DECEMBER 2008 QUARTERLY REPORT 15 January 2009

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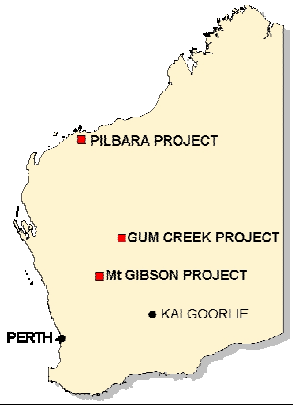
PROJECTS

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

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

Mt Gibson: zinc-copper-gold

LOCATION OF PROJECTS



HIGHLIGHTS

- **Magnetite potential identified at Pilbara Project**
- **Paper increase on Independence Group NL (IGO) investment $2,244,000**
- **Total cash and liquids $11,306,000**

OVERVIEW

Legend has had a productive quarter against the backdrop of continuing uncertainty in financial markets and lack of interest and confidence in the exploration equity market specifically.

The Pilbara Project rockchip sampling programme, conducted in October with results announced to the market on 20 November, has added a magnetite iron ore dimension to this project. Given the proximity of the project to existing infrastructure and other complimentary projects this has certainly "value added" to the project.

Many new project opportunities have been and continue to be reviewed by the Executive Management Team and associated consultants. The state of the markets, make capital raising for exploration projects a difficult task, and hence our focus has tended to be on production or near production assets where we can leverage off our cash position to get to production without the need for further capital raising.

The principal strategy behind the IGO investment was to increase this cash/liquid position to increase our buying power in this market without further dilution to shareholders.

As at 31 December 2008 our total cash, security deposits and liquid assets at cost amounted to $11,306,000.

1. Pilbara Project

The Pilbara Project area lies between 7km and 50km south of Karratha in the northwest of Western Australia, see Figures 1 & 2, and comprises 686km^2 of granted tenements and tenement applications. Legend has previously defined 14 priority drill targets from airborne Versatile Time Domain Electromagnetics (VTEM) and ground EM surveys. The Project is considered prospective for nickel-copper, copper-zinc and iron ore.

Iron Ore Rockchip Sampling

During the Quarter, Legend completed a first pass rockchip sampling programme over the prospective Cleaverville Formation within its Pilbara Project, (see ASX announcement 20th November 2008). The Cleaverville Formation hosts the 1.6 billion tonne Cape Lambert Magnetite Project, located 15km to the northeast, which was sold by Cape Lambert Iron Ore Limited (ASX:CFE) in 2008.

A total of 44 rockchip samples of predominantly magnetite bearing banded iron formation (BIF), were collected from over an 18km strike length of Cleaverville Formation, see Figure 3. Of the 18km length sampled, 7.5km is located on 100% owned Legend tenements, with the remaining 10.5km subject to the Mt Marie Joint Venture with Fox Resources Limited (ASX:FXR) in which Legend is earning a 70% interest.

Iron Ore Rockchip Sampling – Legend 100%

A total of 19 BIF rockchip samples were collected from over a 7.5km strike length of Cleaverville Formation located on 100% owned Legend tenements, see Figure 3. Twelve of these samples returned iron values >30% Fe, see Table 1. The BIF has observable outcropping thicknesses of 20-30m within the northeastern 3km of E47/1746, thinning to 10m to the southwest where the proportion of chert increases.

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

Iron Ore Rockchip Sampling

Twenty five BIF rockchip samples were taken from Mt Marie JV tenements covering a 10.5km strike length of Cleaverville Formation, see Figure 3. Twenty three of these samples returned iron values >30% Fe, see Table 1. Sampling over a 4km zone in E47/1878 returned iron values ranging from 37% to 58% Fe in areas with outcrop widths up to 50m and semi continuous strike lengths of up to 600m. Higher iron values were commonly associated with minor localised hematite-goethite development.

