

LEGEND MINING LIMITED

ABN 22 060 966 145

NOTICE OF GENERAL MEETING

and

EXPLANATORY STATEMENT

and

PROXY FORM

FOR GENERAL MEETING TO BE HELD

at 9.00am
on Monday, 15th December 2003

at The Celtic Club
48 Ord Street
West Perth WA 6005

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- **This is an important document. Please read it carefully.**
- **If there is any matter that you do not understand, you should contact your Financial adviser, stockbroker or solicitor.**
- **If you are unable to attend the General Meeting of Shareholders, please complete and return the enclosed Proxy Form in accordance with the specified directions.**

TIME AND PLACE OF MEETING AND HOW TO VOTE

1. Venue

A General Meeting of the Shareholders of Legend Mining Limited will be held at:-

The Celtic Club
48 Ord Street
West Perth WA 6005

Commencing at 9.00am on 15th December 2003.

2. How to Vote

You may vote by attending the Meeting in person, by proxy or authorised representative.

3. Voting in Person

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 9.00am (WST).

4. Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Memorandum as soon as possible and either:-

- by facsimile to the Company on facsimile number (08) 9322 3800; or
- by hand delivery to the Company's registered office at Suite 1, 46 Ord Street, West Perth, Western Australia, 6005; or
- by post addressed to Legend Mining Limited, PO Box 626, West Perth WA 6872.

So that it is received not later than 5.00pm 12th December 2003.

Your Proxy form is enclosed.

SECTION 1 – NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Legend Mining Limited (Legend or Company) will be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia, on Monday 15th December 2003 commencing at 9:00 am.

The Explanatory Statement and Proxy Form accompanying this Notice of Meeting are hereby incorporated in, and form part of, this Notice of Meeting.

AGENDA

The following Resolutions to be considered at the Meeting are explained in the attached Explanatory Statement.

Members are invited to consider each of the Resolutions below, and if thought fit, pass each of Resolutions 1 to 5 as ordinary Resolutions.

RESOLUTION 1 – Acquisition of Gidgee Goldmine

“That, pursuant to and in accordance with Listing Rule 11.1.2 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the members of the company approve the acquisition of the Gidgee Gold mining project located north of Sandstone in Western Australia for the acquisition price of \$6,500,000 (six million, five hundred thousand dollars) and upon the terms and conditions as set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 2 – Shares to Abelle, 16,667,000

“Subject to the passing of Resolution 1, that, pursuant to and in accordance with Listing Rule 7.1 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the members of the Company approve and authorise the Directors to allot and issue 16,667,000 new Shares to Abelle Limited, as part consideration for the acquisition of the Gidgee Gold Project at a deemed issue price of 6 cents per Share upon the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 3 – Placement of up to 50,000,000 new Shares at an issue price of not less than 80% of the current market price

“Subject to the passing of Resolution 1, that, pursuant to and in accordance with Listing Rule 7.1 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, the members of the Company approve and authorise the Directors to allot and issue up to 50,000,000 new Shares at an issue price of not less than 80% of the current market price to raise up to \$5,000,000 upon the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 4 – Ratification of issue of 2,000,000 Shares at an issue price of 2.5 cents per Share

“That, pursuant to and in accordance with Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the members of the Company ratify and approve the issue of 2,000,000 Shares at an issue price of 2.5 cents per Share and otherwise upon the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

RESOLUTION 5 – Ratification of issue of 5,500,000 Shares at an issue price of 6 cents per Share

“That, pursuant to and in accordance with Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, the members of the Company ratify and approve the issue of 5,500,000 Shares at an issue price of 6 cents per Share and otherwise upon the terms set out in the Explanatory Statement accompanying this Notice of Meeting.”

NOTES

Who may Vote

Persons whose names are set out in the register of members of the Company as at 5.00pm on 12th December 2003, are entitled to attend and vote at the Meeting by this Notice.

