



LEGEND MINING LIMITED

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MARCH 2004 QUARTERLY REPORT

HIGHLIGHTS

Gidgee Gold Mine

- Gold production up 37% compared to March 2003 quarter
- Discovery of new Mali and Senegal lodes
- Drilling upgrade of Algeria and Tasmania lodes
- Ore Reserves and Resources increased significantly

Corporate

- Early pay out of \$6.38 million acquisition price achieves \$200,000 saving
- Sales revenue of \$6.9 million at cash operating cost of \$369/oz
- Capital raisings oversubscribed

1. GOLD PRODUCTION, GIDGEE GOLD MINE

In its first full quarter since taking over the Gidgee Gold Mine, 90 kilometres north from Sandstone WA, Legend has produced 14,007 ounces of gold. This is a 37% increase over the same quarter last year, reflecting increased tonnages mined and milled from the Swan Bitter underground.

Operating statistics for the quarter ending 31st March 2004 are as follows:

Detail	March 2004 Qtr	Units
Ore Mined (Swan Bitter u/g)	52,844	tonnes
Ore Grade	7.69	g/t Au
Low Grade Stocks drawn	24,945	tonnes
Ore Grade	1.21	g/t Au
Ore Processed	78,830	tonnes
Head Grade (calc)	5.74	g/t Au
Recovery	96.20	%
Gold Produced	14,007	ounces
Production Cost Statement		
Net Cash Costs	378	\$/oz
Inventory Movements	(9)	\$/oz
Cash Operating Costs	369	\$/oz
Depreciation/Amortisation	49	\$/oz
Total Production Cost	418	\$/oz

Costs are reported to Australian Gold Council Standard

Gold production was 8% above budget, due mainly to higher than planned mill throughput. The annual budget forecast for 2004 is 70,000 ounces, which anticipates mining and treatment of open pit ore commencing about mid-year and production of 23,000 ounces in the December 2004 quarter.

During the March quarter, ore was sourced from separate stope areas of the Tunisia, Tasmania, Georgia, Albania, Australia and West Lodes. Tunisia continued to provide over 75% of ore feed during the quarter, with Tasmania becoming increasingly important and contributing 35% of the gold during March.

Reconciliations for the year to date show the actual amount of gold produced is 19.4% above the amount predicted in the ore reserves, largely due to the considerable coarse gold content in the ore.

Most production continued to come from long hole stoping, with 6% of the gold from airleg stoping of very high grade veins. Additional tonnes were recovered from old stopes by using a tele-remote bogger, which has been trialled during the quarter.

Main decline development continued in the Tasmania Access and Tunisia North Access, totalling 217.2m of advance. Additional development will be carried out to access the newly discovered high grade Mali Lode and Algeria Lode next quarter.

Despite experiencing considerable amounts of rain during the reporting period, including a lightning strike on the powerhouse, operations at Gidgee were not greatly affected by the adverse weather conditions. Mill availability was close to forecast, with a planned maintenance shut down to replace the ball mill pinion successfully completed ahead of schedule.

2. UNDERGROUND DRILLING SUCCESSES

Underground diamond drilling of 7,303 metres for the quarter resulted in discovery of two new lodes (Mali and Senegal) and significant upgrading of another two lodes (Algeria and Tasmania). Results as previously reported include the following:

Hole	East (mine grid)	North (mine grid)	RL (m)	Dip/ Azimuth	Hole Length	From (m)	Length (m)	True Width (estimated)	Gold Grade (uncut)
Mali Lode									
GUD1008	20235.7	49766.4	197.8	-22/267	138.78m	102.60	12.60	6.4m	22.60g/t
					includes	104.20	7.95	4.0m	33.50g/t
GUD1011	20236.9	49754.1	193.9	-27.5/289	214.63m	113.60	6.10	3.8m	17.50g/t
GUD1012	20236.9	49754.0	193.6	-42/291	301.64m	109.00	4.40	4.2m	19.06g/t
Senegal Lode									
GUD1013	20167.6	49800.4	207.6	-11.5/304	153.05m	124.45	5.65	2.7m	6.11g/t
					includes	124.45	1.35	0.7m	15.56g/t
Cut-off grade of 2.0g/t Au. Maximum internal dilution of 2.0m. Assay method: 200g Leachwell (25g Aqua Regia repeats).									

