



A.C.N. 060 966 145

HALF-YEAR REPORT

30th JUNE 2007

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Web

www.legendmining.com.au

Email

legend@legendmining.com.au

ASX Codes

LEG – ordinary shares

LEGO – options

COMPANY DIRECTORY

Directors

Michael William Atkins (Chairman)
Mark William Wilson (Managing Director)
Dermot Michael Ryan (Non-executive Director)

Secretary

Tony Walsh

Registered Office

Level 2
640 Murray Street
PO Box 626
WEST PERTH, WA 6005

Telephone: (08) 9212 0600

Facsimile: (08) 9212 0611

Bankers

National Australia Bank
1232 Hay Street
WEST PERTH, WA 6005

Auditors

Stantons International
Level 1, 1 Havelock Street
WEST PERTH, WA 6005

Home Exchange

Australian Securities Exchange Ltd
2 The Esplanade
PERTH WA 6000

Share Registry

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS, WA 6009

Telephone: (08) 9389 8033

Facsimile: (08) 9389 7871

Lawyers

Pullinger Readhead Lucas
Level 1, Fortescue House
50 Kings Park Road
WEST PERTH, WA 6005

DIRECTORS' REPORT

The Directors submit their report for the half-year ended 30 June 2007.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Michael Atkins (Chairman, Non Executive Director)

Mark Wilson (Managing Director)

Robert Perring (Executive Director - Technical) (resigned 30 June 2007)

Dermot Ryan (Non Executive Director)

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities during the year of the entities within the consolidated entity were:-

- exploration for gold and base metal (zinc-copper-gold, nickel-copper, zinc-copper and copper-gold) deposits.

RESULTS OF OPERATIONS

The loss of the consolidated entity for the half-year was \$6,445,976 (2006: loss \$1,517,673) after income tax.

REVIEW OF OPERATIONS

This half year saw the culmination of bringing all of Legend's assets into play, ensuring that all Projects are in the hands of well funded good operators thus working for the benefit of shareholders. In summary:

1. Legend is exploring the Pilbara and Gum Creek Projects and new drill targets are consistently being discovered. Exploration activity will continue during the September quarter and comprehensive drill programmes will commence once tenements are granted.
2. The Mt Gibson Joint Venture will see Oxiana inject up to \$10 million to explore the asset, meaning Legend shareholders have no additional financial risk, but will still benefit from any discoveries with a minimum 25% holding in the JV.
3. The Gidgee Gold Project has been sold to Apex, principally for scrip, and shareholders will benefit directly through an in-specie distribution of up to 34 million Apex shares. These Apex shares have increased in value to over \$30 million since the sale agreement. There is provision in the sale agreement for the payment of a contingent consideration of \$5,000,000 payable upon the production of 250,000 oz of gold from the sale tenements. The sale is to be taken up in the second half of the financial year.

The mining and processing operations at the Mt Gibson and Gidgee projects remain on care and maintenance.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

We have received the Declaration of Auditor Independence from Stantons International, the Company's Auditor, this is available for review on page 17.

SIGNED in accordance with a Resolution of the Directors on behalf of the Board

A handwritten signature in black ink, appearing to read 'M. Wilson', is written over a horizontal line.

M Wilson
Managing Director

Dated this 31st day of August 2007

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

| | Note | CONSOLIDATED | |
|---|------|--------------------|--------------------|
| | | 2007 | 2006 |
| | | \$ | \$ |
| Continuing Operations | | | |
| Sales revenues | | - | - |
| Cost of sales | | - | - |
| Gross profit/(loss) | | - | - |
| Rental revenue | 3(a) | 7,500 | 12,988 |
| Finance revenue | 3(b) | 246,635 | 54,752 |
| Other income | 3(c) | 25,015 | 461,163 |
| Deferred exploration expenditure written off | 3(e) | (5,409,595) | (631,008) |
| Other expenses | 3(f) | (427,833) | (133,935) |
| Corporate head office expenses | | (676,329) | (661,011) |
| Finance costs | | (211,369) | (620,622) |
| Net loss from continuing operations before income tax expense | | (6,445,976) | (1,517,673) |
| Income tax benefit/ (expense) | | - | - |
| Net loss attributable to members of the entity | | (6,445,976) | (1,517,673) |
| LOSS PER SHARE (cents per share) | | | |
| Basic for loss for the year | 4 | (0.69 cents) | (0.33 cents) |
| Diluted for loss for the year | | (0.69 cents) | (0.33 cents) |