Proxies

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. To be valid, a proxy form must be received by the Company by 5.00pm on Friday, 12th December 2003 ("Proxy Deadline"). Proxies may be submitted:-
 - (a) by hand delivery to the Company's registered office at Suite 1, 46 Ord Street, West Perth, Western Australia, 6005; or
 - (b) by post addressed to Legend Mining Limited, PO Box 626, West Perth WA 6872; or
 - (c) by facsimile at (08) 9322 3800.

A proxy appointment must be signed by the Shareholder or the Shareholder's attorney. Where the appointment is signed by the appointor's attorney, a certified copy of the authority, or the authority itself, must be lodged with the Company in one of the above ways by the Proxy Deadline. If facsimile transmission is used, the authority must be certified.

Voting Exclusion Statement

The following persons must not cast any votes on the following Resolutions, and the Company will disregard any votes cast on those Resolutions by:-

Resolution	Excluded Voters
1	Abelle Ltd and any other person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and an associate of those persons.
2	Abelle Ltd and any other person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and an associate of those persons
3	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the resolution is passed, and an associate of those persons.
4	Any person that participated in the Issue or an associate of that person.
5	Any person that participated in the Issue or an associate of that person.

However, the Company need not disregard a vote if it is cast by:-

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD



Murray McDonald
Managing Director
Dated 14th November 2003

SECTION 2 – EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or preceding Notice, please contact the Company, your financial advisor, stockbroker or solicitor.

1 BACKGROUND

In accordance with the ASX Listing Rules, the Company announced to the ASX on 11 November 2003, the Company's proposal to acquire the Gidgee Gold Project, an operating gold mine north of Sandstone, from Abelle Limited ("Abelle")

A copy of this announcement is attached to and forms part of this Explanatory Statement. This announcement facilitated the ASX reinstating the Company's securities to Official Quotation (ie removing its Shares from a trading suspension).

THE GIDGEE GOLDMINE

The main highlights for Legend in acquiring the Gidgee Gold Project are as follows::

- Legend moves from silver to gold producer by acquisition of Gidgee Gold Mine
- Over 1 million ounces already mined from the project area, north of Sandstone
- 122,979 ounces of gold poured in the last two years
- Mining revenue of \$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)

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.

This opportunity for Legend to acquire such a quality mining asset reflects the direct intent of Abelle's directors to focus its efforts on its core business activities in Papua New Guinea whilst retaining an interest in non-core assets through substantial shareholdings in the acquiring entity. Legend's intentions with respect to mining operations and exploration activities are set out in the attached ASX Announcement.

CONSIDERATION FOR THE ACQUISITION IS:

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 seeks Shareholder approval for the acquisition as set out in the Notice of Meeting as well as consequential approval for the issue of vendor shares and a capital raising which are dependent on obtaining approval to acquire the Gidgee Goldmine. If Shareholders approve the transaction, 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 the capital raising the subject of Resolution 3. 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 initial cash component of approximately \$2,000,000 (comprising the deposit, first payment of \$1.5 million and payment for gold in circuit and stores) is to be met by the initial capital raising, which is expected to proceed by way of placement prospectus.

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 endeavour to 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 Proforma Balance Sheet, a Placement of 50 million shares at not less than 80% of the market value 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 included in the attached ASX Announcement.

Resolution 1 – Acquisition of Gidgee Gold Project

Resolution 1 seeks Shareholder approval for the Company to acquire the Gidgee Gold Project pursuant to ASX Listing Rule 11.1.2.

The terms of the acquisition are set out in further detail below.

ASX Listing Rule 11.1 requires that the Company inform Shareholders and the investing public of any proposed change in the nature and scale of the activities of the Company and the effect which this may have on the company. Listing Rule 11.1 also requires Shareholder approval of the proposed change of activities.

Since listing on ASX in August 1995 the company has been involved in mining silver at its Munni Munni joint venture in the West Pilbara region in Western Australia. The company is also actively exploring for gold on its 675km² contiguous holding near Karratha. Upon acquisition of the Gidgee Gold Project, the company will continue being principally involved in mining and exploration.

