



LEGEND MINING LIMITED

ACN: 060 966 145
ABN: 22 060 966 145

Legend Acquires Producing WA Gold Mine

Gidgee Gold Mine

- Legend moves from silver to gold producer by acquisition of Gidgee Gold Mine
- Over 1 million ounces already mined from project area, north of Sandstone
- 122,979 ounces of gold poured in the last two years
- Mining revenue \$9.3 million for September 2003 Quarter
- Resources of 515,000 ounces of gold as at 30 June 2003
- 600,000 tpa CIP plant
- Over 600 square kilometres of greenstone belt with excellent potential
- Total acquisition costs of \$6.5 million (including bonds of \$2mill)

Legend Mining has entered into agreement with Abelle Limited ("Abelle") to purchase the Gidgee Gold Project, an operating gold mine north of Sandstone in Western Australia. Total production from Gidgee to date is in excess of one million ounces from both underground and open pit mining.

THE GIDGEE GOLD MINE

The project covers over 600km² of the highly prospective Gum Creek greenstone belt and includes a 600,000tpa CIP plant and fly in fly out campsite, an operating gold mine and a substantial resource/reserve inventory.

During the September 2003 quarter, the Gidgee mine generated a cash operating surplus for Abelle of \$A3.44 million from revenue of \$A9.3 million, producing a total of 17,065 ounces of gold at a cash operating cost of \$A345/oz.

During the year ended 30 June, 2003, Abelle's gross revenue was \$27,884,000. Abelle's operating statistics at Gidgee, as reported in their 2003 Annual Report is as follows:

Total Mine Production:	
- High Grade Ore Mined	261,854 tonnes
- Ore Grade	5.85 g/t Au
Low Grade:	
-Low grade Ore Milled	170,943 tonnes
-Ore Grade	0.80 g/t Au
Gold produced:	50,567 oz Au
Cash Operating Costs	\$A428/ oz

Reported resources at 30 June 2003 stand at:

Measured	161,000 tonnes	@ 7.0g/t Au	36,213 oz
Indicated	1,350,000 tonnes	@ 6.7g/t Au	292,000 oz
Inferred	935,000 tonnes	@6.2 g/t Au	<u>187,592 oz</u>
			<u>515,705 oz</u>

(This statement has been prepared by Bob Watchorn, BAppSc,Geol (WASM)MSc, FAusIMM, CP (Geol) who is a competent person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, and who consents to the inclusion in this report of the matters based on their information in the form and context in which it appears)

This opportunity for Legend to acquire such a quality mining asset comes from Abelle's current focus on its world class mining projects in New Guinea. The Gidgee Mine operates at a cash operating surplus, as indicated in the above figures, and in particular those relating to the quarter ended 30 September 2003.

FORWARD PLANNING

The Directors of Legend intend to maintain the current profitable mining operations at Gidgee. These operations are expected to produce sufficient cash flow to pay for ongoing operations as well as underground exploration, and some regional exploration. Legend intends to maintain current exploration activities both around the immediate mine area and also at nearby previously mined open pits (where significant potential exists to open up new mining operations for treatment at the existing mill).

TERMS OF THE ACQUISITION ARE;

Non refundable deposit	\$A 200,000
Cash at Settlement	\$A 1,300,000
Gold in Circuit, Stores (estimated)	\$A 500,000
Shares in Legend -16,667,000 shares at 6cps	\$A 1,000,000
Final payment (on or before 30 th June 2004)	\$A 1,500,000
Replacement of DOIR performance bonds	<u>\$A 2,000,000</u>
TOTAL	<u>\$A 6,500,000</u>

Legend will seek shareholder approval for this acquisition in a General Meeting to be held on or about 15 December 2003. Legend will take over the operation of the Project on payment of the first \$1.5 million, comprising a deposit of \$200,000 payable within 14 days and the balance following a capital raising to be approved by shareholders at the General Meeting. The total acquisition price is \$6.5million, which includes replacement of Department of Industry and Resources (“DOIR”) bonds (\$2mill), gold in circuit, and stores. The exact distribution of gold in circuit and stores will be calculated on handover expected to be a few days after shareholder approval

The Directors expect the initial cash component of \$2mill to be met by the initial capital raising, details of which will be finalised and reported in the near future. This Placement will be subject to shareholders approval in the general meeting to be convened on or about 15 December 2003.

The final payment of up to \$1.5mill (30th June 2004) will be met by either: cash flow generation, debt or equity or a combination thereof. A final decision will be made in respect of this element of the consideration by the 31st March 2004.

Legend will seek shareholder approval at the abovementioned meeting to issue 16,667,000 shares in Legend at an issue price of six cents per share in satisfaction of \$1 million of the purchase consideration.

A final cash payment of \$1.5mill (secured over the plant) is to be paid to Abelle on or before the 30th June 2004 however as an incentive for early payment Abelle has agreed to reduce this payment by \$200,000 if paid on or before the 31st March 2004.

