



# LEGEND MINING LIMITED

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## LEGEND MINING AUSTRALIA'S NEWEST GOLD PRODUCER

Legend Mining has this morning become one of Australia's top ten Australian owned gold producers following shareholders' decision on Monday 15 December 2003 to approve the acquisition of the 70,000 ounce per year Gidgee gold mine from Abelle Limited.

As part of the terms of the acquisition, Legend paid Abelle \$1.3 million upon settlement yesterday and will pay the final cash instalment of up to \$2 million by 30 June 2004, to acquire an operation that in the last quarter alone generated revenue of \$9.3 million and a cash surplus of \$3.4 million.

The total acquisition cost of \$6.5 million includes the \$3.5 million cash component (including \$0.5 million for gold in circuit), \$1 million in shares (16.7 million new shares at 6 cents to Abelle Limited) and \$2 million for environmental bonds.

Legend Managing Director Murray McDonald said, "The Gidgee acquisition allows Legend to grow, diversify and create value for our shareholders. If the gold price holds up, the Gidgee project should be able to pay for itself within 12 months."

The Gidgee gold project, located 90 kilometres north of Sandstone in Western Australia's northern goldfields region, has current gold resources of 515,000 ounces and contains over 600 km<sup>2</sup> of highly prospective and under-explored Gum Creek greenstone belt.

The Gidgee project has excellent existing infrastructure, including power, water, roads, airstrip and an under-utilised 600,000 tpa gold processing plant.

Mr McDonald added, "We intend to continue underground mining at Gidgee, and accelerate underground and regional exploration, particularly near-mine areas where significant potential exists to discover extensions to previously mined orebodies and open up new mineralised zones for treatment at the operating mill."

**ENDS**