

## LEGEND MINING LIMITED

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## PROJECTS

**Pilbara:** nickel-copper, zinc-copper, iron ore

**Gum Creek:** copper-nickel-PGE, gold, iron ore

**Mt Gibson:** zinc-copper-gold

## LOCATION OF PROJECTS



## HIGHLIGHTS

- **RC and geophysical programmes completed at Gum Creek and Pilbara**
- **Preservation of strong cash position - \$10 million**

## OVERVIEW

With the advent of the market turmoil caused by the global credit crisis and the resultant collapse of confidence in the stock market and commodity prices as a back drop, Legend is very well placed to take advantage of opportunity to acquire assets on more reasonable terms than previously thought possible.

Preserving our treasury balance has been of critical importance. Added to the interest income earned from the term deposits held with the National Australia Bank, is the \$500k per year rental from the lease of the Mt Gibson Camp and Infrastructure to Extension Hill Pty Ltd which commenced on 4 August 2008. This leaves Legend with all administrative costs and overheads covered for the immediate future.

All field activity for the next quarter will be based on minimum commitment expenditure while a clearer picture of the credit and stock market landscapes emerges.

Meanwhile Legend is focussing its energy reviewing new opportunities generated by market conditions.

## 1. Gum Creek Project

The Gum Creek Project is divided into three areas, Bungarra, Thangoo and Woodley, and is considered prospective for intrusion-related (Ni-Cu-PGE), komatiite flow-related (Ni) sulphide mineralisation and iron ore, see Figures 1 & 2.

### Bungarra

#### *Cobra and Sidewinder Prospects*

Ground EM surveys were completed over the Cobra and Sidewinder prospects at Bungarra, which were previously identified in the March 2008 Versatile Time Domain Electro-Magnetic survey (VTEM). The ground EM was focussed on conductors associated with gabbroic and pyroxenitic lithologies located near the base of the mafic-ultramafic Bungarra Intrusive Complex (BIC).

Strong conductive features were defined by the EM at both prospects and geophysical modelling of these features indicated source depths of between 60m and 120m.

A total of five RC drillholes (LCBC001-003, LSWC001-002) for 726m were completed at these prospects during the quarter, targeting Ni-Cu-PGE mineralisation. Details of the drilling are provided below in Table 1, while the location of the prospects are shown in Figure 2.

<b>Prospect</b>	<b>Hole</b>	<b>Easting</b>	<b>Northing</b>	<b>Dip</b>	<b>Azi (Mag)</b>	<b>Depth</b>
Cobra	LCBC001	750875	6981100	-59 <sup>0</sup>	055 <sup>0</sup>	162
Cobra	LCBC002	750955	6981020	-70 <sup>0</sup>	055 <sup>0</sup>	132
Cobra	LCBC003	750625	6981350	-60 <sup>0</sup>	300 <sup>0</sup>	120
Sidewinder	LSWC001	751930	6980400	-60 <sup>0</sup>	250 <sup>0</sup>	156
Sidewinder	LSWC002	751890	6980400	-60 <sup>0</sup>	250 <sup>0</sup>	156
<b>Total</b>						<b>726</b>

Drillholes LCBC001-002 at Cobra intersected a thick pyroxenite/gabbro unit at the base of the BIC containing 1-3% disseminated sulphide, while LCBC003 intersected a chert/silicified sediment with up to 10% sulphide. The two holes at Sidewinder intersected a sheared and altered sedimentary unit containing up to 10% sulphide. Pyrite is the dominant sulphide at both prospects with lesser amounts of pyrrhotite and chalcopyrite.

All assay results from the RC programme are pending.

### ***Regional VTEM Survey Follow-up***

A total of 140 soil samples were collected from over eight VTEM features targeting gold mineralisation associated with major shearing and quartz veining. Multi-element assay results were generally low and no further work is planned over these features.

## **Thangoo**

### ***Regional VTEM Survey Follow-up***

A regional soil sampling programme using the portable Niton XRF analyser was completed over the main N-S trending conductive horizon at Thangoo, targeting elevated nickel and copper values. Whilst results from this type of survey are not as accurate as traditional soil sampling with laboratory analysis, this method has the advantage of providing an immediate indication of metal values in the soil.

The programme involved 452 sample points with readings taken at 50m intervals along lines 400m apart, see Figure 2 for programme area. The results were generally low, although several elevated values of nickel and copper were returned from the southern part of E57/674.