Offer to Purchase Gidgee Gold Project

By Offer to Purchase dated 6 November 2003, Legend offered to purchase from Abelle, its 100% legal and beneficial interest in the Gidgee Gold Project comprising 600km² of mining and exploration tenements together with project infrastructure. The mining and exploration tenements are set out in the attached schedule. The infrastructure includes (without limitation) the Gold Treatment Plant, access infrastructure, an on-site laboratory, work shops, administration facilities, tailings facilities, underground mine, piles, reserves and resources.

The sale and purchase is on a walk in walk out basis, free of encumbrances other than as expressly noted.

The Agreement is conditional upon:-

- (a) any necessary Governmental consent and approval;
- (b) approval of Abelle Shareholders pursuant to the ASX Listing Rules (if required); and
- (c) approval of Legend Shareholders pursuant to the ASX Listing Rules.

Possession and transfer of legal title passes to Legend on completion. On and from completion, Legend releases, indemnifies and holds harmless Abelle from and against all environmental liabilities which accrue before on or after the completion date, and all other liabilities arising after the completion date.

Under the Offer, Legend noted its intention to make offers of employment to all Gidgee employees and take an assignment of the Byrnegut underground mining contract, the mine site catering contract, the Powerwest power supply contract and all other material operating contracts. Abelle agreed to pay all accrued entitlements to each employee employed at the Gidgee Gold Project as at the completion date.

A formal agreement is to be entered into within 30 days of acceptance, which occurred on 7 November 2003. The encumbrances and third party interests are set out in Schedule 3 to the Notice of Meeting.

Abelle has given certain warranties which are considered usual to an acquisition and which include express warranties that:-

- the sale assets are held legally and beneficially by Abelle free from encumbrance except as disclosed or as appearing on public searches;
- there are no other material operating contracts except as set out in the Abelle Prospectus 2002 and as set out above; and
- Abelle is not in breach of the material operating contracts;
- the Tenements, Lease hold interest, Licence, Permits and Authorities are in good standing.

Abelle has made no warranty as to pro-rata compliance with minimum expenditure commitments or Native Title.

Legend acknowledges that without prejudice to its reliance on the warranties, it has made its own inquiries and relies on its own judgement in entering into the Agreements.

Risks of the Transaction

1. General Risks

General risks with regard to securities investments include:

- The fluctuation of Legend Shares, sometimes unrelated and disproportionate to a company's performance, which may impact on the trading price of Legend Shares.
- Changes in the general economic climate, including competition, industrial disruption and growth rate of Australia's gross domestic product which may adversely affect the performance of the Company.
- A fluctuating foreign exchange rate and outside competition which may have an adverse affect on the Company's revenue and performance in the market.
- All tenements and licenses in which the Company has an interest will be subject to applications for renewal or grant at the discretion of government authorities.

2. Mineral Industries Risks

Mineral industries risk factors include:

- High exploration costs, demand for commodities, stock market fluctuations, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems which may affect the ability of a company to profit from any discovery. There is no assurance that exploration and development of the mineral interest owned by the Company can be profitably exploited.
- Environmental hazards, industrial accidents, hazardous weather conditions and other incidents beyond the control of the Company, which may result in physical and environmental damage and monetary losses. No assurance can be given that the Company will be able to obtain adequate insurance coverage at all times to cover such claims.
- Mineralisation or formations different from those predicted by past exploration which may require resource estimates to be adjusted and mining plans altered in a way which may adversely affect the Company's operations.
- Payments and other obligations under exploration permits and licenses and other contractual agreements which may affect the Company.
- Changes in government policies and legislation which may adversely affect the viability and profitability of the Company.

- Fluctuation in commodity prices, which may adversely impact on demand for the Company's product.
- Obligations and uncertainties associated with Native Title which may impact on the Company's operations and future plans.

