

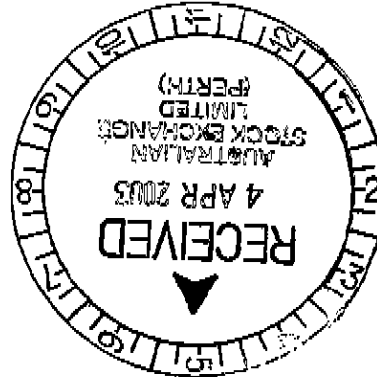


# LEGEND MINING LIMITED

ACN: 060 966 145  
ABN: 22 060 966 145

Australian Stock Exchange  
Level 8  
Exchange Plaza  
2 The Esplanade  
Perth W.A 6000

Attention: *Marian Tang*



Dear Ms Tang

We acknowledge your letter of 31<sup>st</sup> March 2003.

Currently the company has on issue a Prospectus in respect of raising up to \$422,346.00.

## (1) Capital Raising progress

The offer to shareholders was closed on Monday 31<sup>st</sup> March 2003 and discussions are underway with several parties, supportive of the Company, in regard to placement of the shortfall to successfully conclude the raising of funds over the next 30 days.

The Company has successfully completed all prior capital raisings since the original IPO of 1995 as evidenced by previous Appendix 3B lodgements and ASX announcements.

These funds will allow the Company to not only meet its existing commitments/creditors but also to fund the on going programme on the high grade gold-copper resource at Carlow Castle near Karratha.

## (2) Working Capital deficiency

As regards the disclosed working capital deficiency this consists in the main of two deferred debts due in the September and December quarters 2003.

As disclosed in the statutory accounts, the loan agreements provide that a large portion of the debt may be settled by conversion to equity and discussions in relation to settlement will be held closer to the end of their term. In the interim we have kept the lenders fully informed as to the financial and operating status of the Company.

The company does not operate an overdraft and has no bank debt.

The current Prospectus discloses in detail the company's financial position.

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**(3) Cashflow**

As requested we enclose a copy of the cash flow budget as presented to our auditors in March 2003.

We point out that the company has a viable and valuable exploration project at Carlow Castle near Karratha with existing mineral resources, discovered by the company (as previously reported).


In view of the value of this project the Directors have confidence in their ability to raise funds as allocated in the cash flow projections.

**(4) ASX Listing Rule 3.1**

In view of the above we are of the opinion that the Company has complied and will continue to comply with the requirements of Listing Rule 3.1 "Continuous Disclosure" and to maintain a financial condition, despite the extremely difficult equity environment, to satisfy the ASX guidelines as per Listing Rule 12.2.

Thank you for your enquiry.

Yours faithfully  
Legend Mining Limited



Greg Ledger  
Company Secretary  
Friday 4<sup>th</sup> April 2003

**Legend Mining Limited**

Cashflow Budget	Quarter to 30-Jun-03	Quarter to 30-Sep-03	Quarter to 31-Dec-03
Administration Cost	60,250	60,250	60,250
Creditors	132,855	52,000	37,000
Debt Repayment	-	125,000	250,000
Exploration	30,000	30,000	30,000
Discretionary Expenses	30,642	30,642	30,742
Subtotal	253,747	297,892	407,992
Placements	400,000	400,000	250,000
Monthly Balance	146,253	102,108	157,992
<b>Cumulative Balance</b>	<b>146,253</b>	<b>248,361</b>	<b>90,369</b>

**ASX**

AUSTRALIAN STOCK EXCHANGE

**FAXED**  
31 March 2003

Mr Greg Ledger  
Company Secretary  
Legend Mining Limited  
Suite 1, 46 Ord Street  
WEST PERTH WA 6005

By facsimile: 9322 3800

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Dear Mr Ledger

**DECEMBER 2002 FINANCIAL STATEMENTS and LISTING RULE 12.2**

We refer to the annual financial statements for the year ended 21 December 2002 (the "Financial Statements") for Legend Mining Limited (the "Company"), lodged recently with Australian Stock Exchange Limited ("ASX").

We have reviewed the Financial Statements and note the following.

1. Revenues from ordinary activities of \$52,000.
2. Loss from ordinary activities of \$1,871,000.
3. Working capital deficiency of \$551,000.
4. Net operating cash flows of (\$194,000).
5. Cash of \$376,000.
6. An audit report containing a statement of Inherent Uncertainty Regarding Continuation as a Going Concern.

We refer you to ASX Listing Rule 12.2 which states:

*"An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing."*

In light of the matters discussed above please provide the following.

1. The Company's comments on its compliance with ASX listing rule 12.2, including full details on what actions the directors of the Company are taking to improve the Company's financial position.

We note that subsequent to the December 2002 year end, the Company has initiated a capital raising to raise up to \$422,000. In responding to the above question, you may wish to provide an update as to the amount of funds raised pursuant to this capital raising.

2. A quarterly cashflow budget through to December 2003.

Please provide your response in a format suitable for release to the market. ASX would appreciate receiving your response as soon as possible and in any event, no later than 5pm W.S.T on Friday, 4 April 2003.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

#### Trading halt

If you are unable to respond by the time requested, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and the guidance note titled "Trading halts" we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Should you have any queries in relation to this letter, please do not hesitate to contact me.

Yours sincerely

  
Marian Tang  
Senior Companies Advisor