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A.C.N. 060 966 145

## **HALF-YEAR REPORT**

**30th JUNE 2008**

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### Web

[www.legendmining.com.au](http://www.legendmining.com.au)

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[legend@legendmining.com.au](mailto:legend@legendmining.com.au)

### ASX Codes

LEG – ordinary shares

LEGO – options

## COMPANY DIRECTORY

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### Directors

Michael William Atkins (Chairman)  
Mark William Wilson (Managing Director)  
Dermot Michael Ryan (Non-executive Director)

### Secretary

Tony Walsh

### Registered Office

Level 2  
640 Murray Street  
PO Box 626  
WEST PERTH, WA 6005

Telephone: (08) 9212 0600

Facsimile: (08) 9212 0611

### Bankers

National Australia Bank  
1232 Hay Street  
WEST PERTH, WA 6005

### Auditors

Stantons International  
Level 1, 1 Havelock Street  
WEST PERTH, WA 6005

### Home Exchange

Australian Securities Exchange Ltd  
2 The Esplanade  
PERTH WA 6000

### Share Registry

Advanced Share Registry Services  
110 Stirling Highway  
NEDLANDS, WA 6009

Telephone: (08) 9389 8033

Facsimile: (08) 9389 7871

### Lawyers

Pullinger Readhead Lucas  
Level 1, Fortescue House  
50 Kings Park Road  
WEST PERTH, WA 6005

## DIRECTORS' REPORT

The Directors submit their report for the half-year ended 30 June 2008.

### DIRECTORS

The names and details of the Company's Directors in office during the financial period and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Michael Atkins (Chairman, Non Executive Director)

Mark Wilson (Managing Director)

Dermot Ryan (Non Executive Director)

### NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities during the period of the entities within the consolidated entity were:-

- exploration for gold and base metal (zinc-copper-gold, nickel-copper, zinc-copper and copper-gold) deposits.

### RESULTS OF OPERATIONS

The loss of the consolidated entity for the half-year was (\$219,793) (2007: loss \$6,445,976) after income tax.

### REVIEW OF OPERATIONS

This half year saw Legend's projects being progressed in an orderly manner. In summary:

1. Legend is exploring the Pilbara and Gum Creek Projects. Drill programs, soil sampling and geophysical surveys are some of the techniques being employed to consistently develop new drill targets.
2. The Mt Gibson Joint Venture will see Oz Minerals Ltd (formerly Oxiana) inject up to \$10 million to explore the asset, meaning Legend shareholders have no additional financial risk, but will still benefit from any discoveries with a minimum 25% holding in the JV.

The mining and processing operations at the Mt Gibson project remain on care and maintenance.

## AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

We have received the Declaration of Auditor Independence from Stantons International, the Company's Auditor, this is available for review on page 16.

**SIGNED in accordance with a Resolution of the Directors on behalf of the Board**

M. Wilson

**M Wilson**  
**Managing Director**

Dated this 11<sup>th</sup> day of September 2008

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**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

	Note	CONSOLIDATED	
		2008 \$	2007 \$
<b>Continuing Operations</b>			
Sales revenues		-	-
Cost of sales		-	-
Gross profit/(loss)		-	-
Rental revenue	3(a)	10,143	7,500
Finance revenue	3(b)	438,828	246,635
Other income	3(c)	129,199	25,015
Deferred exploration expenditure written off	3(e)	(55,562)	(5,409,595)
Other expenses	3(f)	(75,534)	(427,833)
Corporate head office expenses		(640,190)	(676,329)
Finance costs		(26,677)	(211,369)
Net loss from continuing operations before income tax expense		(219,793)	(6,445,976)
Income tax benefit/ (expense)		-	-
<b>Net loss attributable to members of the entity</b>		<b>(219,793)</b>	<b>(6,445,976)</b>
<b>PROFIT/(LOSS) PER SHARE (cents per share)</b>			
Basic profit/(loss) for the period	4	0.019 cents	(0.69 cents)
Diluted profit/(loss) for the period	4	0.019 cents	(0.69 cents)