3. Transactions - Risks

Transaction risk factors to be taken into account:

- The completion of the acquisition of the Gidgee Gold Mine is subject to Shareholder approval. Should these approvals not be granted, the Company will be subject to non-completion risks including the likely adverse affect on the financial position of the Company.
- Other than where Abelle has provided Legend with limited warranties, the purchaser has relied on its own judgment and enquiries in relation to the sale assets.
- The Company has performed limited due diligence on Abelle and the Gidgee Gold Mine, and the Directors have relied on this information in making their decision to proceed with the transaction.
- The Company will require additional funding to facilitate the operation of the Gidgee Gold Mine. There can be no assurance that additional funding will be available on acceptable terms, or at all, and any inability to obtain additional finance will have a material adverse affect on the Company.
- Legend will be taking an assignment of material operating contracts. Warranties have been given that Abelle is not in breach of any of these material contracts.

4. Environmental Risks

Environmental risks to be taken into account:

- The Company's projects are subject to Western Australian and Federal Australian regulations regarding environmental matters. The company intends to conduct its activities in accordance with applicable laws. The cost and complexity of complying with these laws may prevent the company from being able to develop potentially economically viable mineral deposits.
- Although the Company intends to comply in all respects with environmental laws and regulations, there are certain risks inherent in its activities which could subject the company to extensive liability.
- The Company may require approval from relevant authorities before it can undertake activities likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities.

- There can be no assurances that new environmental laws, regulations or enforcement policies will not oblige the Company to incur significant expense which could have a material adverse affect on the Company's business.
- As set out above, the Company has agreed to assume all environmental liabilities in relation to the Gidgee Gold Mine. The Company has not engaged any environmental consultants to investigate the nature and extent of any existing and future environmental liabilities. Should such liabilities arise, there may be an adverse affect on the Company's business.

Resolution 2 – Authority to make placement of securities

Listing Rule 7.1 requires Shareholder approval for the proposed issue of Shares to Abelle Limited as part consideration for the acquisition of the Gidgee Gold Project.

Listing Rule 7.1 provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the shares proposed to be issued represent more than 15% of the Company's securities then on issue.

Given that the issue of Shares to Abelle Limited under Resolution 2 will exceed this 15% threshold and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required and information must be provided to Shareholders in accordance with Listing Rule 7.3.

For the purposes of Listing Rule 7.3, the following information is provided:-

- (a) the maximum number of Shares to be issued in 16,667,000;
- (b) the Shares will be issued and allotted following Shareholder approval for Resolutions 1 and 2, but in any event no later than 3 months after the date of the meeting;
- (c) the deemed issue price of the Shares to be issued under Resolution 2 is 6 cents per Share.;
- (d) the allottee is Abelle Limited;
- (e) the Shares are ordinary fully paid Shares in the capital of the Company ranking pari passu in all respects with all other ordinary Shares in the Company on issue;
- (f) no funds will be raised from the issue, because the issue comprises part consideration for the purchase of the Gidgee Gold Project; and
- (g) a voting exclusion statement is included in the Notice of General Meeting.

Resolution 3 – Placement of up to 50,000,000 new Shares at an issue price of not less than 80% of the market price to raise up to \$5,000,000

Resolution 3 seeks Shareholder approval pursuant to the Listing Rule 7.1 for the issue of up to 50,000,000 Shares each at an issue price of not less than 80% of the average market price for the Company's Shares calculated over the last 5 days on which sales are recorded prior to the signing of a placement prospectus.

Proceeds from the capital raising will be used to satisfy the initial cash component of the consideration to acquire the Gidgee Gold Project (\$2,000,000), to provide working capital to fund operations at the mine and further exploration and debt retirement.

Listing Rule 7.1 requires Shareholder approval for the proposed Share issue. Listing Rule 7.1 provides, subject to certain exceptions, that shareholder approval is required for any issue of securities by a listed company, where the shares proposed to be issued represent more than 15% of the Company's securities then on issue.

Given the Shares issue under Resolution 2 will exceed this 15% threshold and non of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required and information must be provided to Shareholders in accordance with Listing Rule 7.3.

