



# LEGEND MINING LIMITED

ACN: 060 966 145  
ABN: 22 060 966 145

## QUARTERLY REPORT for the period ended 30 September 2001

1. Sale of Elizabeth Hill tailings for \$3.1 million.
2. Drilling for Platinum and Palladium on the Ferguson Reef.
3. Capital Raisings Completed.
4. Legend Complies with Contractual Obligations.

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### 1. Sale of Silver Tailings in the Elizabeth Hill Tailings Dam

Legend announced on the 1 October 2001 that MKS, part of an international precious metals trading and financial services group, has contracted to pay the sum of \$3.1 million to the Joint Venture parties (30% LML 70% ECM) for the silver tailings at Elizabeth Hill. Formal agreement was signed on the 18 October 2001 and Legend's share under the contract is \$930,000.

### 2. Ferguson Reef – Upper Yannery (Legend earning 50%)

During August and September 2001, 28 holes were drilled on the Platinum and Palladium Reef totalling 3,166.8m with 1,581m as RC precollar and 1,585.8m as diamond tails. The holes were drilled along lines 100-200m apart with siting determined by ease of access in the rugged terrain. All the holes were located within the granted Joint Venture Mining Lease M47/341, which covers the north-eastern corner of the Archean Munni Munni Intrusion, 40 km south of Karratha.

The target as drilled by Helix Resources in adjacent parts of the Munni Munni Intrusion is a 0.75-7.5m thick zone of disseminated sulphides and PGE mineralisation, hosted by a websterite layer located below the contact between the ultramafic sequence and the overlying gabbroic sequence. Twenty five holes intersected the gabbro-ultramafic contact and the underlying mineralised layer, one hole was collared in the websterite layer and two precollars were not extended by diamond tails due to access problems. It is expected that all mineralisation will be located 5-25 metres below the gabbro-websterite contacts.

Helix reported in their 3<sup>rd</sup> Quarter: "Results from the Yannery Zone show slightly different characteristics to the other Zones. The Ferguson Reef in this area is generally thinner but higher grade than at the Central Zone. Better results from Yannery include 0.75 metres at 3.9g/t 3E, 1.0 metre at 3.3g/t 3E and 1.25 metres at 4.0g/t 3E from holes MMD 139, 143 and 148." Helix's Yannery zone is the downdip extension of the Joint Venture's Upper Yannery zone.

The Joint Venture HQ diamond core was sampled as half core over 50 cm intervals throughout the ultramafics. Assay results from the majority of holes are still outstanding. *Preliminary* assay results are only available for composite 1m half-core samples from 7 holes.

UYD 01	32.9-34.9m	2m @ 3.57ppm Pt+Pd+Au, 0.57% Cu, 0.17% Ni
UYD 02	28-29m	1m @ 1.03ppm Pt+Pd+Au, 0.18% Cu, 0.05% Ni
UYD 02	32-33m	1m @ 0.97ppm Pt+Pd+Au, 0.01% Cu, 0.01% Ni
UYD 03	31-33m	2m @ 2.27ppm Pt+Pd+Au, 0.40% Cu, 0.09% Ni
UYD 04	54-55m	1m @ 0.82ppm Pt+Pd+Au, 0.19% Cu, 0.06% Ni
UYD 05	38.9-39.9m	1m @ 1.12ppm Pt+Pd+Au, 0.12% Cu, 0.05% Ni
UYD 06	50.75-51.75m	1m @ 2.38ppm Pt+Pd+Au, 0.48% Cu, 0.06% Ni
UYD 08	79.5-80.5m	1m @ 1.47ppm Pt+Pd+Au, 0.44% Cu, 0.14% Ni

Drillhole location details for these preliminary intercepts are as follows:

HOLE	EASTING	NORTHING	RL	DIP/AZIMUTH
UYD001	485837	7664295	151	90->000
UYD002	485629	7664311	122	90->000
UYD003	485545	7664306	108	60->000
UYD004	485348	7664337	92	60->000
UYD005	485346	7664441	102	60->000
UYD006	485165	7664670	121	90->000
UYD008	485175	7664334	92	60->000

These intervals will be analysed for the complete range of Platinum Group Elements on original 50cm splits. Until detailed assay results are available it is not possible to establish whether the PGE mineralisation at Upper Yannery is coincident with a zone of disseminated sulphides found below the gabbro-websterite contact, or whether the PGE mineralisation is off-set relative to the disseminated sulphides.

A detailed resource calculation will be released during the 4<sup>th</sup> quarter of this year.

### 3. Capital Raising

A General Meeting of Shareholders was held on the 8 October 2001. Shareholders unanimously approved the issue of 6,766,660 Ordinary fully paid shares at 15 cents per share to private investors who applied for Convertible Notes.

Legend on the 18 September 2001 placed an additional one million Ordinary fully paid shares at 16 cents per share.

### 4. Contractual Obligations

On the 11 June 2001 (refer ASX Announcement) Legend agreed with Joint Venture partner East Coast Minerals NL to increase its interest over all the Joint Venture Properties up to 50% and on the 13 August 2001 paid \$500,000 into the New Munnii Munnii 50/50 Joint Venture account to finance the drilling programme on the Ferguson Reef for Platinum and Palladium. Legend also paid ECM \$750,000 to increase its interest to 33 1/3 %.

**Murray McDonald**  
**DIRECTOR**

31/10/01

*Quarterly Report 30.09.01*

The information on exploration results contained in this report is based on information compiled by consulting geologist Mr Finn Barrett MSc, MGSA, MAIG, MSEG of Barrett Exploration Pty Ltd. Mr Barrett consents to the inclusion in this report of the matters based on his information in the form and context in which it appears