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 30 JUNE 2008**

	Notes	CONSOLIDATED	
		As at 30 June 2008	As at 31 December 2007
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	10,951,638	11,913,555
Trade & other receivables		169,236	98,137
Prepayments		37,143	339,594
Other financial assets		-	321,025
<b>Total Current Assets</b>		<b>11,158,017</b>	<b>12,672,311</b>
<b>Non-current Assets</b>			
Deferred tax asset		1,018,901	902,732
Other financial assets	7	1,541,339	1,544,931
Property, plant & equipment	8	528,473	535,257
Deferred exploration costs	9	10,435,226	9,303,553
<b>Total Non-current Assets</b>		<b>13,523,939</b>	<b>12,286,473</b>
<b>TOTAL ASSETS</b>		<b>24,681,956</b>	<b>24,958,784</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	10	221,303	224,016
Income tax payable		95,723	376,597
Provisions		62,346	104,592
<b>Total Current Liabilities</b>		<b>379,372</b>	<b>705,205</b>
<b>Non-current Liabilities</b>			
Provisions		1,563,676	1,472,840
Deferred tax liability		2,512,196	2,311,121
<b>Total Non-current Liabilities</b>		<b>4,075,872</b>	<b>3,783,961</b>
<b>TOTAL LIABILITIES</b>		<b>4,455,244</b>	<b>4,489,166</b>
<b>NET ASSETS</b>		<b>20,226,712</b>	<b>20,469,618</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Contributed Equity	11	36,545,069	36,385,772
Share option premium reserve		3,241,607	3,192,481
Shares to be issued		6,400	-
Equity revaluation reserve		-	237,936
Accumulated losses		(19,566,364)	(19,346,571)
<b>TOTAL EQUITY</b>		<b>20,226,712</b>	<b>20,469,618</b>

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

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	<b>CONSOLIDATED</b>	
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	139,032	193,582
Payments to suppliers and employees	(310,173)	(542,928)
Payment for exploration and evaluation	(1,187,235)	(1,620,839)
Interest received	423,069	245,327
Interest paid	(14,579)	(211,369)
Net cash flows used in operating activities	(949,887)	(1,936,227)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant & equipment & scrap	10,000	-
Purchase of property, plant & equipment	(78,440)	(146,876)
Payment for Performance Bonds	3,592	-
Net cash flows from/ (used in) investing activities	(64,848)	(146,876)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of ordinary shares	46,418	17,285
Proceeds from shares to be issued	6,400	-
Net cash flows from financing activities	52,818	17,285
Net increase/(decrease) in cash and cash equivalents	(961,917)	(2,065,818)
Cash and cash equivalents at the beginning of period	11,913,555	8,924,983
Cash and cash equivalents at end of period	10,951,638	6,859,165

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

Consolidated	Issued Capital	Shares to be issued	Share Option Premium Reserve	Equity Revaluation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$		\$	\$
At 1 January 2008	36,385,772	-	3,192,481	237,936	(19,346,571)	20,469,618
Profit for the period	-	-	-	-	(219,793)	(219,793)
Issue of options	-	-	49,126	-	-	49,126
Exercise of share options	46,418	6,400	-	-	-	52,818
Cost of issue of share Capital	195,968	-	-	-	-	195,968
Return of capital	(83,089)	-	-	(237,936)	-	(321,025)
At 30 June 2008	<u>36,545,069</u>	<u>6,400</u>	<u>3,241,607</u>	<u>-</u>	<u>(19,566,364)</u>	<u>20,226,712</u>
At 1 January 2007	57,328,816	-	3,115,335	-	(31,802,994)	28,641,157
Loss for the period	-	-	-	-	(6,445,976)	(6,445,976)
Issue of options	-	-	126,270	-	-	126,270
Exercise of share option	17,285	-	-	-	-	17,285
Cost of issue of share capital	-	-	-	-	-	-
At 30 June 2007	<u>57,346,101</u>	<u>-</u>	<u>3,241,605</u>	<u>-</u>	<u>(38,248,970)</u>	<u>22,338,736</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

**NOTE 1: CORPORATE INFORMATION**

The financial report of Legend Mining Limited (the Company) for the half-year ended 30 June 2008 was authorised for issue in accordance with a resolution of the Directors on 11 September 2008.

Legend Mining Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Legend Mining Limited as for the year ended 31 December 2007.

It is also recommended that the half-year financial report be considered together with any public announcements made by Legend Mining Limited and its controlled entities during the half-year ended 30 June 2008 in accordance with the continuance disclosure obligations arising under the Corporations Act 2001.

**(a) Basis of preparation**

The half-year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half-year report has been prepared on a historical cost basis except for available-for-sale investments which have been measured at fair value.

