

LEGEND MINING LIMITED

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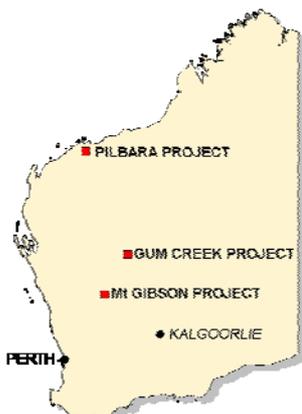
PROJECTS

Pilbara: nickel-copper, zinc-copper, iron ore

Gum Creek: copper-nickel-PGE, gold, iron ore

Mt Gibson: zinc-copper-gold

LOCATION OF PROJECTS



HIGHLIGHTS

- **Current cash and investments valued at \$19.5 million.**
- **Strong financial performance with \$540K of income largely offsetting \$650K expenses.**
- **Significant profit made on sale of Independence Group shares.**
- **Exploration programmes ongoing.**

OVERVIEW

Legend has continued to strengthen its financial position this quarter while maintaining progress on its exploration tenements. The company is continuing to evaluate prospective projects for investment.

In the Pilbara, the Company is in negotiations over a Heritage Agreement. Once this is concluded Legend can commence planned drilling programmes on both its 100% owned and Joint Venture tenements.

At Gum Creek, the Company has done further ground reconnaissance and modelling over electromagnetic anomalies and conductors. A drilling plan has been prepared which is expected to begin in the September quarter.

The Company continues to build its structural and geological database on gold mineralisation for its Mt Gibson Project. Assessment of the results and possible drill testing will commence in the next quarter.

Legend's financial and investment management has placed it in a strong position to review and undertake due diligence on new projects. It continues to assess numerous opportunities to increase shareholder wealth.

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1. Pilbara Project

The Pilbara Project is located 7-50km south of Karratha in the northwest of Western Australia, (Figure 1) and comprises 686km² of granted tenements and tenement applications. Legend has previously defined 14 priority drill targets from airborne Versatile Time Domain Electromagnetics and ground EM surveys. The Project is considered prospective for nickel-copper, copper-zinc and iron ore.

No field work was completed during the quarter, due to delays in finalising the terms of a Heritage Agreement with the Ngarluma Aboriginal Corporation.

Munni Munni JV (Legend 30%, East Coast Minerals NL 70%)

A 22 hole (3,050m) RC drilling programme has been planned over the JV ground following up geophysical features identified during the recently completed ground EM and SAM (Sub-Audio Magnetics) surveys. The drilling is targeting VHMS style base metal and silver mineralisation.

This drilling programme requires heritage and statutory clearances before commencement.

Pilbara Project - Next Phases of Work

- Heritage Agreement negotiations with the Ngarluma Aboriginal Corporation to continue.
- Drilling of previously identified VTEM/ground EM and iron ore targets, following signing of Heritage Agreement and receiving all statutory clearances.

2. Mt Gibson Project

During the quarter work commenced on Stage 2 of the “Mt Gibson Targeting Project” by Predictive Discovery Pty Ltd using technology developed at CSIRO in the Predictive Mineral Discovery Co-operative Research Centre. This work was undertaken following encouraging results from Stage 1, and aims to build on the structural and geological knowledge relating to gold mineralisation, gained through Stage 1.

Stage 2 involves applying “large”, “camp” and “deposit” scale models to identify areas of maximum dilation and fluid flow, and relate these results back to known positions of gold mineralisation. The objective is to define favourable positions or plunging shoots of high grade ore similar to the Wombat deposit, which averaged 7.6 g/t Au.

The Mt Gibson Project also remains prospective for volcanic-hosted massive sulphide (VHMS) style mineralisation similar to Oz Minerals' world-class Golden Grove Mine situated 100km to the north, see Figure 1.

Mt Gibson Project - Next Phases of Work

- Assess the results of the Stage 2 "Mt Gibson Targeting Project" and undertake drill testing of any prospective gold targets identified.

3. Gum Creek Project

The Gum Creek Project is considered prospective for intrusion-related (Ni-Cu-PGE), komatiite flow-related (Ni) sulphide mineralisation and iron ore, see Figure 1.

West Bungarra JV - E47/709 (Legend 70%, Gateway Mining Ltd 30%)

The ground EM anomaly identified in the southern part of E47/709 was modelled, defining three moderate to strong conductors. The conductors have depths ranging from 30m to 100m and strike E-W and WNW-ESE with vertical to steep northerly dips.

Ground reconnaissance over the EM conductors was undertaken. Three rockchip samples of ferruginous/gossan material returned a maximum gold value of 377 ppb Au. Drill testing of these features is planned.

Gum Creek Project - Next Phases of Work

- Further follow-up of the EM conductor is planned to assist the positioning of drillholes.
- Drilling is expected to be undertaken during the September quarter.

4. Corporate

Treasury Operations

Investment in Independence Group Ltd (IGO)

Legend sold 1,500,000 of its share holding in IGO for \$4,965,000 at a profit of \$2.713M. This sale released the capital for the investment in Apex Minerals NL (documented below) with the company still having a residual holding of 1,900,000 IGO shares.



Investment in Apex Minerals NL (AXM)

Legend participated in a placement (\$2,000,000 – 10,000,000 shares) and sub underwrote a rights issue (\$3,000,000 – 15,000,000 shares) in AXM at the price of 20 cents per share. Legend now holds 25,000,000 AXM shares at a cost of \$5,000,000.

Sale of Assets at Mt Gibson

Legend has sold the two remaining ball mills at Mt Gibson to Dominion Mining and some miscellaneous equipment to others for a total of \$284,000. In addition Legend has accepted an offer from Interquip to purchase some of the remaining equipment, principally the crushing circuit, for \$150,000. This will essentially leave the mill site ready for scrap metal merchants to clean up with a rehabilitation exercise to follow with a view to diminishing the environmental liability on the tenement.

Annual General Meeting

The Annual General Meeting was held on 28 May 2009 with all resolutions passed by a unanimous show of hands at the meeting.

A handwritten signature in black ink, appearing to read 'M. Wilson' followed by a long horizontal stroke.

Mark Wilson

Managing Director

24 July 2009

The information in this quarterly report that relates to Exploration Results has been compiled 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.

Legend Mining Limited Location of Projects



Figure 1: Project Location

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