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007

| | Notes | CONSOLIDATED | |
|--|-------|--------------------------------|------------------------------------|
| | | As at 30 June 2007 \$ | As at 31 December 2006 \$ |
| ASSETS | | | |
| Current Assets | | | |
| Cash and Cash Equivalents | | 6,859,165 | 8,924,983 |
| Trade & Other Receivables | | 72,699 | 233,766 |
| Prepayments | | 62,460 | 18,130 |
| Inventories | | 143,258 | 145,318 |
| Total Current Assets | | 7,137,582 | 9,322,197 |
| Non-current Assets | | | |
| Deferred tax asset | | - | - |
| Other financial assets | 6 | 152,251 | 148,730 |
| Property, plant & equipment | 7 | 1,508,885 | 1,785,851 |
| Deferred exploration costs | 8 | 17,356,936 | 21,145,692 |
| Total Non-current Assets | | 19,018,072 | 23,080,273 |
| TOTAL ASSETS | | 26,155,654 | 32,402,470 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade & Other Payables | 9 | 517,477 | 447,842 |
| Provisions | | 72,892 | 89,135 |
| Total Current Liabilities | | 590,369 | 536,977 |
| Non-current Liabilities | | | |
| Provisions | | 3,226,549 | 3,224,336 |
| Total Non-current Liabilities | | 3,226,549 | 3,224,336 |
| TOTAL LIABILITIES | | 3,816,918 | 3,761,313 |
| NET ASSETS | | 22,338,736 | 28,641,157 |
| EQUITY | | | |
| Equity attributable to equity holders of the parent | | | |
| Contributed Equity | 10 | 57,346,101 | 57,328,816 |
| Share Option Premium Reserve | | 3,241,605 | 3,115,335 |
| Accumulated losses | | (38,248,970) | (31,802,994) |
| TOTAL EQUITY | | 22,338,736 | 28,641,157 |

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

| | CONSOLIDATED | |
|---|---------------------|-------------|
| | 2007 | 2006 |
| | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | 193,582 | 32,443 |
| Receipts from Gold sales from Mill clean | - | 437,174 |
| Payments to suppliers and employees | (542,928) | (788,616) |
| Payment for exploration and evaluation | (1,620,839) | (1,611,606) |
| Interest received | 245,327 | 60,230 |
| Interest paid | (211,369) | (413,943) |
| Net cash flows used in operating activities | (1,936,227) | (2,284,318) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of property, plant & equipment & scrap | | |
| Purchase of property, plant & equipment | (146,876) | (85,367) |
| Non refundable deposit on cancelled sale of Joint Venture Project | - | 11,000 |
| Net cash flows from/ (used in) investing activities | (146,876) | (74,367) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of ordinary shares | 17,285 | - |
| Transaction costs of issue of shares | - | - |
| Proceeds of Performance Bond Term Deposit | - | 3,145,000 |
| Application monies on rights issue | - | 388,902 |
| Net cash flows from financing activities | 17,285 | 3,533,902 |
| Net increase/(decrease) in cash and cash equivalents | (2,065,818) | (1,175,217) |
| Cash and cash equivalents at the beginning of period | 8,924,983 | 407,977 |
| Cash and cash equivalents at end of period | 6,859,165 | 1,583,194 |

**CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

| Consolidated | Issued Capital | Share Option Premium Reserve | Accumulated Losses | Total Equity |
|--------------------------------|---------------------------|---|-------------------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| At 1 January 2007 | 57,328,816 | 3,115,335 | (31,802,994) | 28,641,157 |
| Loss for the year | - | - | (6,445,976) | (6,445,976) |
| Issue of Options | - | 126,270 | - | 126,270 |
| Exercise of Share Option | 17,285 | - | - | 17,285 |
| Cost of Issue of Share Capital | - | - | - | - |
| At 30 June 2007 | 57,346,101 | 3,241,605 | (38,248,970) | 22,338,736 |
| At 1 January 2006 | 37,035,962 | 447,272 | (24,066,417) | 13,416,817 |
| Loss for the year | - | - | (1,517,673) | (1,517,673) |
| Issue of Share Capital | - | - | - | - |
| Exercise of Share Option | - | - | - | - |
| Cost of issue of Share Capital | - | - | - | - |
| At 30 June 2006 | 37,035,962 | 447,272 | (25,584,090) | 11,899,144 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2007

NOTE 1: CORPORATE INFORMATION

The financial report of Legend Mining Limited (the Company) for the half-year ended 30 June 2007 was authorised for issue in accordance with a resolution of the Directors on 30 August 2007.

Legend Mining Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the Group are described in the Directors Report.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Legend Mining Limited as at 31 December 2006.

It is also recommended that the half-year financial report be considered together with any public announcements made by Legend Mining Limited and its controlled entities during the half-year ended 30 June 2007 in accordance with the continuance disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The half-year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements. The half-year report has been prepared on a historical cost basis except for available-for-sale investments which have been measured at fair value.

The financial report is presented in Australian dollars and all values are expressed as whole dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discreet reporting period.

(b) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 31 December 2006.

(c) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Legend Mining Limited and its subsidiaries as at 30 June 2007 ('the Group').

(d) Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

NOTE 3: REVENUE AND EXPENSES

CONSOLIDATED

| | 2007 | 2006 |
|---|-------------|-------------|
| | \$ | \$ |
| Revenues and expenses from continuing operations | | |
| a) Rental Revenue | | |
| Rental revenue | 7,500 | 12,988 |
| b) Finance Revenue | | |
| Bank interest received and receivable | 246,635 | 54,752 |
| c) Other Income | | |
| Gold sales from Mill clean | - | 437,174 |
| Non Refundable deposit on Joint Venture sale | - | 10,000 |
| Hire of camp facilities | 55 | 13,989 |
| Field work completed by Legend Geologists | 14,800 | - |
| Payment for Aeromagnetic Data | 5,000 | - |
| Reimbursement of premises expenses | 5,160 | - |
| | 25,015 | 461,163 |
| d) Employee Benefits Expense | | |
| Salaries & On costs | 235,700 | 257,966 |
| Share Based Payments | 126,270 | - |
| Other Employee Benefits | 2,483 | 15,249 |
| | 364,453 | 273,215 |
| e) Deferred Exploration Expenditure written off | | |
| Write down of deferred exploration expenditure | 5,409,595 | 631,008 |
| f) Other Expenses | | |
| Depreciation | 102,410 | 133,670 |
| Provision for write-down in Plant & Equipment | 315,075 | - |
| Other non-operating expenditure | 10,348 | 265 |
| | 427,833 | 133,935 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

| NOTE 4: LOSS PER SHARE | 2007 | 2006 |
|--|-------------|-------------|
| | \$ | \$ |
| (a) Reconciliation of earnings to net loss: | | |
| Net Loss | (6,445,976) | (1,517,673) |
| Loss used in the calculation of basic loss per share | (6,445,976) | (1,517,673) |
| (b) Weighted average number of shares on issue during the financial year used in the calculation of basic loss per share | | |
| | 924,300,176 | 458,578,322 |
| Weighted average number of ordinary shares on issue used in the calculation of diluted loss per share | 924,300,176 | 458,578,322 |

NOTE 5: SEGMENT INFORMATION

The Company operates in one business and geographical segment, being the mining and exploration for gold and base metals (zinc-copper) in Australia.

