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AUSTRALIAN STOCK EXCHANGE RELEASE

CREASY TO PUMP \$10 MILLION OF FRESH EQUITY INTO LEGEND

Legend Mining Limited has announced that Mark Creasy's company Yandal Investments Pty Ltd has agreed to provide \$10M of new equity to Legend by converting its secured \$5M Convertible Note and exercising its \$5M worth of attaching options.

Legend has concurrently announced a 1-for-3 non-renounceable rights issue to raise an additional \$6.12M.

Legend Managing Director, Mr Mark Wilson, said in making this announcement that it was a solid endorsement by Creasy of the exploration potential of Legend's projects and the capacity of the team to deliver success.

Legend Mining Limited (Legend) has announced a capital raising of \$11.12 million consisting of a 1-for-3 non-renounceable rights issue to raise \$6.12 million and a debt-for-equity swap resulting in an additional \$5 million being raised.

Legend Managing Director, Mr Mark Wilson, in announcing the capital raising said the debt-for-equity swap would see key investor Mr Mark Creasy's flagship company Yandal Investments Pty Ltd (Yandal) provide \$10 million of new equity to Legend by converting its secured \$5 million Convertible Note and exercising the \$5 million worth of attaching options.

Mr Wilson said "Legend will emerge from this exercise with a market capitalisation of approximately \$34 million, with over \$10 million in cash, a clean balance sheet and two great projects, Mt Gibson and Gidjee. We will have reduced borrowings and interest payment costs and removed the mortgage related to the Convertible Note while retaining the support of valued key investors. The new capital raised will fund aggressive exploration drilling programs."



“We also have a strong executive and technical team with broad exploration experience in gold and base metals. The new technical team led by ex-Newmont Director of Exploration, Mr Bob Perring, has developed new exploration strategies and robust drill targets at both Mt Gibson and Gidgee.”

At Mt Gibson, a 5 kilometre long, coherent, near-surface zinc anomaly defined by shallow RAB and aircore drilling is interpreted to overlie a volcanic-hosted massive sulphide (VHMS) system. The limited historical drilling has returned a best intercept of 4m at 13.4% Zn 575m vertically below surface. Mt Gibson lies in the same greenstone belt and 100km south of the world-class Golden Grove VHMS base metal mine.

At Gidgee, exploration will focus on the follow-up of a recently identified structural trend (Western Trend) that has many of the geological characteristics favourable for the formation of large gold deposits. All targets lie within 35 kilometres of Legend’s 650,00 tonne per annum gold plant.

The combined rights issue – to be underwritten by Findlay & Co. Stockbrokers Ltd (Findlay) - and debt-for-equity swap will, subject to shareholder and regulatory approvals, involve:

- (a) a non-renounceable 1-for-3 rights issue of ordinary fully paid Legend shares at \$0.04 per share to raise \$6.12 million, with a free attaching option exercisable at \$0.04 within 24 months of issue - these options to be listed on the ASX.

NB: Yandal, and related party, Australian Gold Resources Pty Ltd (AGR), have agreed not to take up their entitlements under the proposed rights issue.

- (b) early conversion of the 10 November 2004 Convertible Note issued to Yandal, and the exercise of the attached options to raise \$5 million.
- (c) payment of an early conversion fee to Yandal via the granting of 125 million unlisted options (Early Conversion Options) exercisable at \$0.04 within 24 months of issue – subject to shareholder approval.
- (d) at Yandal’s request, the granting of a portion of the Early Conversion Options to Legend directors and/or their nominees – subject to shareholder approval.



A timetable for shareholder approval of the issue of the Early Conversion Options, the rights issue and the debt for equity conversion, will be released once details have been confirmed.

In a separate agreement, Yandal has agreed to sell, and Legend executive directors Mr Mark Wilson and Mr Bob Perring respectively (and/or their nominees) have agreed to buy 10 million and 2 million fully paid Legend shares at \$0.04 per share.

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