## **Woodley**

### ***Gravity Survey***

A gravity survey over a 22km strike length of banded iron formation (BIF) ridge was completed by Haines Surveys Pty Ltd during July 2008, see Figure 2. The objective of the survey was to determine whether significant accumulations of hematite were present associated with the mapped BIF. Previous regional rockchip sampling along the ridge had returned encouraging results with a maximum iron value of 62.5% Fe associated with goethitic/hematitic surface outcrops.

The survey covered an area of approximately 85km<sup>2</sup> and comprised 1,284 readings with stations every 100m along E-W lines 400-800m apart. Six gravity features of interest were identified by the survey and were followed up with ground reconnaissance and further rockchip sampling, see Figure 3.

The reconnaissance work has downgraded the hematite potential of the ridge, however several areas with significant strike lengths and widths of magnetite bearing BIF were identified.

### **West Bungarra JV (Legend 70%, Gateway Mining 30%)**

A total of 33 soil samples were collected from over a broad diffuse VTEM feature considered prospective for gold mineralisation associated with quartz veining and major E-W and N-S faulting.

The samples were collected along two traverses 200m apart with samples taken every 50m. The samples were analysed for Au, As, Co, Cr, Cu, Fe, Mn, Ni, Pb, Zn by aqua regia digest with ICPMS/OES finish at Quantum Analytical Services laboratory in Perth. No anomalous gold or base metal results were returned.

### **Gum Creek Project - Next Phases of Work**

- Assessment of RC drill results from the Cobra and Sidewinder prospects when received.
- Full review/assessment of exploration data over the entire Bungarra Intrusive Complex.
- Continued evaluation of gravity features and iron potential at Woodley.

## **2. Pilbara Project**

The Pilbara Project area lies between 7km and 50km south of Karratha in the northwest of Western Australia, see Figures 1 & 4, and comprises 686km<sup>2</sup> of granted tenements or tenement applications. Legend has previously defined 11 priority drill targets from VTEM and ground EM surveys. The Project is considered prospective for nickel-copper, copper-zinc and iron ore.

### ***Ground EM Surveys***

Ground EM surveys were completed over four conductive features identified previously in the June 2007 Versatile Time Domain Electro-Magnetic survey (VTEM). Strong conductors were defined at three of the four features and subsequent geophysical modelling has identified drill targets.

### ***VTEM Survey***

A VTEM-3 survey comprising 205 line km at 100m spacing covering an area of 21km<sup>2</sup> was completed during the quarter, see Figure 4. The survey was targeting the northeasterly continuation of the felsic dominated package of rocks which host the Whundo, West Whundo and Ayshia copper-zinc deposits owned by Fox Resources.



The survey did not identify any high priority targets, however further processing of the data is being undertaken over several subtle features which may represent weakly conductive zinc targets.

### **Mt Marie JV (Fox Radio Hill Pty Ltd 100%, Legend earning 70%)**

#### ***General***

Two JV tenements E47/1806 and E47/1807 covering 83km<sup>2</sup> were granted during the quarter. Licence E47/1807 contains two high priority VTEM targets, Osborne and Hickmott, over which drilling programmes have been designed and Department of Industry and Resources approval received. A request to undertake a heritage survey has been made to the Ngarluma Aboriginal Corporation.

Expenditure on the JV at the end of the September quarter is \$196,000, with Legend required to spend \$450,000 to earn a 70% interest.

### **Munni Munni JV (Legend 30%, East Coast Minerals NL 70%)**

#### ***Ground EM Survey***

A ground EM survey was completed in the northern portion of M47/342 of the Munni Munni JV at the Mustang prospect, following up a conductive feature identified in a regional VTEM survey, see Figure 4. The survey identified two conductive sources, which were geophysically modelled to provide drill targets.

The first feature represents a strong shallow conductor (30-40m depth) in the northwestern part of the tenement, while the second feature is a large, weak to moderate conductor at 250-300m depth. The significance of these features is greatly enhanced given their location immediately south and west of Fox Resources EM/VTEM targets Sunchaser and Conquest. Sunchaser returned an ASX reported drill intersection of 6.1m @ 3.1% Zn from 28.4m in drillhole 07SCDD002, while at Conquest an intersection of 25m @ 0.52% Cu from 144m in drillhole 07CQDD009.