For the purposes of Listing Rule 7.3, the following information is provided:-

- (a) the maximum number of Shares the company can issue under Resolution 3 is 50,000,000 Shares;
- (b) the Company will issue and allot the Shares no later than 3 months after the date of the General Meeting (or such longer period as ASX may, in its discretion, allow pursuant to a waiver of ASX Listing Rule 7.3.2);
- (c) the Shares will each be allotted at an issue price of not less than 80% of the average market price for Shares in the Company. The average will be calculated over the last 5 days on which sales in the Company's Shares are recorded before the date on which the Placement Prospectus is signed.
- (d) the Shares will be issued pursuant to a prospectus and allottees chosen at the discretion of the Directors;
- (e) the Shares will be issued on the same terms as the Company's existing Shares;
- (f) a voting exclusion statement is included in the Notice of General Meeting; and
- (g) Shareholder approval has been sought to raise up to \$5,000,000. The expected application of funds, after costs, is to satisfy part of the consideration for the acquisition of the Gidgee Gold Project, for working capital and debt retirement.

Resolution 4 – Ratification of a placement of 2,000,000 Shares

In October 2003 the Company issued 2,000,000 new Shares in the Company.

Listing Rule 7.4 provides that an issue of equity securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the holders of ordinary securities subsequently approve it.

For the purposes of Listing Rule 7.5, the details of the placement are as follows:-

- (a) the number of securities allotted – 2,000,000 Shares;
- (b) the price at which the securities were allotted – 2.5 cents per Share;
- (c) the terms of the securities – fully paid ordinary Shares to rank pari passu with existing Shares;
- (d) the names of the allottees:-

Europa Investment Services Limited
- (e) the use of the funds raised – working capital of the Company; and
- (f) a voting exclusion statement is included in the Notice of General Meeting.

In order for the Company to have the capacity under the Listing Rules of the Australian Stock Exchange to renew its capacity to place up to 15% of the total ordinary securities in any twelve month period, the Company is required to have ratified the issue of the 2,000,000 Shares.

Resolution 5 – Ratification of a placement of 5,500,000 Shares

In November 2003 the Company issued 5,500,000 new Shares in the Company.

Listing Rule 7.4 provides that an issue of equity securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the holders of ordinary securities subsequently approve it.

For the purposes of Listing Rule 7.5, the details of the placement are as follows:-

- (a) the number of securities allotted – 5,500,000 Shares;
- (b) the price at which the securities were allotted – 6.0 cents per Share;
- (c) the terms of the securities – fully paid ordinary Shares to rank pari passu with existing Shares;

- (d) the Shares were allotted to clients of Montagu Stockbrokers;
- (e) the use of the funds raised – working capital of the Company and part acquisition of the Gidgee Gold Project; and
- (f) a voting exclusion statement is included in the Notice of General Meeting.

In order for the Company to have the capacity under the Listing Rules of the Australian Stock Exchange to renew its capacity to place up to 15% of the total ordinary securities in any twelve month period, the Company is required to have ratified the issue of the 5,500,000 Shares.

Capital Structure

The change in capital structure of the Company as a result of Resolutions 1, 2, 3, 4 and 5 is as follows:-

- (a) Before New Issues:

Shares: 54,234,665 – fully paid ordinary Shares; and

Options: 36,189,207 – listed options exercise price 15 cents expiry 30th April 2005.

2,350,000 – unlisted options exercise price 22 cents expiry 30th May 2006.

- (b) On Completion of New Issues:

Shares: 128,901,665 – fully paid ordinary Shares; and

Options: 36,189,207 – listed options exercise price 15 cents expiry 30th April 2005.

2,350,000 – unlisted options exercise price 22 cents expiry 30th May 2006.

1 DEFINITIONS

“**ASIC**” means the Australian Securities and Investments Commission.

“**ASX**” means Australian Stock Exchange Limited (ACN 008 624 691).

“**Board**” means the directors of the Company for the time being.

“**Company**” means Legend Mining Limited (ABN 22 060 966 145).

“**Corporations Act**” means the Corporations Act 2001 (Cth).

“**Director**” means each person who has acted or may act as a director of the Company.

“**Explanatory Statement**” means this explanatory statement.

“**Listing Rules**” means the official listing rules of ASX.

