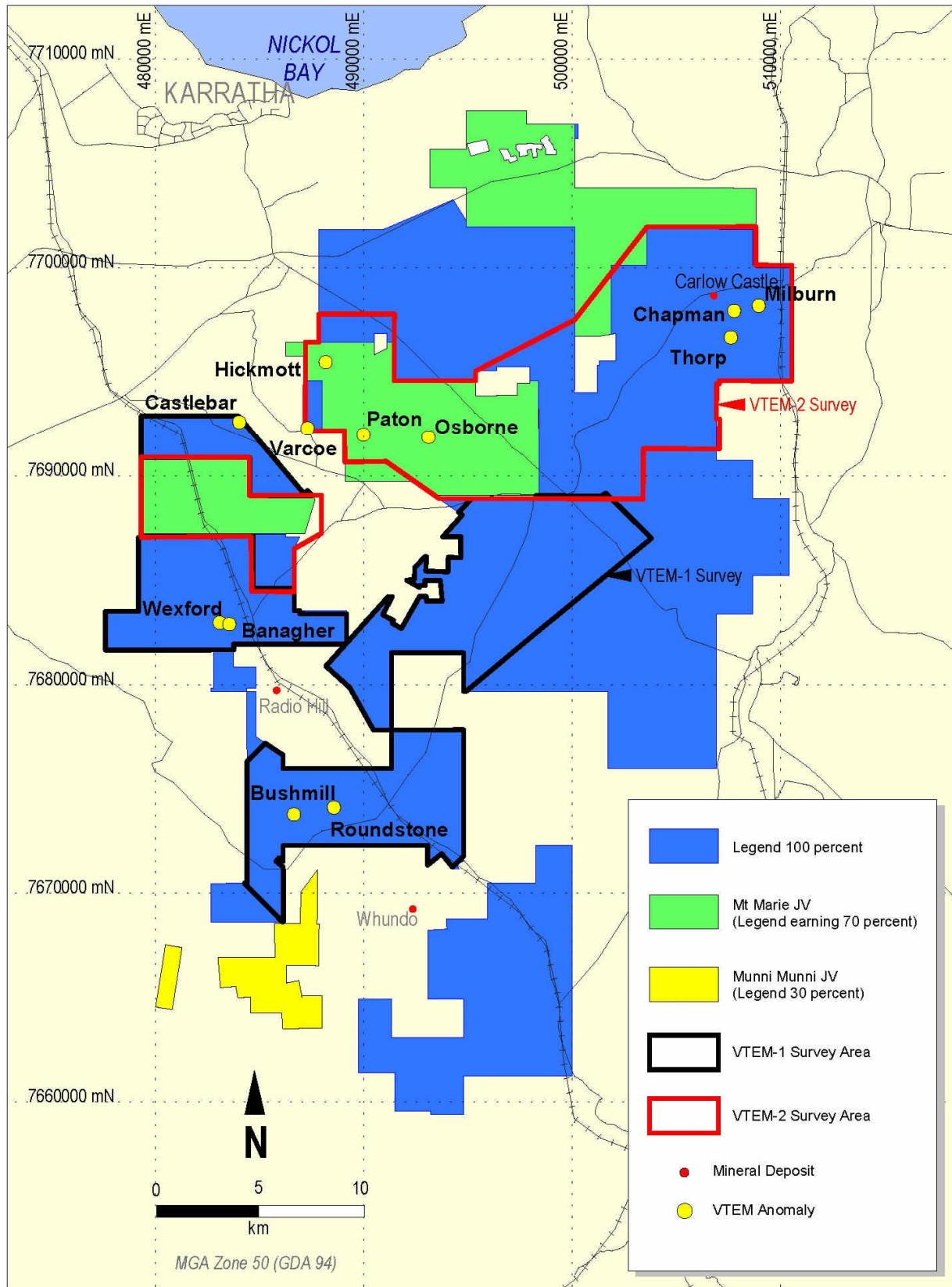


Figure 2: Gum Creek Project – Aircore Drill Hole Locations with >0.5% Nickel Results



**Figure 3: Pilbara Project Location Plan**