



LEGEND MINING LIMITED

ACN: 060 966 145
ABN: 22 060 966 145

QUARTERLY REPORT for the period ended 31 March 2002

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1. Legend to spin off Gold-Copper and Base Metal Projects

Legend on the 22nd April unveiled plans to spin off its West Pilbara gold-copper and base metal projects into a dedicated exploration company Armada Mining Limited (Armada). Armada will seek a listing on the Australian Stock Exchange (ASX) establishing itself as an Australian listed exploration company with a strong management team.

Legend's Directors said the proposal represented an outstanding opportunity to unlock the value inherent in the company's gold and base metal properties in the highly prospective but under explored West Pilbara region of Western Australia.

Further, the Directors believe Legend's gold, copper and base metals properties warrant significant exploration requiring additional funding to maximise the resource potential and therefore add value for all Shareholders. Accordingly, the Directors have determined (subject to shareholder approval) to transfer all of Legend's gold, copper and base metals assets into the new vehicle Armada. This will allow Legend to focus on its silver and platinum-palladium projects.

Armada proposes to offer up to a maximum of 20,000,000 fully paid ordinary shares at 20 cents each to the public raising up to \$4,000,000. The maximum number of shares to be offered will be equal to 54.8% of the total issued capital of Armada following the public issue. The balance of 45.2% will be retained by Legend and its Shareholders. Legend Shareholders will receive one free Armada ordinary fully paid share for every five ordinary fully paid shares held in Legend. Additionally Legend Shareholders will receive a priority allocation of stock in Armada. Subject to raising of the capital Armada will apply for listing on the ASX.

Armada is the beneficial owner of 40 semi contiguous tenements and is in joint venture over a further four tenements separated into eight project areas located in the West Pilbara mineral field of Western Australia. The eight projects cover an approximate area of 645 square kilometres giving Armada one of the largest tenement holdings in the region.

Subject to Legend Shareholder approval and a successful raising by Armada, all existing Legend Shareholders will have the opportunity of holding shares in two publicly listed companies, Legend specialising in silver, platinum and palladium and Armada specialising in gold, copper and base metals.

2. Entitlement Issue to Shareholders and Pro-Rata Placement to Past Options Holders

Legend is proceeding with an entitlement issue to shareholders and pro-rata placement to those optionholders whose options expired on 31 March 2002 ("Past Options").

Subject to shareholder approval, it is proposed to proceed with:

- (a) the entitlement issue to shareholders of approximately 20,867,332 Options, exercisable at 15 cents each on or before 30th April 2005 ("New Options") on the basis of one (1) New Option for every two (2) Shares held at an issue price of one (1) cent per New Option to raise \$208,672; and
- (b) A pro-rata Placement to Past Optionholders of approximately 15,321,875 New Options, exercisable at 15 cents each on or before 30th April 2005 on the basis of one (1) New Option for every two (2) Past Options at an issue price of one (1) cent per New Option to raise up to \$153,218.

Application will be made to list the New Options on the Australian Stock Exchange.

The purpose of the placement is to raise approximately \$361,890 in working capital which will be applied to the continuing mine development and operations in relation to Elizabeth Hill Silver project (33.3%) and Legend's new (100%) Maitland silver ground nearby.

3. Drilling Program planned on Joint Venture Silver ground for May 2002

A surface RC drilling program is planned to commence mid-late May 2002 to target shallow mineralisation around the high grade Elizabeth Hill silver ore body, and to test new structural targets north and south of the known mineralisation. Field work to prioritise targets is scheduled to start early May.

Data from existing drilling and from underground mining indicate that the upper part of the mineralisation has not been adequately tested, as many of the early surface drill holes were vertical and may have missed the steeply plunging ore body.

The large amount of silver mined from Elizabeth Hill, in excess of 2.5 million ounces, indicates that the known ore body is likely to be part of a large hydrothermal system and additional mineralisation is likely to be present in structurally favourable sites along the Munni Munni Fault.

It is now planned to drill approximately 30 holes totalling 1,800 metres with some holes in the mine area, and the remainder testing structural targets north and south of the mine and a geophysical/alteration target within the Munni Munni Intrusion south of the silver mine.

4. New Silver ground "Maitland" Legend acquires Geophysical Surveys

Following application for a new exploration licence of 60 square kilometres located about one kilometre north of the Munni Munni Joint Venture ground and covering extensions of the Munni Munni Fault and related structures, Legend has recently acquired airborne geophysical survey data over the area and is preparing its silver exploration program.

5. MKS Capital Limited pays Joint Venture \$2.1 million to finalise Purchase of Silver Tails

MKS Capital Limited has paid \$2.1 million dollars being final payment in respect of the Joint Venture partners sale of the silver tailings dam. Legend's share was \$630,000.

6. Legend Mining Limited acquires Donnington Hill Silver Prospect

Legend has applied for an exploration licence E70/2507 covering approximately 58 square kilometres north of Merredin in Western Australia. Previous exploration returned values up to 760 g/t silver together with significant base metal values. As soon as the title is granted Legend will immediately commence evaluation of this new prospect.

7. Web Site

Due to the Armada spin off we are a little late however we expect the site to be operational by the 7th May 2002 at www.legendmining.com.au

Murray McDonald
DIRECTOR

30/04/2002