



SEPTEMBER 2007 QUARTERLY REPORT

15 October 2007

LEGEND MINING LIMITED

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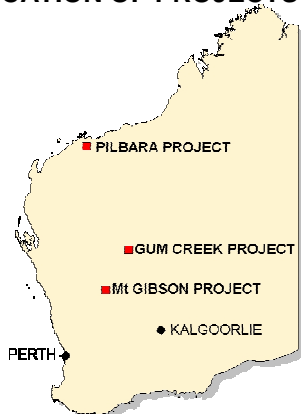
PROJECTS

Pilbara: nickel-copper & zinc-copper

Gum Creek: copper-nickel-PGE, gold

Mt. Gibson: zinc-copper-gold

LOCATION OF PROJECTS



HIGHLIGHTS

- **EGM to approve Apex share distribution scheduled for 25 October 2007.**
- **Pilbara - Ground EM defines further drill targets**
- **Gum Creek – Tenements granted and first drill programmes completed with results pending.**

OVERVIEW

Legend has had a quarter of quiet achievement.

The Gidgee Gold Project sale to Apex Minerals NL (Apex) was settled on 10 August. The value of 34m Apex shares has grown from \$11m at the sale date to \$31.45m at settlement to a value of \$45.22m based on 12 October closing price. The return of capital, scheduled for 12 November, is approaching 4c per share.

The attractiveness of the Apex share distribution has resulted in many optionholders exercising their options early which is having the additional benefit of strengthening Legend's cash reserves. For shareholders this means Legend can fund its exploration activities for the foreseeable future without additional fundraising – a very positive prospect.

The ground EM programme at the Pilbara project advanced the number of anomalies from four to eleven. These anomalies are drill ready and with the first of Legend's new applications being advertised with more to come the wait for the tenement grant process appears to be over.

Several important tenements at the Gum Creek project were granted during the quarter and initial drill programmes completed. Assays are awaited. A 3500m RC programme is also scheduled for the December quarter.

Oxiana has commenced work on the Mt Gibson JV with appointment of key technical staff and exploration activity planning.



1. Gidgee Gold Project Sale to Apex

Legend announced on 13 August 2007 that settlement of the Gidgee Gold Project had occurred and that the initial consideration of 34,000,000 Apex shares had been issued to Legend.

The Notice of Meeting for Legend shareholders to approve the distribution in-specie of these Apex shares was sent to shareholders on 26 September 2007 with the meeting scheduled to take place on 25 October 2007. The Record Date for entitlements to the distribution is 2 November 2007.

2. Pilbara Project

Tenement Status

During the reporting period 17 prospecting licences were advanced in the grant process, following Section 29 Native Title advertising, giving an approximate grant date of February 2008. Legend is continuing to progress its 12 remaining tenement applications in the Project.

Ground EM Follow-up of VTEM Anomalies

Legend announced on 2 October 2007 that ground EM surveys had been completed over seven priority anomalies delineated in the June 2007 VTEM-2 survey and one anomaly from the November 2006 VTEM-1 survey.

Results of the latest Fixed-Loop Transient Electromagnetic (FLTEM) surveys are summarised below, based on tenure:

Legend 100% Tenure

Four of the seven anomalies covered by the FLTEM survey namely, Chapman, Milburn, Thorp and Roundstone (VTEM-1) occur on 100% Legend owned tenements (Figure 1). All of these anomalies identified conductors consistent with the presence of localised matrix or massive sulphide.

Mt Marie JV (Legend earning 70%, Fox Resources Limited 100% diluting)

Three of the seven anomalies covered by the FLTEM survey namely, Osborne, Hickmott and Paton occur in Mt Marie JV tenements (Figure 1). The Osborne and Hickmott anomalies



identified conductors consistent with the presence of localised matrix or massive sulphide, however Paton was found to be a surficial feature coincident with a well developed calcrete layer.