### Pilbara Project - Next Phases of Work

- Further processing of VTEM data to identify possible zinc targets.
- Heritage survey over Osborne and Hickmott prospects.
- Reconnaissance rockchip sampling over banded iron formation units of the Cleaverville Formation.
- Heritage Agreement negotiations with the Ngarluma Aboriginal Corporation to continue.
- Drilling of previously identified VTEM/ground EM targets will follow all statutory clearances.

### 3. Mt Gibson Project (Farm-In & Joint Venture: Oxiana earning 75%)

The Mt Gibson Project (zinc-copper-gold) is the subject of a Farm-In and Joint Venture Agreement between Legend and Oxiana Exploration Pty Ltd, a wholly-owned subsidiary of Oz Minerals Limited (ASX:OZL), signed on 31 August 2007. The Project is considered prospective for volcanic-hosted massive sulphide (VHMS) style mineralisation similar to Oz Mineral's world-class Golden Grove Mine situated 100km to the north, Figure 1.

During the previous quarter Oz Minerals completed a five hole (MGB001-005) diamond drilling programme totalling 2,956.6m targeting VHMS zinc and copper mineralisation. Details of the programme are presented in Table 2 below.

<b>Table 2: Mt Gibson Diamond Drilling Programme Details</b>					
<b>Hole</b>	<b>Easting MGA 94</b>	<b>Northing MGA 94</b>	<b>Dip</b>	<b>Azimuth (Mag)</b>	<b>Final Depth</b>
MGB001	517030	6711455	-60	110	462.8
MGB002	517345	6712185	-80	80	253
MGB003	517347	6712185	-68	90	640
MGB004	516910	6711545	-60	95	700
MGB005	518150	6713700	-60	110	900.8
<b>Total</b>					<b>2,956.6</b>

Results have been received for all five drillholes. The broad zone of disseminated and banded sphalerite mineralisation in drillhole MGB001, reported to the ASX in Legend's 10 June 2008 announcement, was confirmed with an intersection of 30.29m @ 1.14% Zn from 285.37m. Within this zone, a high grade zinc interval containing massive sphalerite returned 3.77m @ 6.75% Zn from 310m. MGB001 also intersected a gold zone of 7m @ 3.79 g/t Au from 109m, including 4.35m @ 5.62 g/t Au from 111.65m.

MGB004 intersected narrow high grade intervals of gold and zinc; 0.72m @ 30.90g/t Au from 248.72m and 1.60m @ 11.73% Zn from 592m respectively.

A summary of results from drillholes MGB001-005 is provided below.

<b>Table 3: - Summary Assay Results MGB001- 005</b>					
<b>Hole</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Int (m)</b>	<b>Zn %</b>	<b>Au g/t</b>
MGB001	78	79	1	0.10	6.08
MGB001	109	116	7	0.04	3.79
Incl.	111.65	115	4.35	0.01	5.62
MGB001	285.37	315.66	30.29	1.14	0.50
Incl.	292.23	295.14	2.91	1.21	0.33
Incl.	310	313.77	3.77	6.75	0.77
MGB003	399	404	5	0.09	0.83
MGB004	248.00	248.72	0.72	0.01	30.90
	307.93	311.26	3.33	0.62	2.53
	592.00	593.60	1.60	11.73	0.32
	605.00	606.00	1.00	1.25	0.10
MGB005	233.85	238.30	4.45	0.87	0.09
Zinc (Zn) assayed by ICP-AES by ALS Brisbane					
Gold (Au) assayed by Fire Assay with AAS finish by ALS Brisbane.					
Sampling based on nominal 1m intervals of half-NQ2 drill core.					
Cut offs: 0.3% Zn and 0.5 g/t Au with internal dilution <4m. Except for the broad 30.29m zinc envelope in MGB001 which has internal dilution zones up to 8m.					

#### **Mt Gibson Project - Next Phases of Work**

- Downhole EM of diamond drillholes targeting off-hole sulphide mineralisation.
- Integration of all geological, geochemical and geophysical data to assist future exploration.

#### **4. Corporate**

In August 2008, the Australian Taxation Office (ATO) published its Class Ruling on the distribution in specie of Apex Minerals NL shares approved by shareholders in October 2007. The ATO has confirmed the Company's accounting treatment of the distribution in specie, namely that \$30,334,386 (approximately 70.25%) is a return of capital and \$12,845,614 (approximately 29.75%) is an unfranked dividend. The Company has subsequently sent out Dividend Distribution and Return of Capital Statements to all shareholders reflecting the ATO's Class Ruling.



