



HALF YEAR REPORT

30 JUNE 2011

ACN 060 966 145

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ASX Codes

LEG – ordinary shares

COMPANY DIRECTORY

Directors

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

Company Secretary

Dennis Wilkins

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Auditors

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WEST PERTH, WA 6005

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Suite 23, 18 Stirling Highway
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DIRECTORS' REPORT

The Directors submit their report for the half-year ended 30 June 2011.

DIRECTORS & OFFICERS

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

Michael Atkins (Chairman, Non-Executive Director)

Mark Wilson (Managing Director)

Dermot Ryan (Non-Executive Director)

Dennis Wilkins (Company Secretary) (appointed 8 July 2011)

Anthony Walsh (Company Secretary) (resigned 8 July 2011)

Brett White (Company Secretary) (resigned 8 July 2011)

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities during the period of the entities within the consolidated entity were exploration for iron ore, 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 after tax and non controlling interests was \$2,966,790 (2010: profit \$851,029) after income tax.

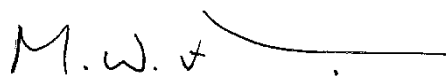
REVIEW OF OPERATIONS

1. Legend has continued exploring its 3 projects, Cameroon, Pilbara and Mt Gibson with the bulk of the exploration funds used in the Cameroon project. During this 6 month period Legend has spent in excess of \$2.8 million on the development of the Cameroon Project to identify potential targets.

AUDITOR'S INDEPENDENCE

The Auditor's Independence Declaration under S307C of the *Corporations Act 2001* has been received from Stantons International, the Company's auditor, and is available for review on page 17.

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



M Wilson
Managing Director

Dated this 13 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2011**

	Notes	CONSOLIDATED	
		As at 30-Jun-11 \$	As at 30-Jun-10 \$
Continuing Operations			
Rental revenue	3(a)	250,000	249,492
Finance revenue	3(b)	171,030	200,669
Other income	3(c)	457,595	146,990
Net gain/(loss) on revaluation of financial assets held for trading	3(g)	(2,412,667)	(426,056)
Deferred exploration expenditure written off	3(e)	(978,359)	(62,344)
Other expenses	3(f)	(375,216)	(294,067)
Corporate expenses		(1,058,973)	(957,987)
Finance costs		(19,059)	(25,752)
Net profit / (loss) from continuing operations before income tax expense		(3,965,649)	(1,169,055)
Income tax benefit/ (expense)		1,010,272	279,554
Profit / (Loss) from continuing operations for the period		(2,955,377)	(889,501)
Other comprehensive income			
Movement in foreign currency translation reserve		477,415	9,897
Other comprehensive income for the year, net of tax		477,415	9,897
Total comprehensive income / (loss) for the period		(2,477,962)	(879,604)
Profit / (Loss) for the period attributable to:			
Members of Legend Mining Limited		(2,966,790)	(851,029)
Non-controlling interest		11,413	(38,472)
		(2,955,377)	(889,501)
Comprehensive income / (loss) attributable to:			
Members of Legend Mining Limited		(2,489,375)	(841,132)
Non-controlling interest		11,413	(38,472)
		(2,477,962)	(879,604)
PROFIT/(LOSS) PER SHARE (cents per share)			
Basic profit/(loss) for the period	4	(0.1707)	(0.0537)
Diluted profit/(loss) for the period	4	(0.1707)	(0.0537)

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Notes	CONSOLIDATED	
		As at 30-Jun-11 \$	As at 31-Dec-10 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,372,544	6,676,441
Trade & other receivables		72,388	105,785
Prepayments		165,812	88,113
Other financial assets	7	6,917,585	8,602,503
		10,528,329	15,472,842
Assets of disposal group classified as held for sale	8	2,093,110	497,944
Total Current Assets		12,621,439	15,970,786
Non-current Assets			
Deferred tax asset		1,095,358	1,111,563
Other financial assets	7	1,548,256	1,548,061
Property, plant & equipment	9	863,668	725,014
Deferred exploration costs	10	10,884,260	10,649,056
Mineral rights acquisition costs		23,253,764	23,253,764
Total Non-current Assets		37,645,306	37,287,458
TOTAL ASSETS		50,266,745	53,258,244
LIABILITIES			
Current Liabilities			
Trade & other payables	11	375,549	325,467
Provisions – employees		55,634	52,696
Total Current Liabilities		431,183	378,163
Non-current Liabilities			
Provisions		1,527,173	1,529,254
Deferred tax liability		2,039,708	3,030,540
Total Non-Current Liabilities		3,566,881	4,559,794
TOTAL LIABILITIES		3,998,064	4,937,957
NET ASSETS		46,268,681	48,320,287
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	12	53,502,011	53,075,655
Reserves	13	22,272,469	21,795,051
Accumulated losses		(29,376,334)	(26,409,544)
Total parent entity interest		46,398,146	48,461,162
Non controlling interests		(129,465)	(140,875)
TOTAL EQUITY		46,268,681	48,320,287