Next Phases of Work

Further processing and interpretation of the VTEM data, in conjunction with aeromagnetic/radiometric datasets will be undertaken, aimed at identifying additional anomalies. It is envisaged that follow-up ground reconnaissance and sampling of these “new” anomalies will lead to the identification of more targets requiring ground EM evaluation.

The 11 targets already defined by this and previous (April 2007) ground EM surveys are now at the drill stage. Drilling of these targets will follow the grant of tenure.

3. Gum Creek Project

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

During the reporting period tenements E57/674, E57/706, P57/1126 and P57/1127 covering 242km² were granted.

Bungarra

Legend announced on 6 August 2007 further anomalous Cu-Ni-PGE gossan results coincident with conductors identified by ground EM surveys at three prospects, Python, Dugite and Adder (Figure 3).

The Moving Loop Transient Electromagnetic (MLTEM) survey at Python identified a number of conductors including a strong conductor coincident with an outcropping Cu-Ni-PGE gossan. Of the remaining MLTEM anomalies there remains potential for sulphide mineralisation to be the source of the conductors, though stratigraphic conductors are also expected.

The MLTEM surveys over Dugite and Adder revealed strong, linear conductors over a combined strike length in excess of 3km. The conductors may represent sulphide mineralisation at the base of the BIC or a non-mineralised stratigraphic conductor.



Diamond Drilling

A single diamond drillhole (LGCD001) was completed at the Python prospect on 3 October 2007 to a depth of 200.8m, testing beneath a Cu-Ni-PGE gossan and modelled ground EM conductor.

The drillhole intersected gabbro with up to 10% disseminated pyrite, as well as narrow zones of massive pyrite. Minor pyrrhotite and chalcopyrite was also intersected over a downhole width of 1.2m from 138.6m, also hosted in gabbro. Assay results are expected by the end of October and will be reported soon after.

Soil Sampling

A total of 507 soil samples were collected at the Python prospect and regional traverses over the western margin of the Bungarra Intrusive Complex. Results will be assessed and reported as they become available.

Thangoo & Woodley

An aircore drilling programme comprising 137 holes for 7,458m was completed over the Thangoo and Woodley areas. The drilling was conducted over 17 regional traverses with holes spaced at 50m intervals along the traverses and targeting komatiite hosted nickel mineralisation.

A favourable geological setting for nickel mineralisation is indicated from logging of drill chips at Thangoo with several traverses intersecting komatiitic units. Assay results are expected by the end of October and will be reported soon after.

Next Phases of Work

Based upon all exploration results to date, a 3,500m RC drilling programme is planned at Bungarra and Thangoo in early November targeting intrusion-related (Cu-Ni-PGE) and komatiite hosted (Ni) sulphide mineralisation respectively.

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

The full form Farm-In and Joint Venture Agreement between Legend and Oxiana Exploration Pty Ltd, a wholly-owned subsidiary of Oxiana Limited (ASX:OXR), over Legend's Mt Gibson



Project (zinc-copper-gold), was signed on the 31 August 2007.

The Project is considered prospective for volcanic-hosted massive sulphide style mineralisation similar to Oxiana's world-class Golden Grove Mine situated 100km to the north.

Oxiana has recently assigned technical staff to the Project who are currently assessing the extensive drilling, geochemical and geophysical dataset. A significant part of this assessment will involve the re-examination of drillcore, including the eight 2006 Legend drillholes, aimed at building on the geological knowledge of the Project. Assistance from geologists at the Golden Grove mine site, whose experience in the region and with this style of mineralisation, will be extremely valuable in this process.

Exploration programme planning will continue during Q4 with field work expected to commence in Q1 2008.

5. Corporate

The audited Half Yearly Report to 30 June 2007 was announced to the ASX on 3 September 2007.

During the quarter a total of 5,357,341 listed 4c options and 5,000,000 unlisted 4c options were exercised, thereby raising \$414,294. A further 14,583,332 listed 4c options have been exercised between 1 October and 12 October raising \$583,333. This process of early exercise entitles the holders to participate in the distribution of Apex shares referred to in Section 1 of this report.