Extension Hill Pty Ltd commenced leasing the Company's accommodation facilities and airstrip at the Mt Gibson Project in Western Australia on 4 August 2008. The Company will receive rental income of \$500,000 per annum paid quarterly.

In September 2008, the Company lodged its Half Year Report for the six months ended 30 June 2008 for release with ASX.

During the quarter 29,307,285 options exercisable at 0.25 cents with an expiry date of 31 July 2008 were exercised. Quotation of 0.25 cent options expiring on 31 July 2008 ceased during the quarter and 1,696,704 0.25 cent 31 July 2008 options expired unexercised.

At the end of the quarter, the Company had \$10,386,000 in cash.

A handwritten signature in black ink that reads 'M. W. J.' followed by a long horizontal line.

**Mark Wilson**

Managing Director

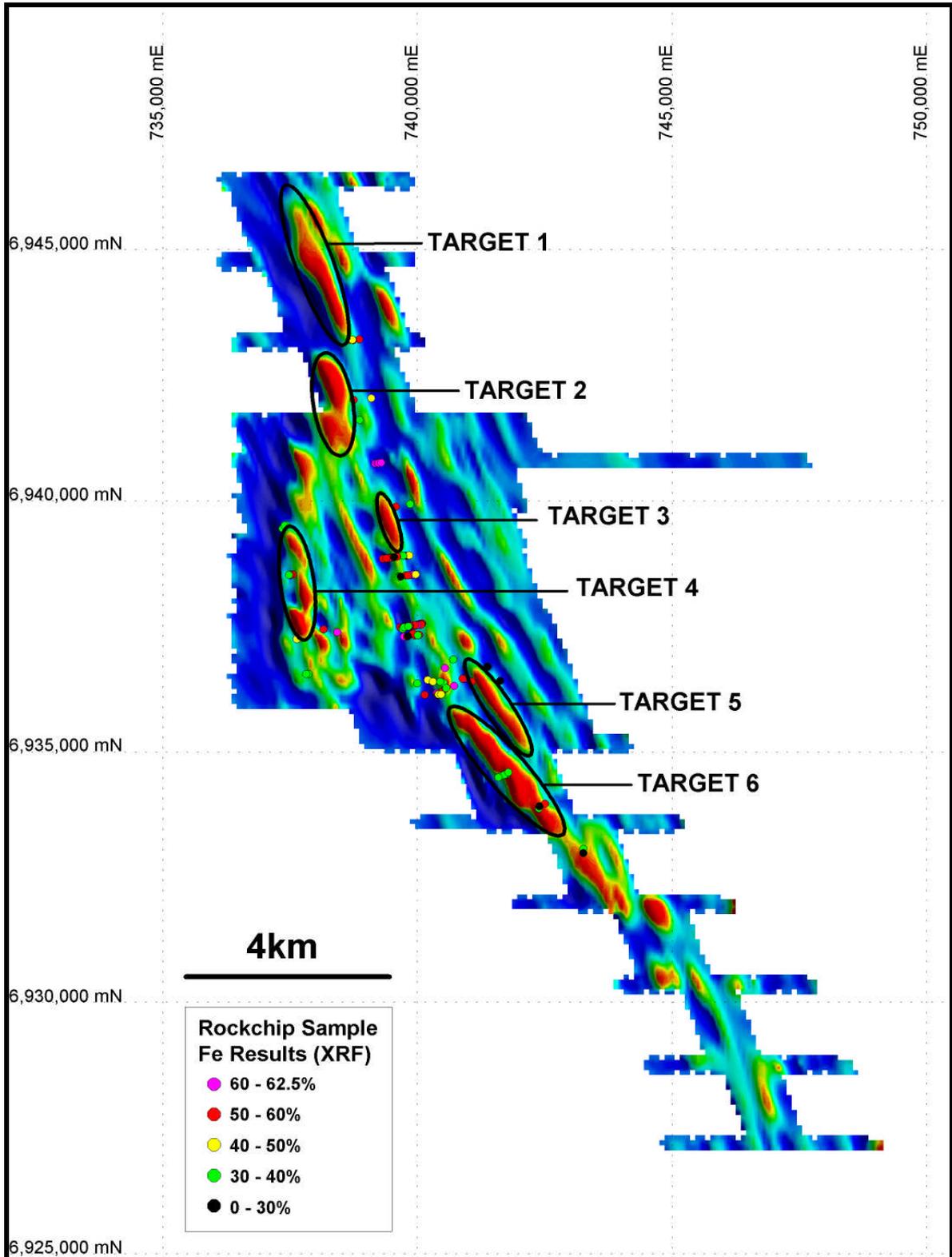
24 October 2008

*The information in this announcement that relates to Exploration Results has been compiled by Mr Derek Waterfield, a Member of the Australian Institute of Geoscientists and a full time employee of Legend Mining Limited. Mr Waterfield 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.*