Table 1: Rockchip Results >30% Fe								
Sample	**MGA_E**	**MGA_N**	**Fe %**	**SiO2%**	**Al2O3%**	**P%**	**LOI%**	**Description**
LPRK029	495029	7695157	37.01	31.52	0.37	0.037	9.54	Banded chert, minor goethite
LPRK034	497358	7696554	38.06	43.31	0.20	0.022	0.66	Qtz magnetite BIF
LPRK035	497304	7696501	43.89	34.72	0.21	0.022	0.16	Qtz magnetite BIF
LPRK036	497449	7696591	39.56	41.21	0.21	0.025	-0.02	Qtz magnetite BIF
LPRK037	498034	7696950	33.98	48.06	0.17	0.018	1.36	Qtz magnetite BIF
LPRK038	497984	7696918	36.71	45.41	0.16	0.017	-0.43	Qtz magnetite BIF
LPRK040	498184	7697134	39.96	41.12	0.15	0.023	0.36	Qtz magnetite BIF
LPRK041	498466	7697192	35.80	46.46	0.16	0.023	0.18	Qtz magnetite BIF
LPRK042	499515	7698192	41.24	36.40	0.34	0.019	2.60	Qtz magnetite BIF, minor goethite
LPRK043	498736	7697357	37.45	43.95	0.15	0.027	0.55	Qtz magnetite BIF
LPRK044	504286	7701765	37.52	42.17	1.21	0.031	0.12	Qtz magnetite BIF
LPRK045	503194	7701050	41.74	37.14	0.18	0.009	2.32	Qtz magnetite BIF
LPRK046	502828	7700765	42.49	31.71	0.31	0.017	4.85	Qtz magnetite BIF
LPRK047	502757	7700724	38.37	42.78	0.15	0.013	1.79	Qtz magnetite BIF
LPRK048	502671	7700667	39.27	40.47	0.27	0.012	2.58	Qtz magnetite BIF
LPRK049	502584	7700566	44.52	31.12	0.24	0.012	4.70	Qtz magnetite BIF
LPRK050	502520	7700519	49.63	24.70	0.20	0.017	3.71	Qtz magnetite BIF
LPRK051	502206	7700307	58.10	11.21	0.59	0.012	4.28	Qtz magnetite BIF
LPRK052	501441	7699632	37.22	43.22	0.73	0.041	2.46	Qtz magnetite BIF
LPRK053	501449	7699565	52.84	16.87	0.77	0.025	5.52	Qtz magnetite BIF
LPRK054	501323	7699523	42.06	34.17	0.29	0.029	4.72	Qtz magnetite BIF
LPRK055	500910	7699304	52.49	18.53	0.43	0.014	5.18	Qtz magnetite BIF
LPRK056	500990	7699342	55.80	13.62	0.42	0.028	4.23	Qtz magnetite BIF
LPRK057	501084	7699396	47.05	27.77	0.38	0.013	3.07	Qtz magnetite BIF
LPRK058	501213	7699451	44.20	31.56	0.38	0.034	3.67	Qtz magnetite BIF
LPRK059	501289	7699501	53.81	16.38	0.62	0.031	4.79	Qtz magnetite BIF, hematite
LPRK060	500267	7698697	49.75	21.76	0.76	0.042	5.37	Qtz magnetite BIF
LPRK061	500204	7698670	43.27	34.35	0.37	0.013	3.19	Qtz magnetite BIF
LPRK062	500203	7698619	57.74	9.52	0.57	0.030	5.94	Qtz magnetite BIF, hematite
LPRK063	500166	7698568	49.04	23.47	0.57	0.036	5.05	Qtz magnetite BIF
LPRK064	490164	7693892	39.17	40.71	0.18	0.018	2.72	Qtz magnetite BIF
LPRK067	488952	7693720	36.86	39.96	0.21	0.031	4.36	Fe sediment, coarse magnetite
LPRK068	488754	7693737	40.15	40.92	0.21	0.021	-0.14	Fe sediment, coarse magnetite
LPRK069	487674	7693758	37.79	42.93	0.25	0.026	1.70	Fe sediment coarse magnetite
LPRK070	487235	7693711	31.28	41.08	0.60	0.021	5.88	Fe sediment, coarse magnetite

Rockchip samples comprise approximately 3kg of outcropping material.

Iron (Fe), Silica (SiO_2), Aluminium (Al_2O_3), Phosphorus (P) assayed by XRF.

Loss on Ignition (LOI) determined Gravimetrically between 105-1000^0 Celsius at Ultra Trace Pty Ltd, Perth.

Co-ordinates MGA Zone 50 (GDA 94).

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

Planned Geophysical Surveys

Geophysical surveys (Sub-Audio Magnetics; SAM) north, south and west of Legend's historic Elizabeth Hill Silver Mine have been designed to identify structural targets in the northern part of the Munni Munni JV.

Ground EM is also planned over the western JV tenement targeting Ni-Cu-PGE mineralisation associated with the Cadjerina Dyke, which may represent a "feeder" to the significant Munni Munni intrusion to the immediate south.