The financial report is presented in Australian dollars and all values are expressed as whole dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discreet reporting period.

**(b) Significant accounting policies**

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 31 December 2007.

**(c) Basis of consolidation**

The half-year consolidated financial statements comprise the financial statements of Legend Mining Limited and its subsidiaries as at 30 June 2008 ('the Group').

**(d) Estimates**

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2007.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

**NOTE 3: REVENUE AND EXPENSES**

	<b>CONSOLIDATED</b>	
	<b>June 2008</b>	<b>June 2007</b>
	\$	\$
<b>Revenues and expenses from continuing operations</b>		
<b>a) Rental Revenue</b>		
Rental revenue	10,143	7,500
<b>b) Finance Revenue</b>		
Bank interest received and receivable	438,828	246,635
<b>c) Other Income</b>		
Hire of camp facilities	-	55
Field work completed by Legend geologists	40,038	14,800
Payment for aeromagnetic data	-	5,000
Refunds from DOIR	89,161	-
Reimbursement of premises expenses	-	5,160
	129,199	25,015
<b>d) Employee Benefits Expense</b>		
Salaries & On costs	123,878	235,700
Share Based Payments	49,126	77,144
Other Employee Benefits	2,715	2,483
	175,719	315,327
<b>e) Deferred Exploration Expenditure written off</b>		
Write down of deferred exploration expenditure	55,562	5,409,595
<b>f) Other Expenses</b>		
Depreciation	75,025	102,410
Loss on sale of Plant & Equipment	509	
Provision for write-down in Plant & Equipment	-	315,075
Other non-operating expenditure	-	10,348
	75,534	427,833

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

<b>NOTE 4: LOSS PER SHARE</b>	<b>June 2008</b>	<b>June 2007</b>
	\$	\$
(a) Reconciliation of earnings to net loss:		
Net Profit/(Loss)	(219,793)	(6,445,976)
Profit/(Loss) used in the calculation of basic loss per share	<u>(210,793)</u>	<u>(6,445,976)</u>
 (b) Weighted average number of shares on issue during the financial period used in the calculation of basic loss per share		
	1,172,335,738	924,300,176
Weighted average number of ordinary shares on issue used in the calculation of diluted loss per share	<u>1,172,335,738</u>	<u>924,300,176</u>

**NOTE 5: SEGMENT INFORMATION**

The Company operates in one business and geographical segment, being the mining and exploration for gold and base metals (nickel-copper-zinc) in Australia.

**NOTE 6: CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>	
	<b>June 2008</b>	<b>December 2007</b>
	\$	\$
Cash at bank and in hand	312,733	442,865
Short term deposits	10,638,905	11,470,690
Total Cash and Cash Equivalents	<u>10,951,638</u>	<u>11,913,555</u>

**NOTE 7: OTHER FINANCIAL ASSETS**

	<b>Consolidated</b>	
	<b>June 2008</b>	<b>December 2007</b>
	\$	\$
<b>Current</b>		
Shares in Apex Minerals NL at market value	-	<u>321,025</u>
<b>Non-current</b>		
Performance and other bonds (a)	<u>1,541,339</u>	<u>1,544,931</u>

(a) Terms and conditions relating to the above financial instruments

- Non-Current Rehabilitation/Performance bonds– bank deposits were held as security for rehabilitation and credit cards, as a security deposit for the premises rented and as security for joint venture assets. These bonds were held on 90 day term deposits at 7.80%, 182 day term deposit at 5.25% or on 7 months at 7.15%.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

