28 July 2006

# AUSTRALIAN STOCK EXCHANGE ANNOUNCEMENT

## MT GIBSON DRILLING RESULTS SUPPORT BASE METAL POTENTIAL

- **Drilling confirms Mt Gibson represents a large, fertile, base metal system in excess of 5 kilometres long.**
- **Potential for base metal lodes within volcanic exhalite horizons.**
- **All four holes completed contain visible zinc sulphide (sphalerite).**
- **Two holes (LMGD-002 and LMGD-003) contain copper sulphide (chalcopyrite).**
- **Widespread hydrothermal alteration associated with the sulphide mineralisation.**

The first four holes (LMGD-001 to LMGD-004 - 3,117.5 metres) of the nominal nine hole diamond drilling program have been completed. The drill hole geology and first batch of assay results support the premise that Mt Gibson represents a large, fertile, mineral system that has the potential to host a base metal orebody.

Importantly, from the perspective of a fertile volcanic-hosted base metal system:-

- all four holes (LMGD-001 to LMGD-004) contain visible zinc sulphide (sphalerite), either as 10cm-wide veins lying stratigraphically above an interpreted volcanic exhalite horizon, or as disseminations and aggregates within the interpreted volcanic exhalite horizon,
- two holes (LMGD-002 and LMGD-003) contain a number of thin (1cm-wide) copper sulphide (chalcopyrite) veins stratigraphically below the interpreted volcanic exhalite horizon, and
- the base metal (copper, zinc) mineralisation is associated with wide-spread, cordierite-anthophyllite mineral assemblages, the metamorphic derivative of early chlorite alteration.



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Assay results have been received for only parts of holes LMGD-001 to LMGD-003 and additional results are awaited (Appendix I). All assay results are awaited for hole LMGD-004.

These broad-spaced holes, spaced at approximately 600 metres apart (see Appendix II), are designed as a first-phase assessment of the Mt Gibson base metal (zinc-copper) system which is in excess of 5km long. The presence of sulphide mineralisation in each of these holes, whilst not ore grade, does confirm the broad continuity of the system.

The planned drilling is progressing in order to provide the information to further develop the predictive geological model of the system and define metal zonation patterns.

## Background

The Mt Gibson Project is located in the Murchison Province, 290 kilometres northeast of Perth, Western Australia, and 100 kilometres south of the world-class Golden Grove volcanic-hosted massive sulphide (zinc-copper) mine owned by Oxiana Limited. Both Mt Gibson and Golden Grove lie within the same volcano-sedimentary sequence (Yalgoo-Singleton Greenstone Belt).

Legend acquired Mt Gibson from Oroya Mining Limited in November 2005, principally to pursue the base metal (zinc-copper) potential beneath the oxide gold pits. The gold mine operated for 12 years from 1986 and is currently on care and maintenance.

At Golden Grove (Oxiana), a number of zinc and copper orebodies have been discovered beneath the oxide gold mineralisation on Gossan Hill. At Mt Gibson, the oxide gold mineralisation is anomalous in zinc, and zinc sulphide (sphalerite) has been intersected in the few deep holes drilled beneath the oxide gold pits over a strike of 5 kilometres.

Legend has embarked on the first exploration undertaken at Mt Gibson that specifically intends to assess the base metal potential.

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*The information in this announcement that relates to Exploration Results has been reviewed by Mr Robert Perring, a Member of the Australian Institute of Geoscientists, whose services are provided by Quadramin. Mr Perring 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.*



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# APPENDIX I

## Table 1: Completed Diamond Drill Holes

| Hole Number | North (MGA94) | East (MGA94) | Hole Angle and Direction (Magnetic) | Final Depth (Metres) | Percentage of Hole Sampled & Assayed |
|---|---|---|---|---|---|
| LMGD-001 | 6711025 | 517385 | 58° to 303° | 887.3 | 25% |
| LMGD-002 | 6710013 | 516870 | 56° to 303° | 756.3 | 22% |
| LMGD-003 | 6709437 | 516723 | 50° to 303° | 789.3 | 55% |
| LMGD-004 | 6711730 | 517574 | 59° to 303° | 684.6 | 0% |

## Table 2: Assay Result Summary

| Hole Number | From (m) | To (m) | Interval (m) | Zn (%) | Cu (%) | Ag (g/t) | Au (g/t) |
|---|---|---|---|---|---|---|---|
| LMGD-001 | 290 | 291 | 1 | 1.22 | <0.05 | 5 | <0.1 |
| LMGD-001 | 304 | 305 | 1 | 2.38 | <0.05 | 5 | <0.1 |
| LMGD-002 | 627 | 628 | 1 | <0.05 | 0.13 | 3 | 1.1 |
| LMGD-002 | 660 | 661 | 1 | 1.18 | <0.05 | 1 | <0.1 |
| LMGD-003 | 202 | 203 | 1 | <0.05 | <0.05 | 7 | 47.9 |
| LMGD-003 | 295 | 296.5 | 1.5 | <0.05 | 0.17 | 5 | 3.1 |
| LMGD-003 | 426 | 427 | 1 | 0.85 | 0.47 | 37 | 3.9 |
| LMGD-003 | 485 | 487 | 2 | <0.05 | <0.05 | 2 | 4.8 |
| LMGD-003 | 675 | 679 | 4 | <0.05 | 0.10 | 5 | 1.1 |
| LMGD-003 | 713 | 715 | 2 | <0.05 | 0.07 | 2 | 3.0 |

Sampling based on nominal 1m intervals of half-NQ core. Zinc (Zn), copper (Cu) and silver (Ag) determined by four acid digest and ICP/OES finish. Gold (Au) determined by fire assay and ICP/OES finish. Samples assayed at Ultra Trace Pty Ltd, Perth.