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2011**

	CONSOLIDATED	
	30-Jun-11	30-Jun-10
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	305,914	255,257
Payments to suppliers and employees	(784,846)	(654,933)
Interest received	165,934	200,856
Interest paid	(19,059)	(25,752)
Net cash flows used in operating activities	(332,057)	(224,572)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & equipment & scrap	166,055	32,828
Proceeds from sale of investments	-	871,297
Purchase of property, plant & equipment	(233,694)	(226,892)
Purchase of investments	-	(1,222,056)
Payment for exploration & evaluation	(3,306,673)	(1,704,871)
Payment for performance bonds	(195)	(997)
Dividends received	42,667	38,000
Net cash flows from/ (used in) investing activities	(3,331,840)	(2,212,691)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	360,000	3,180,000
Net cash flows from financing activities	360,000	3,180,000
Net increase/(decrease) in cash and cash equivalents	(3,303,897)	742,737
Cash and cash equivalents at the beginning of period	6,676,441	5,437,937
Cash and cash equivalents at end of period	3,372,544	6,180,674

The accompanying notes form part of these financial statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2011**

Consolidated	Issued Capital	Foreign Currency Translation Reserve	Share Option Premium Reserve	Non controlling interests	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
At 1 January 2011	53,075,655	(514,624)	22,309,675	(140,875)	(26,409,544)	48,320,287
Loss for the period	-	-	-	11,413	(2,966,790)	(2,955,377)
Other comprehensive income	-	477,418	-	(3)	-	477,415
Total comprehensive loss for the period	-	477,418	-	11,410	(2,966,790)	(2,477,962)
Issue of shares	462,000	-	-	-	-	462,000
Cost of issue of share capital	(35,644)*	-	-	-	-	(35,644)
At 30 June 2011	53,502,011	(37,206)	22,309,675	(129,465)	(29,376,334)	46,268,681
At 1 January 2010	38,420,414	-	10,545,911	-	(27,673,309)	21,293,016
Loss for the period	-	-	-	(38,472)	(851,029)	(889,501)
Other comprehensive income	-	9,897	-	-	-	9,897
Total comprehensive loss for the period	-	9,897	-	(38,472)	(851,029)	(879,604)
Acquisition of 90% of Camina	12,250,000	-	11,003,764	-	-	23,253,764
Non-controlling interest acquired	-	-	-	(1,236)	-	(1,236)
Share based payments	-	-	760,000	-	-	760,000
Issue of shares	3,360,000	-	-	-	-	3,360,000
Cost of issue of share capital	(919,115)	-	-	-	-	(919,115)
At 30 June 2010	53,111,299	9,897	22,309,675	(39,708)	(28,524,338)	46,866,825

* This is related to the movement in the deferred taxation cost on the capital raising costs

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2011

NOTE 1: CORPORATE INFORMATION

The financial report of Legend Mining Limited (the Company) for the half-year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 13 September 2011.

Legend Mining Limited is a company incorporated in Australia whose shares are publicly traded on the Australian Securities 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 for the year ended 31 December 2010.

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 2011 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 and 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 certain financial instruments which have been measured at fair value. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards ("IFRS").

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) Adoption of new and revised Accounting Standards

The Company has adopted all new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in this financial report on the basis that they represent a significant change in information from that previously made available and are detailed below.

- AASB 5 Non-current Assets Held for Sale and Discontinued Operations: clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in AASB 5. The disclosure requirements of other Accounting Standards only apply if specifically required for such non-current assets or discontinued operations.
- AASB 107 Statement of Cash Flows: States that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment will impact amongst others, the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2010 upon cash settlement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2011

- AASB 136 Impairment of Assets: The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 before aggregation for reporting purposes. The amendment has no impact on the Group as the annual impairment test is performed before aggregation.