The new high grade Mali and Senegal gold lodes are adjacent to, and readily accessible from, current workings at Swan Bitter. These lodes potentially open up a new 4.5 km long exploration target zone for additional new discoveries, immediately west of the main Swan Bitter-Butcherbird line of orebodies. Mineralisation on the Mali and Senegal lodes remains open in all directions. Legend believes these lodes will significantly add to the mine's reserves.

The Algeria Lode is only 40 metres west of existing underground workings, on the parallel mineralised system. It is located just above the Tunisia Lode, which has provided the majority of the mine's ore for the past 14 months.

Recent underground diamond drilling has shown the Algeria Lode to be more extensive than previously recognised, with a northerly ore plunge rather than the southerly plunge as initially interpreted by the previous owners. This reinterpretation has opened the possibility of additional potential in the upper parts of the existing mine.

Hole	East (mine grid)	North (mine grid)	RL (m)	Dip/ Azimuth	Hole Length	From (m)	Length (m)	True Width (estimated)	Gold Grade (uncut)
Algeria Lode									
GUD1065	20170.3	49792.1	318.8	+17/279	159.8m	122.20	5.15m	2.50m	5.25g/t
					includes	122.20	0.53m	0.25m	33.73g/t
GUD1069	20170.2	49792.1	319.1	+25/267	156.4m	119.50	4.20m	2.10m	47.24g/t
					includes	120.65	0.35m	0.17m	271.76g/t
						135.00	2.25m	1.10m	8.32g/t
GUD1070	20170.4	49792.2	318.8	+20/280	162.7m	103.24	5.36m	2.70m	5.74g/t
					includes	106.50	2.10m	1.00m	9.61g/t
GUD1090	20141.6	49905.2	372.9	-2/229	149.4m	116.10	5.10m	2.60m	9.00g/t
					includes	116.10	1.77m	0.90m	22.08g/t
GUD1094	20141.6	49905.2	372.9	-2/223	164.0m	111.20	0.80m	0.40m	16.21g/t
GUD1105	20149.1	49848.6	320.1	+28/235	145.2m	116.00	2.00m	1.00m	21.56g/t
						129.40	1.90m	0.95m	30.12g/t
					includes	129.40	0.70m	0.35m	75.14g/t
Cut-off grade of 2.0g/t Au. Maximum internal dilution of 2.2m. Analytical method: 200g Leachwell (25g Aqua Regia repeats).									

Development of Algeria Lode commenced in April with the start of a 120 metre westward drive to the top of the lode, from the Swan Bitter decline near the portal. Concurrently, development is advancing towards the bottom of the lode. It is expected to take approximately 3 months to fully develop the Algeria Lode and begin production stoping.

During the quarter, underground drilling has substantially expanded the size of the Tasmania Lode system. The Tasmania system comprises multiple gold lodes whose full extents are not yet known, and grade control drilling to better define the mineralisation boundaries is continuing.

Hole	East (mine grid)	North (mine grid)	RL (m)	Dip/ Azimuth	Hole Length	From (m)	Length (m)	True Width (estimated)	Gold Grade (uncut)
Tasmania Lode									
GUD1008	20235.7	49766.4	197.8	-22/267	138.78m	0.00	5.75	2.10m	41.92g/t
					includes	2.35	1.15	0.50m	202.08g/t
						18.95	3.70	1.00m	8.44g/t
GUD1012	20236.9	49754.0	193.6	-42/291	301.64m	4.00	5.30	3.60m	39.07g/t
GUD1017	20238.3	49761.8	197.0	-50/149	63.07m	8.90	1.20	1.00m	22.38g/t
GUD1060	20237.0	49761.4	197.1	-47/192	125.70m	6.00	10.00	6.90m	92.70g/t
					includes	8.00	6.00	4.10m	151.86g/t
Cut-off grade of 1.6g/t Au. Maximum internal dilution of 2.0m. Analytical method: 200g Leachwell (25g Aqua Regia repeats).									

Face sampling values of up to 539g/t gold have been returned from initial stope development on the Tasmania lode system. The first high-grade ore from Tasmania was mined and milled towards the end of the quarter.