Mark Wilson

Managing Director

15 October 2007

The information in this announcement that relates to Exploration Results has been reviewed 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.

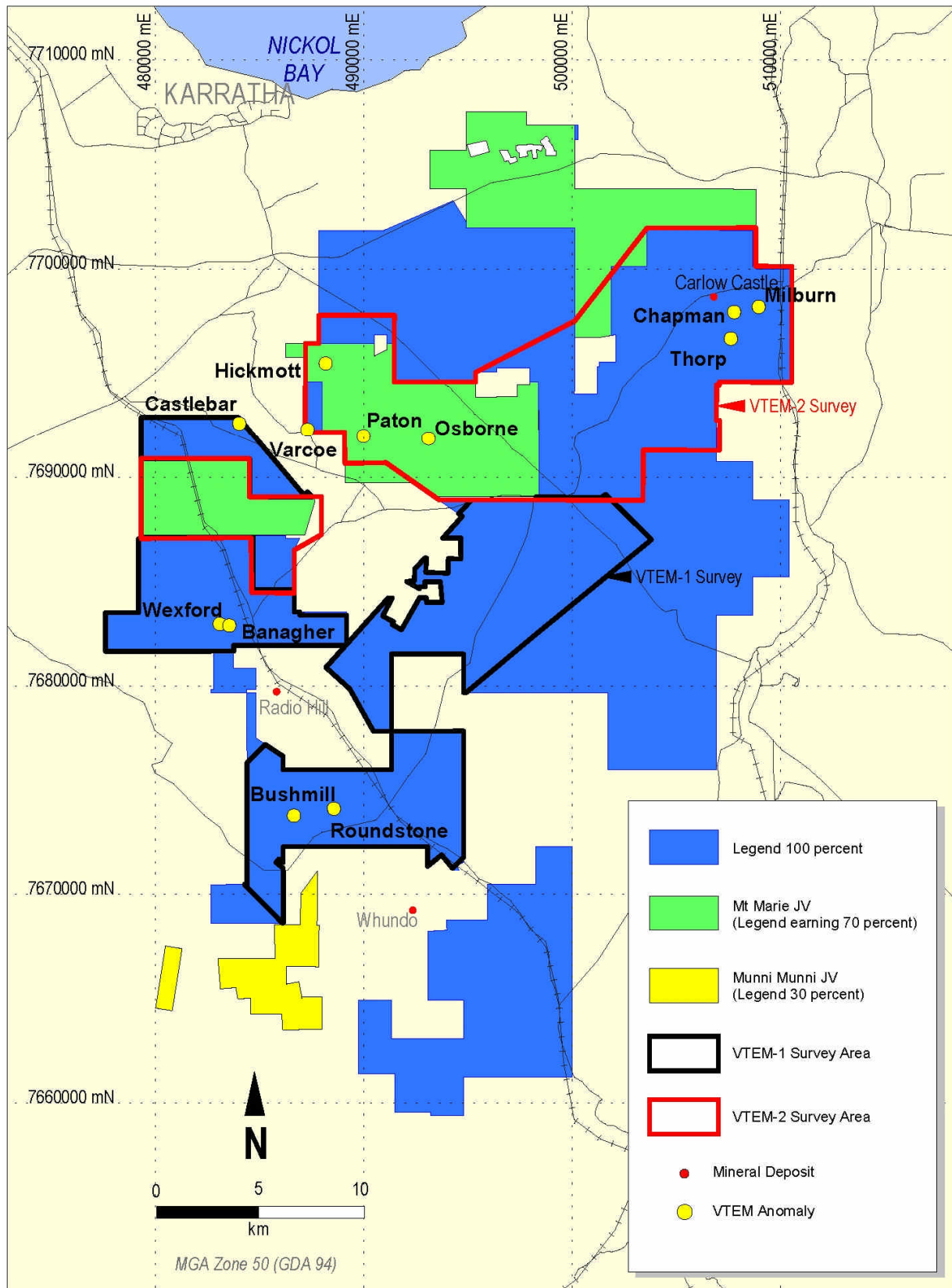
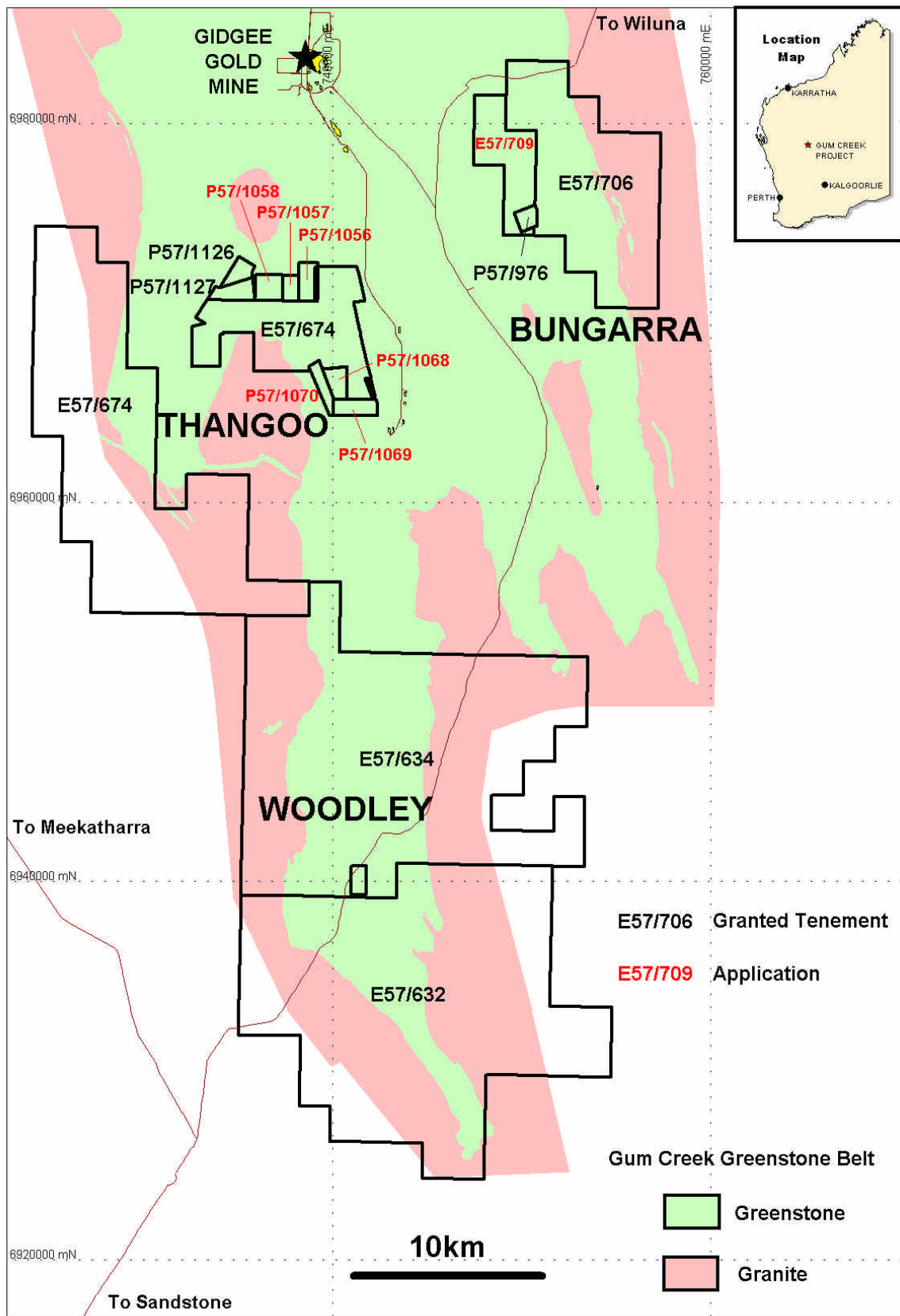