- AASB Interpretation 17 Distribution of Non-cash Assets to Owners: This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders either as a distribution of reserves or as dividends. The interpretation has no effect on either, the financial position or the performance of the Group.

The Group has not elected to early adopt any other new Standards or amendments that are issued but not yet effective.

(c) 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 2010.

(d) Principles of Consolidation

The half-year consolidated financial statements comprise the financial statements of Legend Mining Limited and its subsidiaries as at 30 June 2011 ('the Group').

The consolidated half year financial statements incorporate the assets, liabilities and results of entities controlled by Legend Mining Limited at reporting date ('the Group'). A controlled entity is any entity over which Legend Mining Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the group during the period, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interest's interest in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(e) 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 2010.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2011

(f) Business Combinations

The purchase method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The cost of a business combination is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of the business combination over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly in the Statement of Comprehensive Income, but only after a reassessment of the identification and measurement of the net assets acquired.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

NOTE 3: REVENUE AND EXPENSES

	CONSOLIDATED	
	30-Jun-11	30-Jun-10
	\$	\$
Revenues and expenses from continuing operations		
a) Rental Revenue		
Rental revenue	250,000	249,492
b) Finance Revenue		
Bank interest received and receivable	171,030	200,669
c) Other Income		
Profit on sale of plant & equipment	320,514	32,828
Sale of tenements	38,500	-
Profit on share trading	-	70,397
Dividends received	42,667	38,000
Office sublease	15,000	-
Field work completed by Legend geologists	40,914	5,765
	457,595	146,990
d) Employee Benefits Expense		
Salaries & On costs	371,375	313,139
Other employee benefits	4,844	27,945
	376,219	341,084

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2011**

NOTE 3: REVENUE AND EXPENSES

	CONSOLIDATED	
	30-Jun-11	30-Jun-10
	\$	\$
e) Deferred Exploration Expenditure written off		
Write off of deferred exploration expenditure	978,359	62,344
f) Other Expenses		
Depreciation	95,040	76,419
Foreign exchange loss	63,102	45,425
Impairment of goodwill	-	11,122
Rehabilitation expenses	217,074	161,101
	375,216	294,067
g) Net gain/(loss) on revaluation of Investments		
Fair value revaluation on Independence Group NL shares	(2,474,667)	(216,056)
Fair value revaluation on Nemex Resources Limited shares	132,000	-
Fair value revaluation on Pilbara Minerals Limited shares	(70,000)	(210,000)
	(2,412,667)	(426,056)

NOTE 4: LOSS PER SHARE

	30-Jun-11	30-Jun-10
	\$	\$
(a) Earnings used in the calculation of basic earnings / (loss) per share		
Net profit/(loss) from continuing operations attributable to ordinary equity holders of Legend Mining Limited	(2,966,790)	(851,029)
(b) Weighted average number of shares on issue during the financial period used in the calculation of basic earnings / (loss) per share		
	1,738,205,773	1,655,041,409
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings / (loss) per share	1,738,205,773	1,655,041,409

The company has incurred a loss for the period and therefore the diluted loss per share is the same as the basic loss per share.

NOTE 5: SEGMENT INFORMATION

The Consolidated Entity operates in one operating segment and two geographical segments, being mineral exploration in Australia and West Africa. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2011

NOTE 5: SEGMENT INFORMATION (CONTD)

Primary Reporting – geographical segments

The geographical segments of the consolidated entity are as follows:

	Australia		West Africa		Total	
	June 2011	June 2010	June 2011	June 2010	June 2011	June 2010
	\$	\$	\$	\$	\$	\$
Revenue	878,625	597,151	-	-	878,625	597,151
Segment Result	(3,488,230)	(491,688)	(477,419)	(397,813)	(3,965,649)	(889,501)
Segment Assets	18,595,293	24,083,499	31,671,452	27,623,746	50,266,745	51,707,245
Segment Liabilities	(3,829,901)	(4,767,528)	(168,163)	(72,892)	(3,998,064)	(4,840,420)

Segment revenues and expenses are those directly attributable to the segments and include those expenses incurred by head office where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash and cash equivalents, receivables, property, plant and equipment, investments in listed entities and capitalised exploration. Segment liabilities consist principally of payables, employee benefits, accrued expenses and provisions.