Pilbara Project - Next Phases of Work

- Heritage survey over Osborne and Hickmott prospects.
- Heritage Agreement negotiations with the Ngarluma Aboriginal Corporation to continue.
- Drilling of previously identified VTEM/ground EM and iron ore targets will follow all statutory clearances.
- Geophysical surveys (SAM & EM) over the Munni Munni JV ground is planned.

2. Mt Gibson Project

The Mt Gibson Project is considered prospective for volcanic-hosted massive sulphide (VHMS) style mineralisation similar to Oz Minerals' world-class Golden Grove Mine situated 100km to the north, Figure 1. Legend, through a study conducted in 2006 by Dr S Carras of Carras Mining Pty Ltd, estimated the residual gold Mineral Resource (Indicated and Inferred) to be 8.7Mt at 1.98g/t gold for 559,000 ounces (see 2006 Legend Annual Report).

Oz Minerals Limited (ASX: OZL) advised Legend during the Quarter of it's decision not to proceed further with the Mt Gibson JV (see Legend ASX announcement 17th November 2008). Oz Minerals met the first phase minimum expenditure requirement of $1.2M through geological/geochemical activities and a diamond drilling programme of approximately 3,000m.

Since the withdrawal of Oz Minerals, Legend has commenced an extensive review of the gold potential of the Mt Gibson Project assessing the structural and lithological controls on gold mineralisation. The review will involve the specialised consulting services of Predictive Discovery Pty Ltd using technology developed at CSIRO in the Predictive Mineral Discovery Co-operative Research Centre. This work will be undertaken in conjunction with a review of the existing resources to target potential new ore positions.

Mt Gibson Project - Next Phases of Work

- Re-assess the considerable database pertaining to volcanic hosted massive sulphide zinc-copper and gold mineralisation at Mt Gibson.
- Systematic analysis of the structural and lithological controls on the existing gold deposits will also be completed with the aim of identifying additional resources.
- Review the existing gold resources using current costs and mining parameters.

3. 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 & 4.

Bungarra

Cobra and Sidewinder Prospects

Results were received from five RC drillholes (LCBC001-003, LSWC001-002) completed during the September Quarter. The drillholes were targeting ground EM conductors associated with gabbroic and pyroxenitic lithologies located near the base of the mafic-ultramafic Bungarra Intrusive Complex (BIC).

Drillhole details are provided below in Table 2, while prospect locations are shown in Figure 4.

Table 2: Cobra & Sidewinder RC Drillhole Details

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

Two drillholes at Cobra intersected a broad zone (up to 88m in LCBC001) with elevated Ni-Cu-PGE values, including an interval of 4m @ 0.26% Ni, 0.29% Cu, 105 ppb Pt and 470 ppb Pd from 52m in LCBC001.

At Sidewinder, both drillholes intersected broad zones of low grade zinc mineralisation returning intervals of 48m @ 0.22% Zn from 52m in LSWC001 and 24m @ 0.27% Zn from 56m in LSWC002, associated with a foliated carbonaceous metasediment The two holes also intersected a broad zone with elevated Ni-Cu-PGE in a meta-pyroxenite returning; 24m @ 0.12% Ni, 0.07% Cu and 219 ppb Pt+Pd from 132m in LSWC001 and 36m @ 0.10% Ni, 0.05% Cu and 183 ppb Pt+Pd from 120m in LSWC002. These intersections both included narrow 4m intervals with higher grades of: 4m @ 0.16% Ni, 0.12% Cu and 405 ppb Pt+Pd from 136m and 4m @ 0.17% Ni, 0.10% Cu and 430 ppb Pt+Pd from 140m, respectively. See Table 3 below for details.

Table 3: Cobra & Sidewinder Assay Results

Hole	From	To	Int	Ni %	Cu %	Cr %	Pt ppb	Pd ppb	Zn %
LCBC001	0	88	88	0.12	0.06	0.20	39	128	0.02
incl	52	56	4	0.26	0.29	0.19	105	470	0.02
LCBC002	20	44	24	0.11	0.05	0.22	35	103	0.01
LSWC001	52	100	48	-	0.07	-	-	-	0.22
LSWC001	132	156 eoh	24	0.12	0.07	0.18	50	169	0.02
incl	136	140	4	0.16	0.12	0.17	85	320	0.02
LSWC002	56	80	24	-	0.09	-	-	-	0.27
LSWC002	120	156 eoh	36	0.10	0.05	0.15	38	145	0.02
incl	140	144	4	0.17	0.1	0.16	80	350	0.02

Samples collected by spear and composited over 4m intervals.
Nickel (Ni), Copper (Cu), Chromium (Cr), Zinc (Zn) assayed by XRF. Platinum (Pt), Palladium (Pd) assayed by 40g fire assay (lead collection) ICP-MS at Ultra Trace Pty Ltd, Perth.