Figure 1: Pilbara Project Location Plan



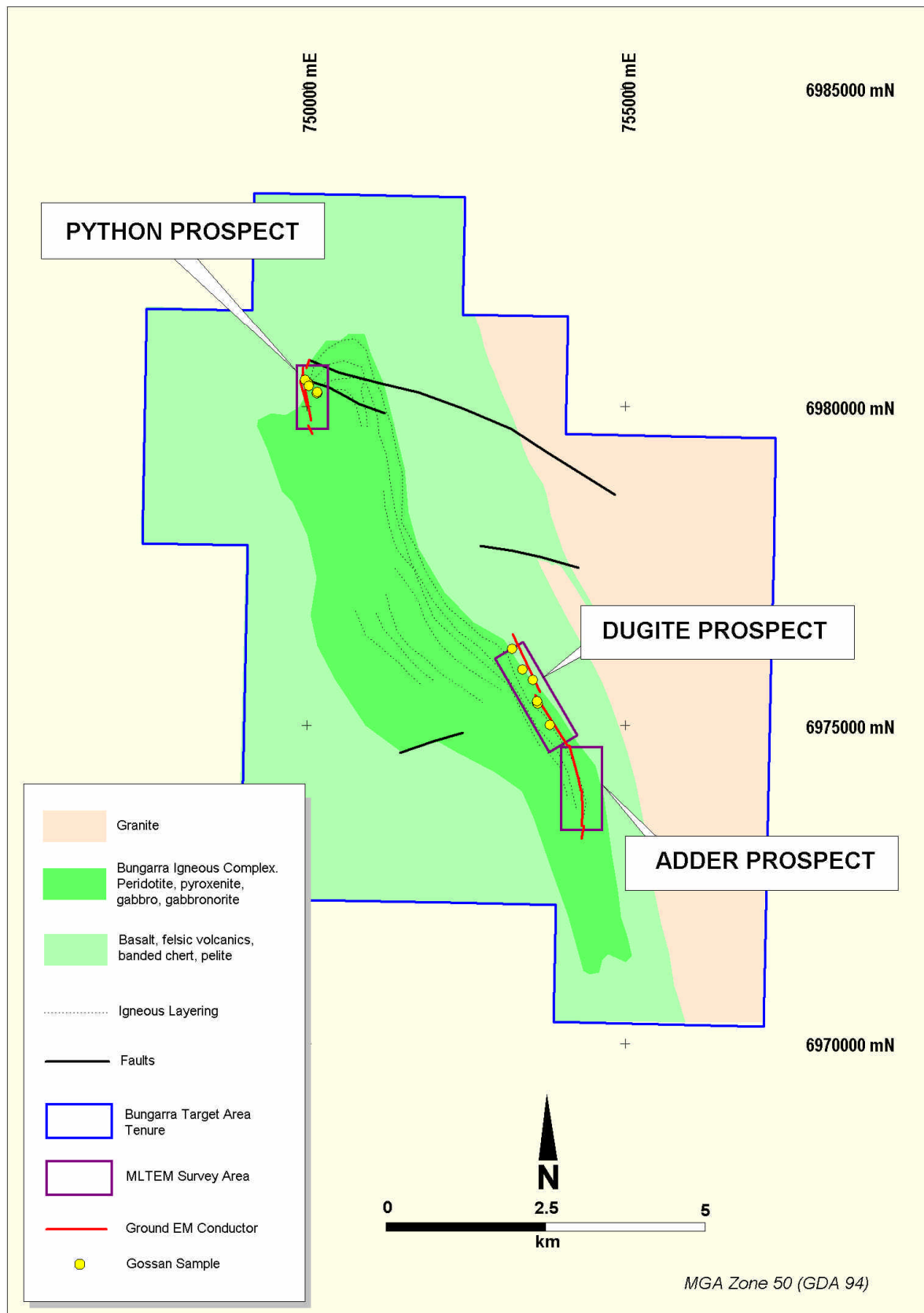


Figure 3: Bungarra – Prospects, EM Conductors and Gossan Samples