	<b>Buildings</b>	<b>Plant and equipment</b>	<b>Total</b>
<i>Consolidated</i>			
At 1 January 2008, net of accumulated depreciation	163,323	371,934	535,257
Additions	-	78,440	78,440
Disposals	-	(10,199)	(10,199)
Depreciation expense	(28,404)	(46,621)	(75,025)
At 30 June 2008, Net of accumulated depreciation	<u>134,919</u>	<u>393,554</u>	<u>528,473</u>
At 1 January 2008			
Cost	284,040	1,110,537	1,394,577
Accumulated depreciation	(120,717)	(738,603)	(859,320)
Net carrying amount	<u>163,323</u>	<u>371,934</u>	<u>535,257</u>
At 30 June 2008			
Cost	284,040	755,795	1,039,835
Accumulated depreciation	(149,121)	(362,241)	(511,362)
Net carrying amount	<u>134,919</u>	<u>393,554</u>	<u>528,473</u>
<i>Consolidated</i>			
At 1 January 2007, net of accumulated depreciation	321,921	1,463,930	1,785,851
Additions	-	202,737	202,737
Disposals	(84,620)	(1,182,912)	(1,267,532)
Depreciation expense	(73,978)	(111,821)	(185,799)
At 31 December 2007, Net of accumulated depreciation	<u>163,323</u>	<u>371,934</u>	<u>535,257</u>
At 1 January 2007			
Cost	468,725	2,625,996	3,094,721
Accumulated depreciation	(146,804)	(1,162,066)	(1,308,870)
Net carrying amount	<u>321,921</u>	<u>1,463,930</u>	<u>1,785,851</u>
At 31 December 2007			
Cost	284,040	1,110,537	1,394,577
Accumulated depreciation	(120,717)	(738,603)	(859,320)
Net carrying amount	<u>163,323</u>	<u>371,934</u>	<u>535,257</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

**NOTE 9: DEFERRED EXPLORATION COSTS**

	Consolidated	
	June 2008	December 2007
	\$	\$
Deferred exploration and evaluation	8,762,723	7,631,050
Deferred mining information	1,672,503	1,672,503
	10,435,226	9,303,553
(a) Deferred exploration and evaluation costs	June 2008	June 2007
	\$	\$
At 1 January, at cost.	7,631,050	19,473,189
Expenditure incurred during the period	1,187,235	1,620,839
Expenditure written off during the period (ii)	(55,562)	(5,409,595)
At 30 June, at cost. (iii)	8,762,723	15,684,433
(b) Deferred Mining Information		
At 1 January, at cost.	1,672,503	1,672,503
At 30 June, at cost. (iii)	1,672,503	1,672,503

**Note:**

- (i) As part of the continuing tenement rationalisation, Legend Mining Limited lodged new tenement applications over areas covered by Gidgee Resources Limited tenement application. Expenditure allocated to these Gidgee Resources Limited tenements was reassigned to the new tenement applications.
- (ii) Carrying values for certain tenements were reviewed and subject to the following conditions being met;
- (1) no substantive expenditure for further exploration in the specific areas has been budgeted for;
  - (2) exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources;
  - (3) it was decided to discontinue such activities in the specific areas;
- (iii) The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

**NOTE 10: TRADE AND OTHER PAYABLES**

	June 2008	December 2007
	\$	\$
<b>Current – unsecured</b>		
Trade payables	163,720	192,447
Other payables & accruals	57,583	31,569
	221,303	224,016

Terms and conditions relating to the above financial instruments

- (i) Trade payables are non-interest bearing and normally settled on 30 day terms.
- (ii) Other payables are non-interest bearing and normally settled as they fall due.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

**NOTE 11: CONTRIBUTED EQUITY**

<b>Consolidated and Company</b>		
	<b>Jun-08</b>	<b>Dec-07</b>
	<b>\$</b>	<b>\$</b>
<b>Ordinary shares</b>		
Issued and fully paid	37,888,287	68,176,255
Issue costs	(1,343,218)	(1,539,186)
Return of Capital	-	(30,251,297)
	36,545,069	36,385,772
<b>Movement in ordinary shares on issue 2008</b>		
	<b>Jun-08</b>	<b>\$</b>
At 1 January 2008	1,159,911,684	36,385,772
Issued in period		
2-Jan-08 Issued for cash on exercise of share options	1,511,666	3,778
5-Feb-08 Issued for cash on exercise of share options	760,804	1,902
19-Feb-08 Issued for cash on exercise of share options	12,924,000	32,310
16-Apr-08 Issued for cash on exercise of share options	1,343,554	3,358
15-May-08 Issued for cash on exercise of share options	303,333	758
17-June-08 Issued for cash on exercise of share options	3,324,909	8,312
Reimbursements for options not converted	-	(4,000)
Cash received from issue of share capital in period		46,418
Deferred tax asset on capital raising costs		195,968
Return of capital	-	(83,089)
	1,180,079,950	36,545,069

Effective 1 July 1998, the Corporations legislation in place abolished the concept of authorised share capital and par value shares. Accordingly the Company does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

**NOTE 12: RELATED PARTY DISCLOSURES**

**(i) Wholly-owned group transactions**

Loans made by Legend Mining Limited to wholly-owned subsidiaries are repayable on demand and are not interest bearing.