In respect of the DOIR bonds Abelle has currently in place bonds to the value of approximately \$2mill and Legend will replace the appropriate bonds through a bank guarantee security on the plant ranking above the security to Abelle in respect of the final payment of \$1.5mill.

The Directors are in the process of finalising exact details in respect of the initial capital raising mentioned above and will advise the market in the near future. For the purposes of the attached Proforma Balance Sheet, a Placement of 50 million shares at 10 cents per share has been assumed for illustrative purposes. The pricing of the Placement will be determined in accordance with market conditions at the time of arranging the Placement.

A pro-forma balance sheet showing the effect of this transaction is attached to this announcement.

ABOUT LEGEND MINING

Legend listed on the ASX in August 1995. It has been involved in the mining of more than 2.5 million ounces of silver at the Munni Munni Joint Venture in the West Pilbara region of Western Australia.

Legend will also continue to explore its 675 km² of contiguous ground near Karratha in Western Australia. It will target quality, high grade ounces which offer higher profit margins for less capital outlay, in an area close to the rapidly expanding centre of Karratha with its excellent infrastructure. Initial exploration drilling at Carlow Castle has discovered high grade resources, including 30,000 ounces of gold averaging 10g/t (with 1.4% copper) and which is opened at depth. This resource, which has been previously reported by Legend, is in the category of “indicated and inferred” mineral resources, as defined in the JORC Code. (This statement has been prepared by Mr Frans Voermans, FAusIMM, CP (Geol), MAIG who is a competent person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves, and who consents to the inclusion in this report of the matters based on their information in the form and context in which it appears.)

Legend has recently continued regional reconnaissance and metal detecting on its Karratha tenements, with traverses conducted across rocks of the Cleaverville and Ruth Well formations, from Carlow Castle in the east to Mt Prinsep in the west. Additional work south of the regional Sholl shear zone was targeted on the Orpheus shear zone between Bradley Well and Mt Sholl.

A considerable number of small gold nuggets were discovered by this work. Preliminary evaluation suggests that better surface gold distribution is linked to structural control within areas of carbonate and iron alteration. Most of the nugget areas represent new prospects not previously reported, and are being followed up by more detailed geological mapping to determine and locate the source of gold.

Murray McDonald
Managing Director.
11th November 2003

LEGEND MINING LIMITED

A.C.N. 060 966 145

Proforma Balance Sheet

based on audited 30 June 2003 accounts adjusted for Gidgee Gold Mine Acquisition

	Adjusted \$	30-Jun-03 \$
CURRENT ASSETS		
Cash Assets	3,221,331	171,331
Receivables	1,500	1,500
Other	0	
TOTAL CURRENT ASSETS	3,222,831	172,831
NON-CURRENT ASSETS		
Other Financial Assets	40,455	40,455
Plant and equipment	129,980	129,980
Deferred exploration, evaluation & development costs	1,371,330	1,511,330
Acquisition Gidgee Gold Mine	4,500,000	0
TOTAL NON-CURRENT ASSETS	6,041,765	1,681,765
TOTAL ASSETS	9,264,596	1,854,596
CURRENT LIABILITIES		
Payables	474,812	614,812
Interest-bearing liabilities	2,589	252,589
Vendor Liabilities	1,500,000	
Provisions	57,500	57,500
TOTAL CURRENT LIABILITIES	2,034,901	924,901
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	30,971	30,971
TOTAL NON-CURRENT LIABILITIES	30,971	30,971
TOTAL LIABILITIES	2,065,872	955,872
NET ASSETS	7,198,724	898,724
EQUITY		
Contributed Equity	14,047,787	7,747,787
Reserves	361,890	361,890
Accumulated losses	(7,210,953)	(7,210,953)
TOTAL EQUITY	7,198,724	898,724
Notes to the above		
* The Directors have not as yet finalised the details of the proposed issue. This pro forma balance sheet has been produced for purposes of illustration only.		
* As part of the agreement to acquire Gidgee Gold Mine, Legend Mining is to replace the \$2,000,000 DOIR Performance Bonds which is expected to be undertaken by Bank Guarantee		
* The above pro forma balance sheet takes into account the issue of shares to Yandal Investments Pty Ltd & McKay drilling as outlined at Note 5 of the Half Yearly Accounts.		
ISSUED CAPITAL	Number	\$
Current Shares on Issue (10 November 2003)	56,734,665	8,047,787
add:		
shares to Abelle Limited	16,667,000	1,000,000
* shares to be issued in placement	50,000,000	5,000,000
	123,401,665	14,047,787
Options on Issue exercisable @ \$0.15 expire 30 April 2005	36,189,207	
* Note the above capital account assumes a placement of up to 50,000,000 shares at \$0.10, this is for illustration purposes only. The final details of the proposed share placement have not been finalised.		