

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

LEGEND MINING LIMITED

ABN

22 060 966 145

Quarter ended ("current quarter")

30 June 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	21	32
1.2 Payments for		
(a) exploration and evaluation	(742)	(1,927)
(b) development	-	-
(c) production	-	-
(d) administration	(482)	(805)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	60
1.5 Interest and other costs of finance paid	(248)	(414)
1.6 Income taxes paid	-	-
1.7 Other		
Sale of Gold from Mill clean	437	437
DoIR rent refunds on tenement application withdrawals	332	332
Net Operating Cash Flows	(665)	(2,285)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) plant & equipment	(2)	(85)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other		
Repayment of Performance Bond Deposits.	-	3,145
Non refundable deposit on proposed sale of Joint Venture Interest	-	11
Net investing cash flows	(2)	3,071
1.13 Total operating and investing cash flows (carried forward)	(667)	786

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1.13	Total operating and investing cash flows (brought forward)	(667)	786
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - Application monies for Rights Issue	389	389
	Net financing cash flows	389	389
	Net increase (decrease) in cash held	(278)	1,175
1.20	Cash at beginning of quarter/year to date	1,861	408
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,583	1,583

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	145
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors salary & consultancy fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	(a) 3,000 (b) 3,145	(a) 3000 (b) 3,145
3.2	Credit standby arrangements	-	-

Note

- (i) The \$3,000,000 loan referred to in 3.1(a) was drawn down on the 15 November 2005 and full disclosure details are contained in the announcement to the Australian Stock Exchange on the 16 November 2005 and further advised on the 9 May 2006.
- (ii) The \$3,145,000 facility referred to in 3.1(b) was approved by Macquarie Bank Ltd on the 28 December 2005 and full disclosure details were contained under the heading "Cash Position" in Item 4 of the December 2005 Quarterly Report released to the Australian Stock Exchange on the 31 January 2006, with the Appendix 5B report.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	2,150
4.2	Development	-
Total		2,150

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	1,583	1,844
5.2	Deposits at call	-	17
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		1,583	1,861

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Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E47/0957	Surrendered 3 April 06	100%	0%
	E47/0966	Surrendered 3 April 06	100%	0%
	E47/0967	Surrendered 3 April 06	100%	0%
	E47/1049	Surrendered 3 April 06	100%	0%
	E53/1020	Surrendered 26 June 06	100%	0%
	E57/517	Surrendered 26 June 06	100%	0%
	E57/522	Surrendered 26 June 06	100%	0%
	P53/1162	Surrendered 26 June 06	100%	0%
	P57/1019	Surrendered 26 June 06	100%	0%
	P57/1026	Surrendered 26 June 06	100%	0%
	P57/697	Surrendered 26 June 06	100%	0%
	P57/871	Surrendered 26 June 06	100%	0%
6.2 Interests in mining tenements acquired or increased	Nil	Nil	Nil	Nil

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	458,578,322	458,578,322		Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>	1 Secured Convertible Note (\$5,000,000 face value) 10% coupon rate expiring 10 November 2006			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	15,000,000 50,000 2,000,000 1,500,000	-	<i>Exercise price</i> 20.0 20.0 10.0 30.0	<i>Expiry date</i> 20.04.2007 30.07.2007 07.02.2008 30.07.2009
7.8 Issued during quarter		-		
7.9 Exercised during quarter				
7.10 Expired during quarter	2,350,000	-	22.00	30.05.2006

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7.11	Debentures <i>(totals only)</i>	-	-	-	-
7.12	Unsecured notes <i>(totals only)</i>	-	-	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date:31 July 2006.....
 (Company secretary)

Print name: Tony Walsh

Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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