NOTE 6: OTHER FINANCIAL ASSETS

| | Consolidated | 2006 |
|----------------------------------|---------------------|-------------|
| | 2007 | \$ |
| | \$ | \$ |
| Non-current | | |
| Performance bonds – bank deposit | 152,251 | 148,730 |
| | 152,251 | 148,730 |

(a) Terms and conditions relating to the above financial instruments

- Non Current Performance bonds– bank deposits were held as security for credit cards, as security deposit for the premises rented and as security for joint venture assets. These bonds were held on 30 day term deposits at 5.82%, or at call.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

NOTE 7: PROPERTY PLANT AND EQUIPMENT

| | Buildings | Plant and equipment | Total |
|---|------------------|--------------------------------|------------------|
| <i>Consolidated</i> | | | |
| At 1 January 2007, net of accumulated depreciation | 321,921 | 1,463,930 | 1,785,851 |
| Additions | - | 146,876 | 146,876 |
| Disposals | - | (6,357) | (6,357) |
| Write down of assets | - | (315,075) | (315,075) |
| Depreciation expense | (42,472) | (59,938) | (102,410) |
| At 30 June 2007, Net of accumulated depreciation | <u>279,449</u> | <u>1,229,436</u> | <u>1,508,885</u> |
| At 1 January 2007 | | | |
| Cost | 468,725 | 2,625,996 | 3,094,721 |
| Accumulated depreciation | (146,804) | (1,162,066) | (1,308,870) |
| Net carrying amount | <u>321,921</u> | <u>1,463,930</u> | <u>1,785,851</u> |
| At 30 June 2007 | | | |
| Cost | 468,725 | 2,766,515 | 3,235,240 |
| Accumulated depreciation | (189,276) | (1,537,079) | (1,726,355) |
| Net carrying amount | <u>279,449</u> | <u>1,229,436</u> | <u>1,508,885</u> |
| <i>Consolidated</i> | | | |
| At 1 January 2006, net of accumulated depreciation | 393,867 | 1,437,334 | 1,831,201 |
| Additions | 13,000 | 181,989 | 194,989 |
| Disposals | - | (7,003) | (7,003) |
| Depreciation expense | (84,946) | (148,390) | (233,336) |
| At 31 December 2006, net of accumulated depreciation | <u>321,921</u> | <u>1,463,930</u> | <u>1,785,851</u> |
| At 1 January 2006 | | | |
| Cost | 455,725 | 2,459,634 | 2,915,359 |
| Accumulated depreciation | (61,858) | (1,022,300) | (1,084,158) |
| Net carrying amount | <u>393,867</u> | <u>1,437,334</u> | <u>1,831,201</u> |
| At 31 December 2006 | | | |
| Cost | 468,725 | 2,625,996 | 3,094,721 |
| Accumulated depreciation | (146,804) | (1,162,066) | (1,308,870) |
| Net carrying amount | <u>321,921</u> | <u>1,463,930</u> | <u>1,785,851</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

NOTE 8: DEFERRED EXPLORATION COSTS

| | Consolidated | |
|--|---------------------|-------------|
| | 2007 | 2006 |
| | \$ | \$ |
| Deferred exploration and evaluation | 15,684,433 | 19,473,189 |
| Deferred mining information | 1,672,503 | 1,672,503 |
| | 17,356,936 | 21,145,692 |
| | | |
| (a) Deferred exploration and evaluation costs | | |
| At 1 January, at cost. | 19,473,189 | 17,872,057 |
| Expenditure incurred during the period | 1,620,839 | 5,333,428 |
| Expenditure written off during the period (ii) | (5,409,595) | (3,732,296) |
| At 30 June 2007 / 31 December 2006, at cost. (iii) | 15,684,433 | 19,473,189 |
| | | |
| (b) Deferred Mining Information | | |
| At 1 January, at cost. | 1,672,503 | 1,672,503 |
| At 30 June 2007 / 31 December 2006, at cost. (iii) | 1,672,503 | 1,672,503 |