“**Meeting**” and “**Shareholders Meeting**” means the meeting of Shareholders convened by the Notice.

“**Notice**” and “**Notice of Meeting**” means the notice of general meeting dated 15 December 2003 to which this Explanatory Statement is attached.

“**Resolution**” means each of Resolutions 1 to 3 set out in this Notice of Meeting.

“**Share**” means a fully paid ordinary share in the capital of the Company.

“**Shareholder**” means a person entered in the Company’s register of members as the holder of a Share.

SCHEDULE OF TITLES

E51/756	M51/104	N57/019	P53/1061
E53/1020	M51/105	N57/026	P53/1062
E53/1021	M51/157	N57/033	P53/1074
E53/1045	M51/185	N57/044	P53/1112
E53/1071	M51/186	N57/045	P53/1114
E53/1072	M51/201	N57/069	P53/1152
E53/345	M51/290	N57/070	P53/1153
E53/422	M51/410	N57/071	P53/1155
E53/477	M51/458	N57/072	P53/1158
E53/722	M51/474	N57/073	P53/1159
E53/774	M51/659	N57/074	P53/1161
E53/820	M51/660	N57/138	P53/1162
E53/834	M51/832	N57/139	P53/1162
E53/891	M53/010	N57/140	P53/1190
E53/957	M53/011	N57/143	P53/1191
E57/167	M53/058	N57/144	P53/635
E57/167	M53/101	N57/145	P53/636
E57/190	M53/102	N57/146	P53/637
E57/191	M53/103	N57/157	P53/693
E57/371	M53/105	N57/158	P53/698
E57/374	M53/153	N57/210	P53/699
E57/483	M53/251	N57/211	P53/700
E57/484	M53/252	N57/212	P53/707
E57/495	M53/313	N57/230	P57/1015
E57/517	M53/314	N57/231	P57/1016
E57/519	M53/315	N57/232	P57/1019
E57/520	M53/450	N57/236	P57/1024
E57/521	M53/496	N57/291	P57/1025
E57/522	M53/497	N57/292	P57/1026
E57/523	M53/500	N57/293	P57/1027
E57/515	M53/597	N57/294	P57/1028
E57/538	M53/716	N57/308	P57/662
E57/539	M53/865	N57/314	P57/665
	M53/894	N57/316	P57/666
L53/046	M53/904	N57/349	P57/697
L53/047	M53/941	N57/361	P57/760
L53/095	M53/942	N57/362	P57/761
L53/096	M53/945	N57/372	P57/762
L53/116	M53/983	N57/375	P57/871
L57/011	M53/984	N57/376	P57/897
L57/012	M53/988	N57/377	P57/971
L57/020	M53/991	N57/378	P20/1811
	M53/992	N57/410	P20/1812
	M53/993	N57/410	P20/1813
	M53/994	N57/413	P57/973
	M53/1000	N57/435	P57/974
		N57/465	P57/975
		N57/494	
		N57/501	

SCHEDULE 3

ENCUMBRANCES AND THIRD PARTY INTERESTS

1. **BUTTERCUP BORE**

(a) **Royalty Deed**

Parties: Abelle Pty Ltd ("Abelle")

Plutonic Operations Limited ("Plutonic")

Date: 3rd February 2000

Tenements: Exploration licence 53/422 and Mining Lease M53/716

Material Terms: Plutonic transferred its 20% Percentage Interest in the Tenements to Arimco in consideration of the grant to Plutonic of a 2% Royalty on gold produced from the Tenement Area with effect from the date of the Deed.

2. **MOUNT TOWNSEND PROJECT**

(a) **Sale and Royalty Agreement**

Parties: Kundana Gold Pty Limited and Goldfields Kalgoorlie Limited (both referred to as ("Goldfields")) and Arimco Mining Limited ("Arimco")

Date: 3 June 1998

Tenements: Mining Leases M53/153; M53/252; Prospecting Licences P53/693; P53/698; P53/699; P53/700; P53/707; Mining Lease Applications MLA53/496 & MLA53/497

Material Terms: (a) In consideration of the agreement of Arimco to pay the royalty set out below, Goldfields agreed to sell to Arimco the Tenements, Mining Information (as defined in the Agreement) and the transportable exploration camp located on the area of the Tenements.