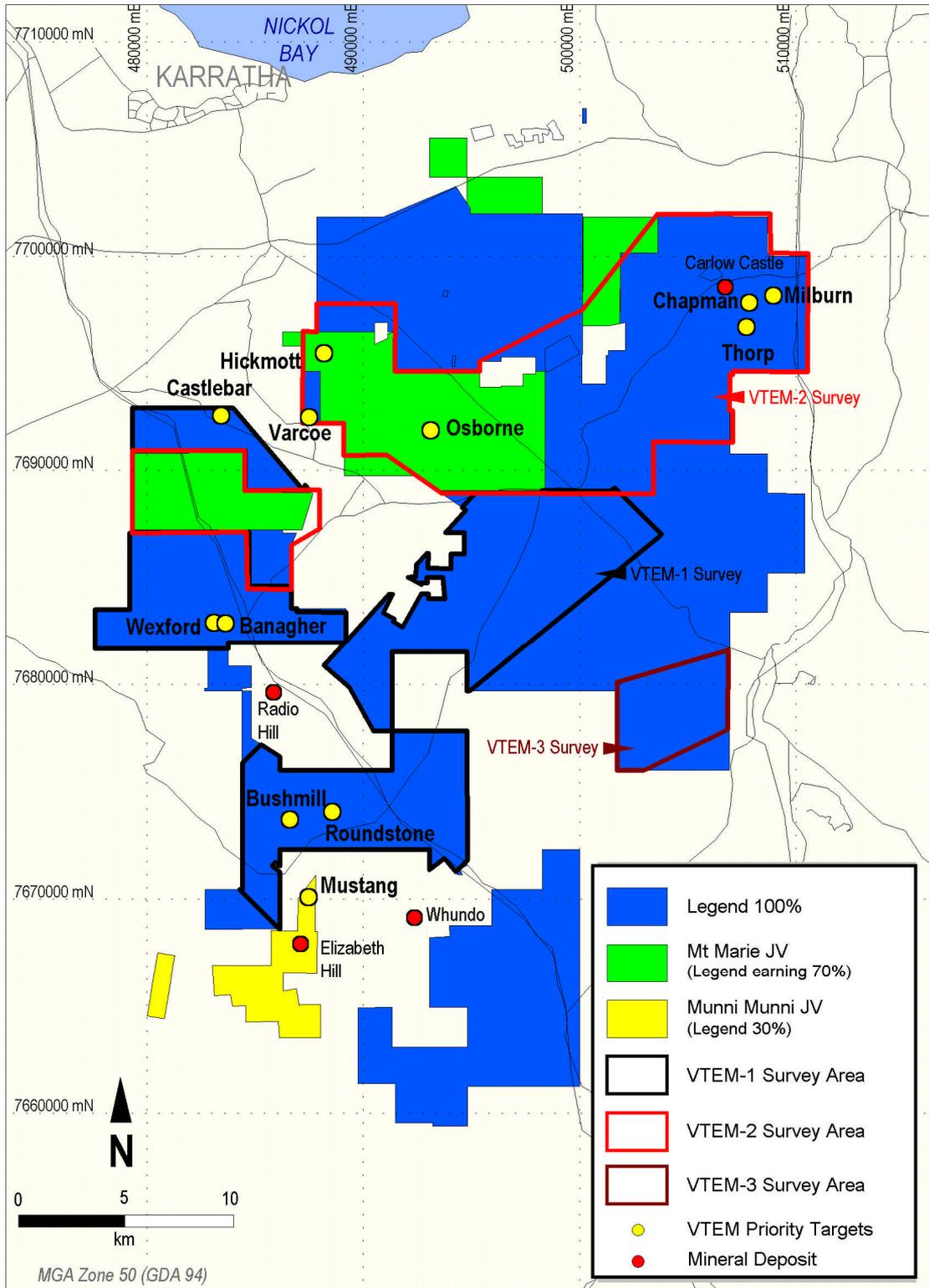


Figure 1: Project Location





**Figure 3: Woodley Iron Ridge – Residual Gravity Image and Rockchip Sample Fe Results**



**Figure 4: Pilbara Project Location Plan**