Note:

- (i) As part of the continuing tenement rationalisation, Legend Mining Limited lodged new tenement applications over areas covered by Gidgee Resources Limited tenement application. Expenditure allocated to these Gidgee Resources Limited tenements was reassigned to the new tenement applications.
- (ii) Carrying values for certain tenements were reviewed and subject to the following conditions being met;
 - (1) no substantive expenditure for further exploration in the specific areas has been budgeted for;
 - (2) exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources;
 - (3) it was decided to discontinue such activities in the specific areas;
 - (4) tenements being sold to Apex have been written down to \$9,900,000 as defined in the sale agreement.
- (iii) The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

NOTE 9: TRADE AND OTHER PAYABLES

| | 2007 | 2006 |
|----------------------------|-------------|-------------|
| | \$ | \$ |
| Current – unsecured | | |
| Trade payables | 485,523 | 421,719 |
| Other payables & accruals | 31,954 | 26,123 |
| | 517,477 | 447,842 |

Terms and conditions relating to the above financial instruments

- (i) Trade payables are non-interest bearing and normally settled on 30 day terms.
- (ii) Other payables are non-interest bearing and normally settled as they fall due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

NOTE 10: CONTRIBUTED EQUITY

| | Consolidated and Company | |
|--|---------------------------------|---------------|
| | Jun-07 | Dec-06 |
| | \$ | \$ |
| Ordinary shares | | |
| Issued and fully paid | 59,125,829 | 59,108,544 |
| Issue costs | (1,779,728) | (1,779,728) |
| | 57,346,101 | 57,328,816 |
| Movement in ordinary shares on issue 2007 | | |
| At 1 January 2007 | 924,115,651 | 458,578,322 |
| Issued in year | - | 465,537,329 |
| 1-Jan-07 Issued for cash on exercise of share options | 3,333 | - |
| 29-Jan-07 Issued for cash on exercise of share options | 2,667 | - |
| 09-Feb-07 Issued for cash on exercise of share options | 165,000 | - |
| 09-Mar-07 Issued for cash on exercise of share options | 1,000 | - |
| 28-May-07 Issued for cash on exercise of share options | 260,111 | - |
| | 924,547,762 | 924,115,651 |

Effective 1 July 1998, the Corporation legislation in place abolished the concept of authorised share capital and par value shares. Accordingly the Company does not have authorised capital nor par value in respect of its issued shares.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTE 11: RELATED PARTY DISCLOSURES

(i) Wholly-owned group transactions

Loans made by Legend Mining Limited to wholly-owned subsidiaries are repayable on demand and are not interest bearing.

(ii) Other related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(iii) Ultimate parent

Legend Mining Limited is the ultimate parent company.

(iv) Loans to related parties

Legend Mining Limited have advanced/ (received) the following loans to/(from) its subsidiary companies at the half-year ended 30 June 2007

| | Jun-07 | Dec-06 |
|--------------------------|---------------|---------------|
| Gibson Metals Pty Ltd | 4,434,754 | 4,136,505 |
| Armada Mining Limited | 2,694 | 2,694 |
| Gidgee Resources Limited | - | - |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

(v) Related party disclosures

Related party transactions and balances with Yandal Investments Pty Ltd and Mr Mark Creasy have been disclosed below as these transactions and balances are considered material to an understanding of the current interim period.