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## APPENDIX II

# MT GIBSON PROJECT AREA

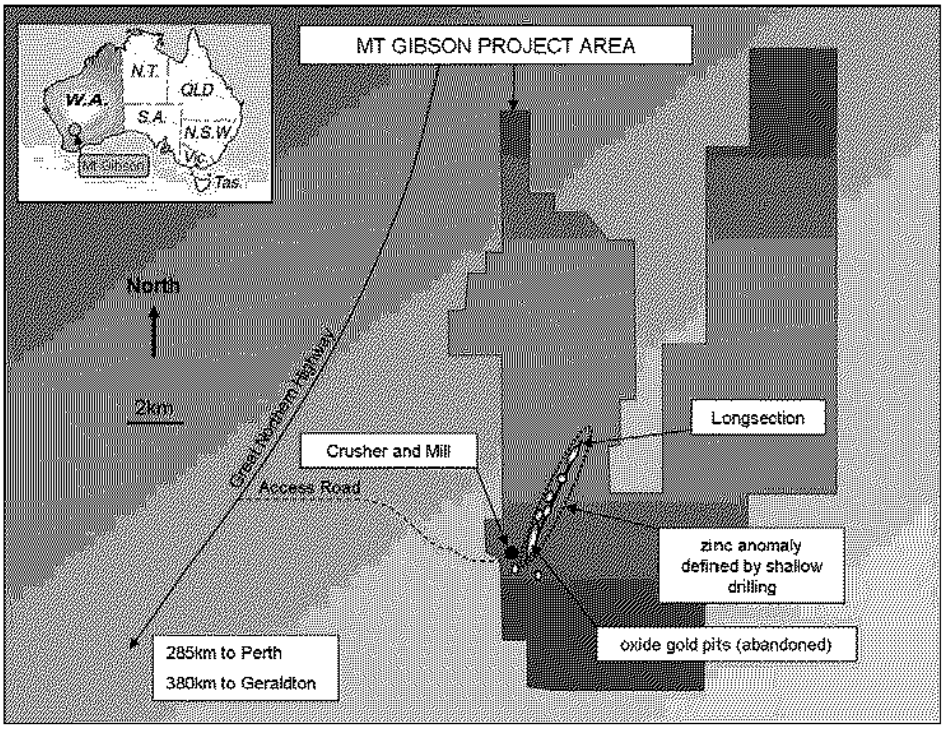


**Figure 1**
**Generalised map of the Mt Gibson Project Area showing the location of the near surface zinc anomaly and the longsection shown below.**

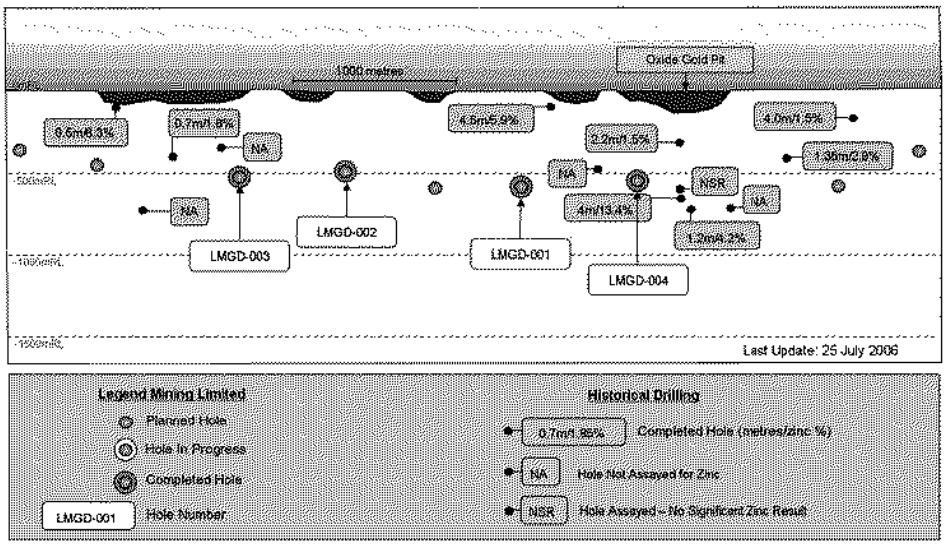


**Figure 2**
**Mt Gibson longsection showing historical zinc drill intercepts and the relative position of projected Legend drilling.**



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