NOTE 6: CASH AND EQUIVALENTS

	Consolidated	
	30-Jun-11	31-Dec-10
	\$	\$
Cash at bank and in hand	2,372,544	2,676,441
Short term deposits	1,000,000	4,000,000
Total cash and cash equivalents	3,372,544	6,676,441

NOTE 7: OTHER FINANCIAL ASSETS

	Consolidated	
	30-Jun-11	31-Dec-10
	\$	\$
Current		
Shares in Independence Group NL at market value	6,005,335	8,480,003
Shares in Pilbara Minerals Limited at market value	54,250	122,500
Shares in Nemex Resources Limited at market value	858,000	-
	6,917,585	8,602,503
Non-current		
Performance and other bonds (a)	1,548,256	1,548,061

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

- Non-Current Rehabilitation/Performance bonds – bank deposits were held as security for rehabilitation and credit cards, as a security deposit for the premises rented and as security for joint venture assets. These bonds were held for periods ranging from 90 days to 183 days at interest rates ranging from 1.5% to 5.05% per annum.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2011**

**NOTE 8: ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD
FOR SALE**

	Consolidated	
	30-Jun-11	31-Dec-10
	\$	\$
Exploration and Evaluation Costs	2,093,110	497,944

On 30 August 2011 Legend announced its intention to sell Armada Mining Limited; its 100% owned subsidiary as well as the remaining tenements at its Pilbara project to Karratha Metals Limited ("KML"). The sale is conditional on KML successfully completing a capital raising and obtaining approval to list on the Australian Securities Exchange with the consideration being 10,000,000 fully paid ordinary shares in KML. The fair value of the shares has been estimated at \$2 million. As a result, the carrying value of the Armada Mining Limited and the separate tenements at the Pilbara has been written down to \$2 million at balance date.

On 4 April 2011 Legend signed an agreement with East Coast minerals to sell its interest in the Munni Munni Joint Venture for \$1. In addition, Legend Mining Limited will receive the bonds which are held as security for the tenements relating to the Munni Munni Joint Venture. At 30 June 2011, the carrying value of these bonds was \$93,110 and the carrying value of the tenements was \$93,110.

As at 30 June 2011, \$741,479 exploration expenditure has been written off the carrying values of the tenements to be sold relating to the Pilbara Project and Munni Munni Joint Venture.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Buildings	Plant and equipment	Total
	\$	\$	\$
Consolidated			
At 30 June 2011			
Cost	556,665	1,132,638	1,689,303
Accumulated depreciation	(305,607)	(520,028)	(825,635)
Net carrying amount	251,058	612,610	863,668
At 31 December 2010			
Cost	457,606	1,036,300	1,493,906
Accumulated depreciation	(294,070)	(474,822)	(768,892)
Net carrying amount	163,536	561,478	725,014

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2011**

NOTE 10: DEFERRED EXPLORATION COSTS

		Consolidated	
		6 months ended 30-Jun-11	6 months ended 31-Dec-10
		\$	\$
Deferred exploration and evaluation		9,211,757	8,976,553
Deferred mining information		1,672,503	1,672,503
		10,884,260	10,649,056
		30-Jun-11	30-Jun-10
		\$	\$
(a) Deferred exploration and evaluation costs			
At 1 January, at cost		8,976,553	6,245,930
Expenditure incurred during the period		3,306,673	1,704,871
Assets reclassified as held for sale		(2,093,110)	-
Expenditure written off during the period		(978,359)	(62,344)
At 30 June, at cost	(i)	9,211,757	7,888,457
(b) Deferred Mining Information			
At 1 January, at cost		1,672,503	1,672,503
At 30 June, at cost	(i)	1,672,503	1,672,503

Note:

- (i) Carrying values for certain tenements were reviewed and written off based on the following;
- (1) the carrying value of the Pilbara project was written down to the fair value of the expected consideration from the sale of Armada Mining and other Pilbara tenements;
 - (2) the carrying value of the Munni Munni Joint Venture was written down to the valuation of the sale, being \$1 plus the carrying value of the bonds (\$93,109);
 - (3) if no substantive expenditure for further exploration in the specific areas has been budgeted for and exploration for and evaluation of mineral resources in the specific area has not led to the discovery of commercially viable quantities of mineral resources then the carrying values of these tenements were written off.
- (ii) 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 11: TRADE AND OTHER PAYABLES