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

Ground EM Survey

A ground MLTEM survey (Moving Loop Time-domain Electromagnetics) was completed in the southern portion of E57/709 over a broad diffuse conductor identified in the March 2008 airborne VTEM survey, see Figure 4. The survey was undertaken in conjunction with joint venture partner Gateway Mining who completed MLTEM on their 100% owned tenement to the immediate south of E57/709.

The survey identified a strong conductor, modelled to be <50m deep with a strike extent of approximately 400m and may represent massive sulphide. Further work is required.

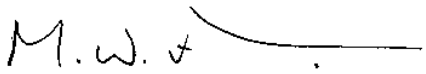
Gum Creek Project - Next Phases of Work

- Full review/assessment of exploration data over the entire Bungarra Intrusive Complex.
- Further follow-up of the EM conductor identified on the West Bungarra JV ground.

4. Corporate

Investment in Independence Group Limited

Legend purchased 3,400,000 shares in Independence Group Limited (ASX: IGO) in six weeks up to 16 December 2008 at an average cost price of $1.44 per share. Based on the opening price of IGO today ($2.10 per share), the investment is showing a paper increase of $2,448,000.



Mark Wilson

Managing Director

15 January 2009

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

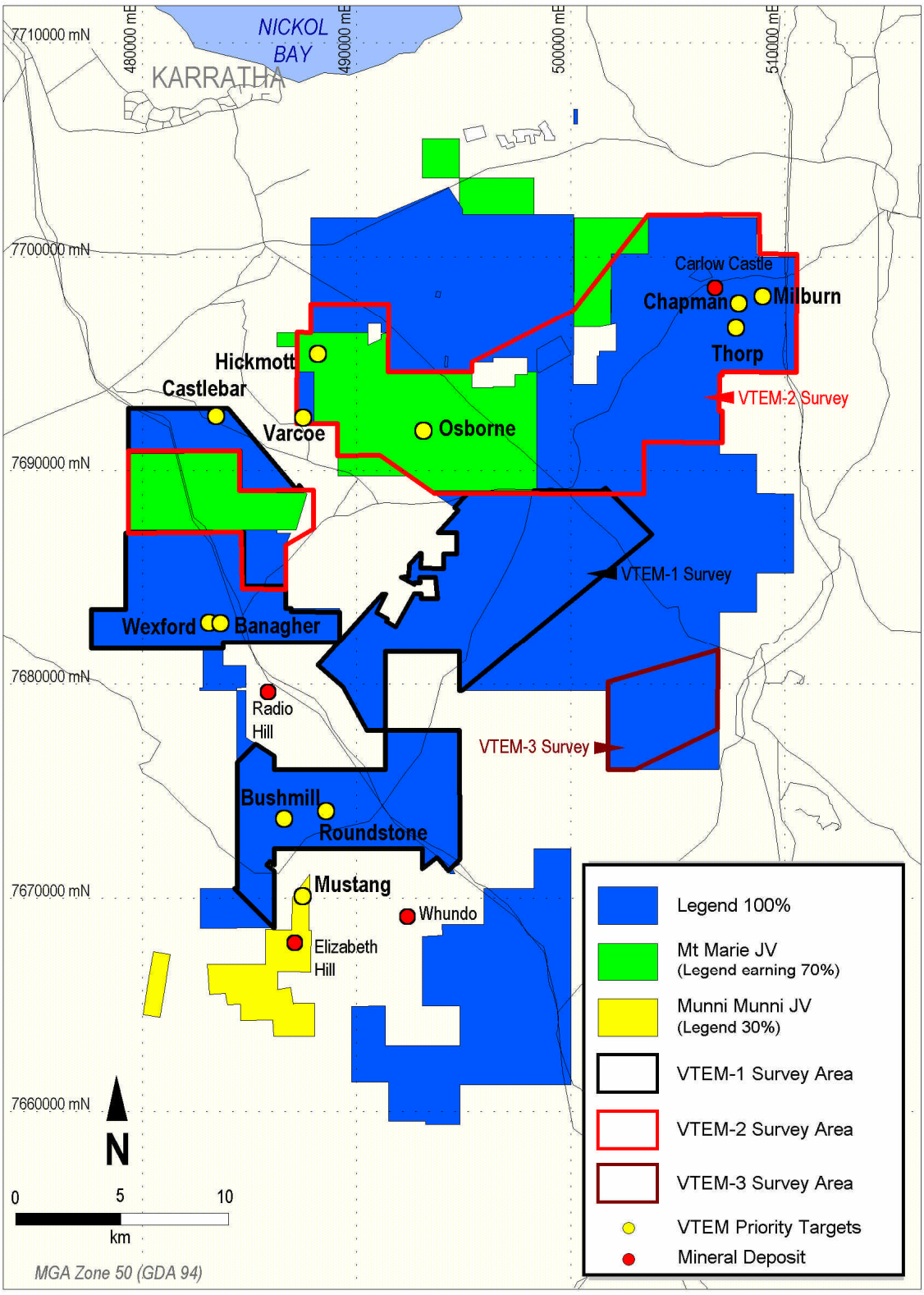


Figure 2: Pilbara Project Location Plan

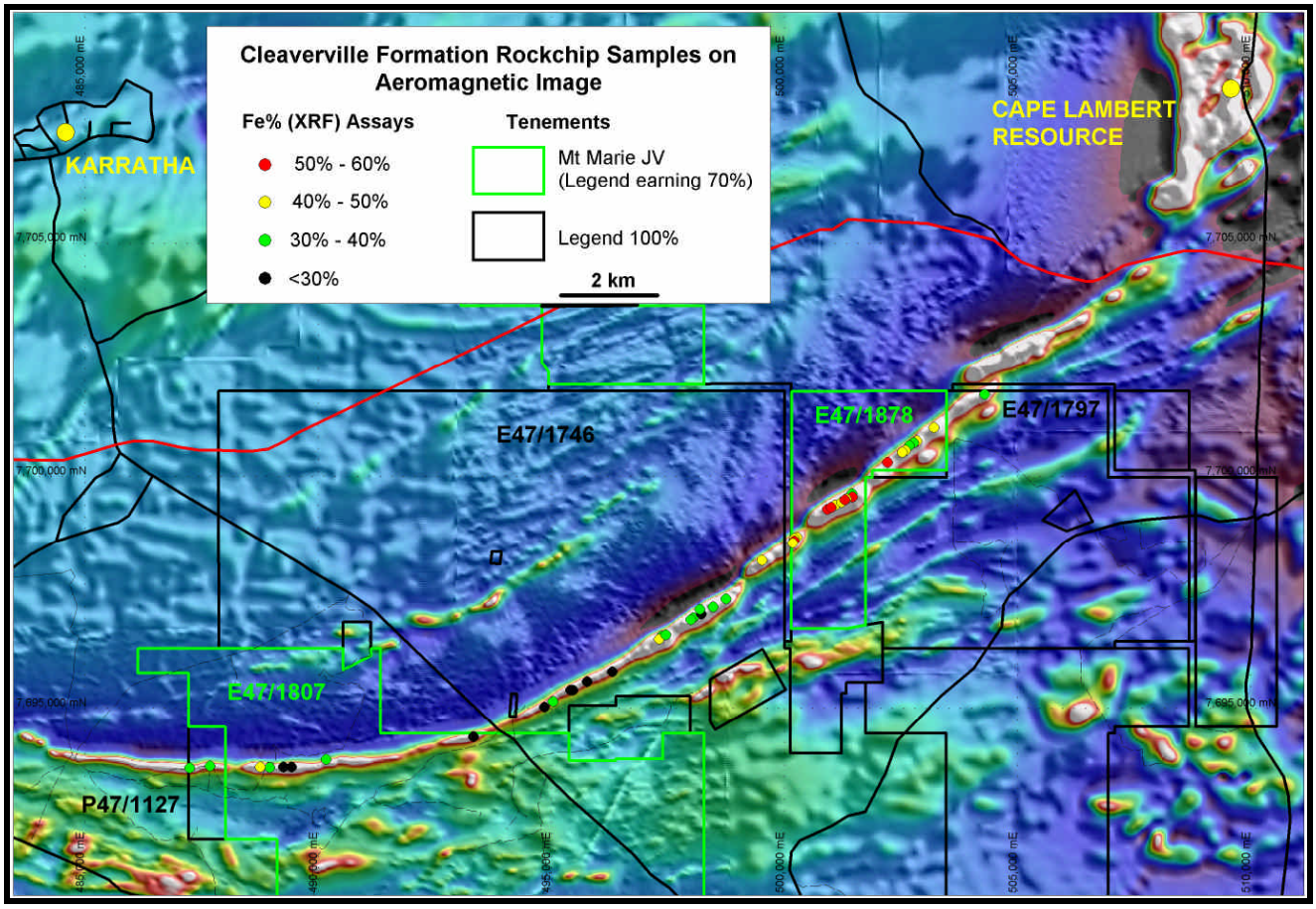


Figure 3: Aeromagnetic Image showing Rockchip Results and Tenements

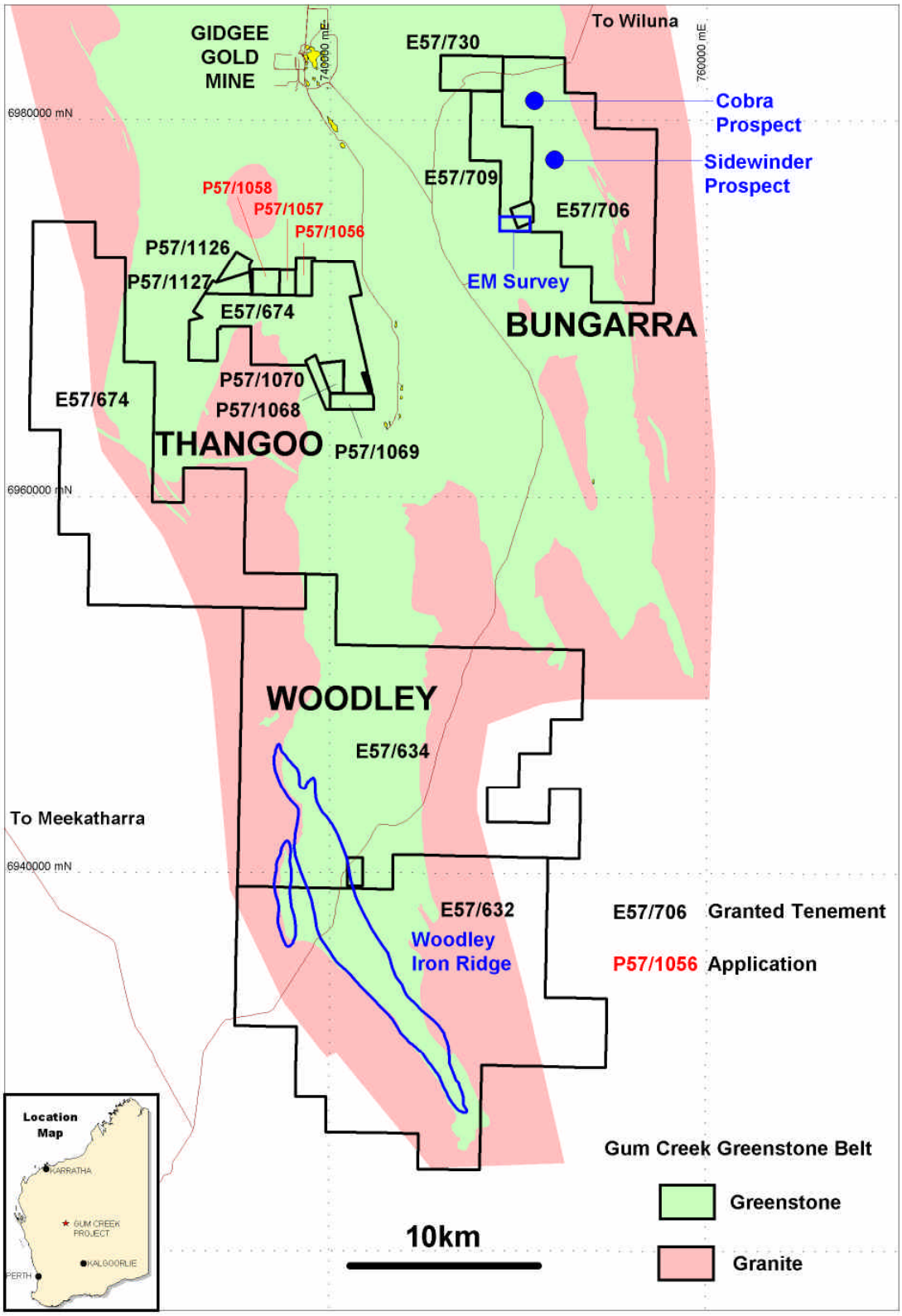


Figure 4: Gum Creek Project and Exploration Activities