An Environmental bond Security Facility totalling \$3,145,000 was approved by Macquarie Bank Ltd on the 28 December 2005. This facility is secured by equity provided by Yandal Investments Pty Ltd and Mr Mark Creasy. The aggregate fee payable to both Macquarie Bank Ltd and Yandal Investments Pty Ltd is 2.1% and 9.5% respectively per annum.

| Related Parties | | Amount Paid to related parties | Amount Owed to related parties | Amounts Owed by related parties |
|---|------|---|---|--|
| Entities with significant influence over the Group | | | | |
| Yandal Investments Pty Ltd | 2007 | 150,615 | - | - |
| | 2006 | 352,493 | - | - |

NOTE 12: COMMITMENTS

(a) Exploration expenditure commitments.

In order to maintain current rights of tenure to exploration tenements, the Company will be required to outlay in 2007 amounts of approximately \$3,205,940 (2006: \$3,958,516) in respect of tenement lease rentals and to meet minimum expenditure requirements of the Department of Industry & Resources. These obligations are expected to be fulfilled in the normal course of operations and have not been provided for in the financial report.

This is the maximum commitment to exploration, to fully meet DOIR requirements. In practice, Legend has routinely applied for and been granted exemptions from meeting these requirements on a tenement by tenement basis. As a result the actual amount required to be expended on exploration is expected to be significantly less than \$3.6 million, while still holding all the tenements in good standing.

There has been no material change of any contingent liabilities during the year.

No matter or circumstances has arisen since the end of the year to the date of this report which has significantly effected, or may significantly effect, the operations of the consolidated entity the results of those operations or the state of affairs of the consolidated entity.

The consolidated entity's activities in Australia are subject to the Native Titles Act and the Department of Environment. Uncertainty associated with Native Title issues may impact on the Company's future plans.

There are no unresolved Native Title issues and the consolidated entity is not aware of any other matters that may impact upon its access to the land that comprises its project areas.

NOTE 13: EVENTS AFTER THE BALANCE SHEET DATE

Legend Mining and Apex Minerals have settled the sale of the Gidgee Gold Project. Apex Minerals has issued 34,000,000 Apex shares to Legend.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2007**

NOTE 14: DIVIDENDS PAID AND PROPOSED

No dividends were paid or proposed this financial year.

There are no franking credits available for future reporting periods.

NOTE 15: WRITE-DOWN OF INVENTORY

There were no inventory write-downs recognised during the six months ended 30 June 2007.

DIRECTOR'S DECLARATION

In accordance with a resolution of the Directors of Legend Mining Limited, I state that:

In the opinion of the Directors:

- a) the financial statements and notes, of the consolidated entity, are in accordance with the Corporations Act 2001, including;
 - i. Giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2007 and their performance for the year ended on that date; and
 - ii. Comply with Accounting Standards' and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the half-year ending 30 June 2007.

On behalf of the Board.



M. Wilson
Managing Director

Dated this 31st day of August 2007

Stantons International

ABN 41 103 088 697

LEVEL 1, 1 HAVELOCK STREET
WEST PERTH WA 6005, AUSTRALIA
PH: 61 8 9481 3188 • FAX: 61 8 9321 1204
www.stantons.com.au

31 August 2007

Board of Directors
Legend Mining Limited
Level 2, 640 Murray Street
West Perth WA 6005

Dear Directors

RE: LEGEND MINING LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Legend Mining Limited.

As Audit Director for the review of the financial statements of Legend Mining Limited for the half year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

STANTONS INTERNATIONAL
(Authorised Audit Company)



John Van Dieren
Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LEGEND MINING LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Legend Mining Limited, which comprises the consolidated condensed balance sheet as at 30 June 2007, and the consolidated condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2007 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Legend Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to

obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

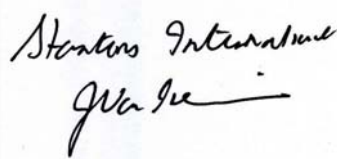
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Legend Mining on 31 August 2007.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Legend Mining Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL **(An authorised audit company)**



The image shows a handwritten signature in black ink on a light blue background. The signature reads "Stantons International" in a cursive script, with "J P Van Dieren" written below it in a similar cursive style.

J P Van Dieren
Director

West Perth, Western Australia
31 August 2007