(b) Additional payment of \$11,500 payable by Arimco to Goldfields.

(c) Arimco agrees to pay a royalty to Goldfields amounts per tonne of ore treated that is derived from the oxide and transitional resource, and if applicable, from sulphide resource, in each case from resources identified in the Agreement of:

(i) in respect of Ore treated through the Gidgee plant, \$2.25 per tonne treated for the first 500,000 tonnes treated and \$2.75 per tonne treated thereafter; and

(ii) in respect of heap leach ore treated within the Tenement Area, \$0.50 per tonne treated.

A formula is included to increase the royalty according to the increase of the average spot price of gold for any month over \$470 per ounce.

- (d) If Arimco decides in its discretion that the sulphide resource cannot be treated through the current Gidgee plant on commercially acceptable terms, then Arimco must, within 12 months of the determination either:
- (i) negotiate in good faith with Goldfields to establish a project relating to the resource, or
 - (ii) if it sells its interest in the resource to a third party, pay 60% of the proceed of sale to Goldfields, or
 - (iii) give Goldfields the option to acquire the resource for \$10.00,
- failing which it is deemed to have elected to grant the option in paragraph (iii).
- (e) If Arimco ceases to carry on mining activity for 5 years and the total royalty paid to Goldfields at the end of that period is less than \$750,000, Goldfields may require Arimco to retransfer the Tenements to it.

3. **SEBASTAPOL**

(a) **Agreement to Transfer and Pay Royalty**

Parties: Arimco Mining Pty Limited ("Arimco") and Minefields Pty Limited ("Minefields")

Date: 7 August 1996

Tenement: Exploration Licence E57/216

Material Terms: (a) Minefields agrees to transfer the Tenement to Arimco in consideration of the agreement of Arimco:

- (i) to pay a royalty to Minefields as detailed in (b) below, and
 - (ii) to pay to Maverick a royalty of 2.5% of the net revenue received from the sale of minerals from the Tenement after deduction of government royalties and costs of mining, treating, transportation, refining ore, and costs of sale.
- (b) Maverick retained the rights to prospect the Tenement by hand held metal detector and tools..
- (c) Arimco agrees to pay to Minefields a quarterly royalty of \$1.00 per tonne of ore treated, adjusted by reference to average gold price and average head grade according to a formula contained in the Agreement.

4. WYOODA THANGOO

(a) Royalty Deed

Parties: Arimco Mining Pty Limited ("Arimco"), Battle Mountain (Australia) Inc ("Battle Mountain"), Gold Mines of Australia (W.A.) NL ("Gold Mines") and Ajax Mining Nominees Pty Ltd ("Ajax").

Date: 25 May 1994

Tenement: Exploration Licence 57/155 and tenements into which it is converted (the Property)

Material Terms:

- (a) Arimco, Battle Mountain and GMA agree that Ajax is entitled to receive a royalty of 4% of the net profits.
- (b) Net profits are defined in the agreement as the excess of cumulative Receipts (as defined) in respect of the Property, over cumulative Disbursements (as defined) in respect of the Property.
- (c) The royalty is calculated and payable calendar quarterly.

(b) Agreement to Transfer and Pay Royalty

Parties: Arimco Mining Pty Ltd ("Arimco") and Gold Mines of Australia (W.A.) NL ("Gold Mines")

Date: 13th January 1997

Tenements: EL57/191, ML57/241, ML57/242, ML57/243, ML57/250, ML57/251, ML57/252, MLA57/287 and MLA57/318

Material Terms: Arimco agrees to pay a royalty to Gold Mines of Australia quarterly in arrears in consideration of acquiring Gold Mines of Australia's 19.6% interest in the tenement area.

In minerals and other than Gold mined and produced from the tenement area a royalty equal to 2.5% of the net smelter returns of all the mineral products sold is payable.