3. ORE RESERVE AND RESOURCE UPGRADE, GIDGEE GOLD PROJECT

As announced in its recent Annual Report, Legend has increased the identified mineral resources at its Gidgee Gold Project shortly after taking over the operations.

Total project resources have been estimated as **3.01 million tonnes grading 6.1g/t gold for 586,650 contained ounces of gold**, as at 31st January, 2004. This includes open pit and underground reserves of 1.18 million tonnes grading 5.2g/t gold for 195,050 contained ounces of gold. Full details and classifications according to the JORC Code are given below.

Project resources previously reported by Abelle Ltd at 30 June, 2003 contained a total of 515,075 ounces of gold. Allowing for production in the interim totalling 39,982 ounces, Legend's current resource estimate represents an increase of 111,557 ounces or 23% over seven months (1 July, 2003 to 31 January, 2004), equivalent to an average increase of nearly 16,000oz per month.

In respect of the three resource categories, comparison to the June 2003 estimate shows an increase of 48% on measured, 28% increase on indicated and a 17% reduction in inferred ounces of gold.

This current resource estimate does not include intersections from the newly discovered Mali and Senegal lodes, results of which were released on 10th March, 2004. It also does not include high-grade intercepts from the Tasmania lode which were reported on 17th March 2004.

Type	Classification	Tonnes and Grade	Contained Ounces
<u>Underground Reserves</u>			
	Proved	62,250t at 6.5g/t Au	13,400
	Probable	535,750t at 7.0g/t Au	120,100
	Total	598,000t at 6.9g/t Au	133,500
<u>Open Pit Reserves</u>			
	Proved	215,000t at 3.7g/t Au	25,600
	Probable	365,000t at 3.1g/t Au	35,950
	Total	580,000t at 3.3g/t Au	61,550
<u>Total Reserves</u>		1,178,000t at 5.2g/t Au	195,050oz
<u>Underground Resources</u>			
	Measured	63,900t at 12.8g/t Au	26,300
	Indicated	1,420,600t at 7.3g/t Au	333,800
	Inferred	678,900t at 6.3g/t Au	137,950
	Total	2,163,400t at 7.2g/t Au	498,050
<u>Open Pit Resources</u>			
	Measured	220,200t at 3.8g/t Au	27,250
	Indicated	426,000t at 3.1g/t Au	43,000
	Inferred	204,000t at 2.8g/t Au	18,350
	Total	850,200t at 3.2g/t Au	88,600
<u>Total Resources</u>		3,013,600t at 6.1g/t Au	586,650oz

Notes: Data has been compiled from previous reported reserves and resources published by Abelle Limited, and updated where appropriate. Reserve estimates are included within the relevant resource estimates.

Underground deposits include Swan Bitter, Wilson, Kingfisher North, Omega and South Heron; open pit deposits include Specimen Well, Eagles Peak, Howards, Deep South, Toedter, Heron, Orion, North Snook, Kea, South Emu Feather and North Shrike and low grade oxide stockpiles.

4. EXPLORATION, GIDGEE GOLD PROJECT

Legend has commissioned international consulting group SRK Consulting Australia to carry out a detailed structural review of gold mineralisation controls and timing at Swan Bitter-Butcherbird. Part of the analysis involves the use of the new Leapfrog rapid 3D modelling software package, to identify trends in gold distribution. A final report is expected shortly.

It is anticipated that this study will improve knowledge of controls of gold mineralisation on the regional, lode system and detailed scale and assist in better targeting ongoing reserve delineation and exploration.

RAB and aircore drilling totalling 5,284m was completed during the March 2004 quarter at the Specimen Well and Eagles Peak projects, north of the mine site. The programmes were designed to test anomalous gold intercepts on recorded previously on wide-spaced RAB drill traverses, adjacent to existing open pit resources.