	30-Jun-11	31-Dec-10
	\$	\$
Current – unsecured		
Trade payables	153,827	121,765
Other payables & accruals	221,722	203,702
	375,549	325,467

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 2011**

NOTE 12: CONTRIBUTED EQUITY

	Consolidated and Company	
	30-Jun-11	31-Dec-10
	\$	\$
Ordinary shares		
Issued and fully paid	56,173,385	55,711,385
Issue costs	(2,671,374)	(2,635,730)
	53,502,011	53,075,655
Movement in ordinary shares on issue 2011		
	30-Jun-11	30-Jun-11
		\$
At 1 January 2011	1,729,350,801	55,711,385
Issued in period		
7-January-11 Issue of shares on exercise of options	5,000,000	200,000
2-February-11 Issue of shares on exercise of options	2,500,000	100,000
8-March-11 Issue of shares pursuant to services rendered	2,000,000	102,000
6-April-11 Issue of shares on exercise of options	1,250,000	50,000
21-April-11 Issue of shares on exercise of options	250,000	10,000
	1,740,350,801	56,173,385

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

NOTE 13: RESERVES

	30-Jun-11	31-Dec-10
	\$	\$
Share Option Premium Reserve	22,309,675	22,309,675
Foreign Exchange Translation Reserve	(37,206)	(514,624)
	22,272,469	21,795,051

NOTE 14: 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 during the half-year ended 30 June 2011.

	Half year ended	12 months ended
	30-Jun-11	31-Dec-10
	\$	\$
Gibson Metals Pty Ltd	42,779	278,121
Armada Mining Limited	10,649	49,293
Legend Cameroon Pty Ltd	-	(391,247)
Camina SA	2,791,167	6,968,646

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 30 JUNE 2011

NOTE 15: COMMITMENTS

(a) Exploration expenditure commitments.

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay approximately \$1,369,580 in the following 12 months, (previous 12 months: \$2,611,180) in respect of tenement lease rentals and to meet minimum expenditure requirements of the Department of Mines & Petroleum. 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 DMP 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 less than \$1,369,580 while still holding all the tenements in good standing.

NOTE 16: CONTINGENT LIABILITIES

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

No other matters or circumstances have arisen since the end of the half-year to the date of this report which have significantly affected, or may significantly affect, 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 consolidated entity'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 17: EVENTS AFTER THE BALANCE SHEET DATE

As at close of business of the 9 September 2011 the valuation of the investments was as follows:

Independence Group NL \$5.09 per share or a loss of \$0.54 per share since 30 June 2011 representing a net loss before tax of \$576,000.

Pilbara Minerals \$0.033 per share or a gain of \$0.002 per share since 30 June 2011 representing a net gain before tax of \$3,500.

Nemex Resources \$0.19 per share or a loss of \$0.03 per share since 30 June 2011 and \$0.07 per option or a loss of \$0.01 per option since 30 June 2011 representing a net loss before tax of \$115,500.

As at the date of this report there are no subsequent significant events after the balance date other than those described above.

NOTE 18: DIVIDENDS PAID AND PROPOSED

No dividends were paid or proposed this financial period.

There are no franking credits available for future reporting periods.

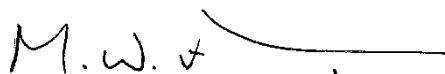
DIRECTORS' DECLARATION

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 consolidated entity's financial position as at 30 June 2011 and its performance for the period ended on that date; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting 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.

On behalf of the Board.

A handwritten signature in black ink, appearing to read 'M. Wilson', followed by a horizontal line extending to the right.

Mark Wilson
Managing Director

Dated this 13 September 2011

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Stantons International Audit and Consulting Pty Ltd
(ABN 84 144 581 519) trading as

Stantons International

Chartered Accountants and Consultants

13 September 2011

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 the Audit Review Director for the review of the financial statements of Legend Mining Limited for the half year ended 30 June 2011, 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 faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



J P 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 condensed statement of financial position as at 30 June 2011, the condensed statement of comprehensive income, condensed statement of changes in equity, and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Legend Mining Limited ("the consolidated entity"). The consolidated entity comprises both Legend Mining Limited ("the company") and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Legend Mining Limited 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* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 2011 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.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

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 Limited on 13 September 2011.

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 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

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Stantons International Audit and Consulting Pty Ltd


John P Van Dieren
Director

West Perth, Western Australia
13 September 2011