**(ii) Other related party transactions**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**(iii) Ultimate parent**

Legend Mining Limited is the ultimate parent company.

**(iv) Loans to related parties**

Legend Mining Limited have advanced/ (received) the following loans to/(from) its subsidiary companies at the half-year ended 30 June 2008

	<b>June-08</b>	<b>Dec-07</b>
Gibson Metals Pty Ltd	142,356	496,089
Armada Mining Limited	572,199	-
Gidgee Resources Limited	-	(287,666)
	-	(287,666)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2008**

**NOTE 13: COMMITMENTS**

(a) Exploration expenditure commitments.

In order to maintain current rights of tenure to exploration tenements, the Company will be required to outlay approximately \$642,200 in the following 12 months, (previous 12 months: \$3,205,940) in respect of tenement lease rentals and to meet minimum expenditure requirements of the Department of Industry & Resources. These obligations are expected to be fulfilled in the normal course of operations and have not been provided for in the financial report.

This is the maximum commitment to exploration, to fully meet DOIR requirements. In practice, Legend has routinely applied for and been granted exemptions from meeting these requirements on a tenement by tenement basis. As a result the actual amount required to be expended on exploration is expected to be less than \$642,200, while still holding all the tenements in good standing.

There has been no material change of any contingent liabilities during the half-year.

No matter or circumstances has arisen since the end of the half-year to the date of this report which has significantly effected, or may significantly effect, the operations of the consolidated entity the results of those operations or the state of affairs of the consolidated entity.

The consolidated entity's activities in Australia are subject to the Native Titles Act and the Department of Environment. Uncertainty associated with Native Title issues may impact on the Company's future plans.

There are no unresolved Native Title issues and the consolidated entity is not aware of any other matters that may impact upon its access to the land that comprises its project areas.

**NOTE 14: EVENTS AFTER THE BALANCE SHEET DATE**

A letter agreement has been signed with Extension Hill Pty Ltd (EHPL) on 11 June 2008 whereby EHPL is leasing the accommodation facilities at the Mt Gibson Project for three years at an annual rental of \$500,000 per year. The commencement date of the lease is 4 August 2008. Legend is retaining exclusive use of some facilities to enable the conduct of the Oxiana joint venture exploration activities.

29,307,285 options exercisable at 0.25 cents have been converted into shares since 30 June 2008 representing an additional \$73,268 in capital raising. In addition 1,196,704 options exercisable at 0.25 cents expired on the 31 July 2008.

**NOTE 15: DIVIDENDS PAID AND PROPOSED**

No dividends were paid or proposed this financial period.

There are no franking credits available for future reporting periods.

## DIRECTOR'S DECLARATION

In accordance with a resolution of the Directors of Legend Mining Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes, of the consolidated entity, are in accordance with the Corporations Act 2001, including;
  - i. Giving a true and fair view of the consolidated entity's financial position as at 30 June 2008 and their performance for the year ended on that date; and
  - ii. Comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.

M. Wilson

**M. Wilson**  
**Managing Director**

**Dated this 11<sup>th</sup> day of September 2008**



# Stantons International

ABN 41 103 088 697

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WEST PERTH WA 6005, AUSTRALIA  
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11 September 2008

Board of Directors  
Legend Mining Limited  
Level 2, 640 Murray Street  
WEST PERTH WA 6005

Dear Sirs

**RE: LEGEND MINING LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Legend Mining Limited.

As Audit Director for the review of the financial statements of Legend Mining Limited for the six months ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely  
**STANTONS INTERNATIONAL**  
(Authorised Audit Company)



**John P Van Dieren**  
Director

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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF LEGEND MINING LIMITED

#### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Legend Mining Limited, which comprises the condensed balance sheet as at 30 June 2008, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the entity's financial position as at 30 June 2008 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Legend Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we

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would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

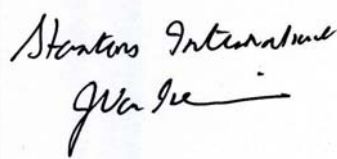
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Legend Mining Limited on 11 September 2008.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Legend Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

**STANTONS INTERNATIONAL**  
**(Authorised Audit Company)**



Stantons International  
John P Van Dieren

**John P Van Dieren**  
**Director**

West Perth, Western Australia  
11 September 2008