Hole	East (local grids)	North (local grids)	Hole Depth	From (m)	Interval	Gold Grade (uncut)
Specimen Well						
SWAC078	8301.5	29094.5	71m	40	1m	2.94g/t
SWAC079	8298.0	29076.5	69m	33	24m	3.07g/t
		includes		33	10m	3.95g/t
		and		45	6m	4.07g/t
2965/8460	8460	29650	72m	13	1m	1.88g/t
				17	1m	1.98g/t
				20	1m	2.66g/t
2995/8340	8340	29950	56m	16	2m	4.20g/t
2995/8500	8500	29950	51m	43	8m#	1.19g/t
3005/8340	8340	30050	50m	17	2m	4.37g/t
				32	1m	2.48g/t
3005/8500	8500	30050	43m	42	1m#	2.08g/t
3035/8340	8340	30350	50m	22	3m	1.49g/t
3050/8500	8500	30500	55m	29	1m	1.29g/t
3050/8540	8540	30500	51m	36	2m	3.10g/t
Eagles Peak						
9910/3800	38000	99100	68m	52	4m	4.10g/t*
Analyses by 200g Leachwell /AAS, Gidgee lab (except * Analabs Aqua Regia/AAS, low level)						
All holes drilled -60/090; #: hole ended in mineralisation						

Follow-up RC drilling to test continuity of mineralisation at depth at Specimen Well, Eagles Peak and Toedter was planned for April but has been delayed to May due to lack of suitable rig availability.

RAB drilling results show anomalous gold values continue in the Eagles Peak shear for at least 1,500 metres south of the resource area, and RC drilling is planned for this zone.

5. WILSON GOLD DEPOSITS

Mining and metallurgical evaluation of the 307,000 ounce indicated and inferred gold resource at Wilson 1, 2 and 3 was accelerated during the quarter. These deposits, which

lie 12 kilometres northeast from the Gidgee plant, have been mined by open pit to a maximum depth of only 60 metres. A number of options for treatment of the refractory mineralisation are being investigated and costed, with the objective of commencing production towards the end of 2004.

6. GIDGEE ACQUISITION COMPLETED

In less than four months from takeover of the Gidgee operation in mid-December 2003, Legend has paid the full acquisition price of \$6.38 million including replacement of the \$2 million environmental performance bonds.

Final cash payment of \$1.3 million was made to Abelle Limited prior to the 31st March 2004, achieving a \$200,000 discount by payment three months early.

Legend now holds 100% of the Gidgee Gold Project comprising operating mine, 600,000tpa mill, infrastructure and over 600 square kilometres of contiguous tenement holdings.

7. QUARTERLY REVENUE

Legend received \$6.9 million from sale of gold during the quarter. Average price realised was \$535.70 per ounce, slightly above the average for the period of \$533.61. All sales were at spot price, as Legend does not have any hedging in place.

8. CAPITAL RAISINGS

Legend raised \$3,240,000 through the issue of 18 million shares at 18 cents each in March 2004, with the offer heavily oversubscribed. The shares were placed with selected institutional clients of KTM Capital Limited, Sydney, and with clients of Montagu Stockbrokers Pty Ltd in Perth. This raising was additional to the \$4.0 million raised in December 2003.

In early April, subsequent to the end of the reporting period, Legend arranged funding from a private investor to finance the replacement of environmental performance bonds of \$2 million. The loan will be repaid over 12 months, and one million shares were issued to the investor Giovanni Nominees for provision of the facility. Debt funding offered by Westpac was therefore not required to finance the bonds, however, Westpac is consulting to Legend in respect of future requirements.

9. KARRATHA GOLD AND BASE METAL PROJECT, WEST PILBARA

An independent geological review of gold, base metal and nickel resources and further potential of Legend's Karratha Project was carried out during the quarter. The project covers about 675 square kilometres of the West Pilbara greenstone belt between Karratha, Roebourne and Radio Hill. The board is assessing the findings of this final report, to determine how best to advance the project in the near future.

10. MUNNI MUNNI JOINT VENTURE (Legend 33.33%)

Legend has retained its interest in this West Pilbara JV by contributing during the quarter. Further exploration of a number of promising nickel and copper targets, south of the Radio Hill mine of Fox Resources, is planned by manager East Coast Minerals NL. Results will be reported when received and assessed.

Murray McDonald
Director
29th April, 2004

The information on exploration results and Mineral Resources contained in this report is based on data compiled by consulting geologist Mr Ian Cowden FAusIMM, CPGeo of Iana Pty Ltd. Mr Cowden has appropriate relevant experience to be considered as a Competent Person as defined in the JORC Code 1999 and consents to the inclusion in this report of the information in the form and context in which it appears.