(c) Agreement to Transfer and Pay Royalty

Parties: Arimco Mining Pty Ltd ("Arimco") and Battle Mountain (Australia) Inc ("Battle Mountain")

Date: 16th December 1996

Tenements: EL57/191, ML57/241, ML57/242, ML57/243, ML57/250, ML57/251, ML57/252, MLA57/287 and MLA57/318

Material Terms: Arimco agrees to pay a royalty to Gold Mines of Australia quarterly in arrears in consideration of acquiring Gold Mines of Australia's 29.4% interest in the tenement area.

5. MURCHISON DOWNS

(a) Agreement to Transfer and Pay Royalty

Parties: Arimco Mining Pty Ltd ("Arimco") and Browns Creek Gold NL ("Browns Creek")

Date: 6th May 1996

Tenements: Mining Leases 51/104, 51/105, 51/410, 51/474, 53/209, 53/313, 53/314, and 53/315

Material Terms: Arimco agrees to pay a royalty to Browns Creek Gold quarterly in arrears in consideration of acquiring Browns Creek Gold's 20% interest in the tenement area.

(b) Deed of Assumption

Parties: Multimedia.com Ltd (formerly Browns Creek Gold NL) (Continuing Party), Arimco Mining Pty Ltd (Assignor) and Abelle Pty Ltd (Assignee)

Date: 3rd March 2000

Material Terms: (a) From the date of the Deed the Assignee agrees with the Continuing Party to perform all the obligations of the Assignor under the Agreement to Transfer and Pay Royalty (Principal Agreement) and the Continuing Party consents to the Assignee becoming a party to the Principal Agreement.

(b) The Continuing Party and the Assignee release the Assignor from all claims under the Principal Agreement.

(c) The Assignee indemnifies the Assignor and its Receivers and Managers from all liability under the Principal Agreement.

6. ORION AND HOWARDS PROJECTS

(a) Letter Agreement to Purchase and Pay Royalty

Parties: Abelle Pty Ltd ("Abelle") and Dalrymple Resources NL ("Dalrymple")

Date: 13th April 2000

Tenements: E57/218, MLA 57/435, ELA57/483, ELA57/484, M57/236, MLA57/293, MLA57/294, M51/458, and ELA 53/891

Material Terms: Abelle agrees to pay a royalty to Dalrymple quarterly in arrears in part consideration of acquiring the whole of Dalrymple's interest in the Tenements.

PROXY FORM

APPOINTMENT OF PROXY
LEGEND MINING LIMITED
ABN 22 060 966 145

SEND TO: Legend Mining Limited, PO Box 626, West Perth WA 6872 (or fax to (08) 9322 3800).

GENERAL MEETING

Appointment of Proxy

I/We

being a Shareholder of Legend Mining Limited entitled to attend and vote at the Meeting, hereby

Appoint

Name of Proxy

or failing the person so named, or if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 9.00am WST on 15th December 2003 at The Celtic Club, 48 Ord Street, West Perth, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of each Resolution.

Directions on voting

		FOR	AGAINST	ABSTAIN
Resolution 1	Acquisition of Gidgee Goldmine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Shares to Abelle, 16,667,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Placement of up to 50,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of 2,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of 5,500,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolution and votes cast by him other than as a proxy holder will be disregarded because of that interest.

You must either mark the boxes directing your proxy how to vote or mark the box indicating that you do not wish to direct your proxy how to vote, otherwise this appointment of proxy form will be disregarded.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents _____ %.

PLEASE RETURN THIS PROXY FORM TO
LEGEND MINING LIMITED, PO BOX 626, WEST PERTH, WA, 6872 OR BY FAX TO (08) 9322 3800
BY 5.00PM ON 12TH DECEMBER 2003

Signed this

day of

2003.

By:-

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director/Company Secretary

Signature

Sole Director and Company Secretary

Instructions for Completing Proxy Form

- 1) A Shareholder entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
- 2) A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
- 3) Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:-
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

- 4) Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
- 5) Where a Proxy Form or form of appointment of corporate representative is lodged and its executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.