



31 July 2006

JUNE 2006 QUARTERLY REPORT

HIGHLIGHTS

- Drilling confirms Mt Gibson represents a large, fertile, base metal system in excess of 5 kilometres long. Five deep diamond holes still to be completed in current program.
- District drilling (nominal 60,000m of aircore) around Gidgee is scheduled to commence on 1 August 2006 as planned.
- Mr Tony Walsh was appointed Company Secretary effective 1 July 2006.
- Legend's 20 July 2006 cash balance was \$8,067,799 post Capital Raising and debt repayment.
- New capital structure is 861,437,644 fully paid shares and 303,909,440 options on issue. Creasy-related interests hold 45.91% of the fully paid shares.

1. MT GIBSON PROJECT

Base Metal Drilling

The first four holes (LMGD-001 to LMGD-004 for 3,117.5 metres) of the nominal nine hole diamond drilling program have been completed. The drill hole geology and first batch of assay results support the premise that Mt Gibson represents a large, fertile, mineral system with potential to host a base metal orebody.

Importantly, from the perspective of a fertile volcanic-hosted base metal system:-

- all four holes (LMGD-001 to LMGD-004) contain visible zinc sulphide (sphalerite), either as 10cm-wide veins lying stratigraphically above an interpreted volcanic exhalite horizon, or as disseminations and aggregates within the interpreted volcanic exhalite horizon,
- two holes (LMGD-002 and LMGD-003) contain a number of thin (1cm-wide) copper sulphide (chalcopyrite) veins stratigraphically below the interpreted volcanic exhalite horizon, and
- the base metal (copper, zinc) mineralisation is associated with wide-spread, cordierite-anthophyllite mineral assemblages, the metamorphic derivative of early chlorite alteration.

Assay results have been received for only parts of holes LMGD-001 to LMGD-003 and additional results are awaited (Appendix I). All assay results are awaited for hole LMGD-004.

These broad-spaced holes, spaced at approximately 600 metres apart (see Appendix II), are designed as a first-phase assessment of the Mt Gibson base metal (zinc-copper) system, which is in excess of 5km long. The presence of sulphide mineralisation in each of these holes, whilst not ore grade, does confirm the broad continuity of the system.

The planned drilling is progressing in order to provide the information to further develop the predictive geological model of the system. The remaining five deep diamond holes will be completed over the next two months.

Background

The Mt Gibson Project is located in the Murchison Province, 290 kilometres northeast of Perth, Western Australia, and 100 kilometres south of the world-class Golden Grove volcanic-hosted massive sulphide (zinc-copper) mine owned by Oxiana Limited. Both Mt Gibson and Golden Grove lie within the same volcano-sedimentary sequence (Yalgoo-Singleton Greenstone Belt).

Legend has embarked on the first exploration undertaken at Mt Gibson that specifically aims to investigate the base metal potential.

2. GIDGEE PROJECT

District Gold Exploration Scheduled To Commence 1 August 2006

District drilling (nominal 60,000m aircore) at Gidgee is scheduled to commence on the 1 August 2006, as planned, following the completion of a heritage survey with Yugunga-Nya. Drilling will start in the Castor Target Area (Appendix II, Figure 3).

An additional heritage survey is planned with a second group of indigenous informants on the 22 August 2006 to open-up more land for drilling as the program builds momentum.

It is also anticipated that further exploration tenure will be granted by the Department of Industry and Resources (DOIR) in early September 2006, permitting a further broadening of the district drilling program.

Mill Clean Completed

The Gidgee mill clean was completed in the quarter and Legend's share of the recovered gold was 552 fine ounces that was sold for \$449,752.

3. PILBARA PROJECTS

A technical team is scheduled to conduct a field assessment during August 2006 and prepare a report for Legend's Board to consider.

4. OPERATIONS

Both the mining and processing operations at the Mt Gibson and Gidgee Projects remain on care and maintenance.

5. CORPORATE

Appointment of New Company Secretary

Mr Tony Walsh was appointed Company Secretary effective 1 July 2006. Mr Walsh has 19 years experience dealing with listed companies, including 14 years at the Australian Stock Exchange ("ASX") Perth, where until recently he held the role of Assistant Manager and acted as ASX liaison with the JORC committee. Prior to this role at the ASX he worked with Ernst and Young for 5 years in an audit and compliance capacity.

Due to other ongoing work commitments, Mr Andrew Chapman stepped down as Company Secretary effective 1 July 2006.

Capital Raising

The Capital Raising of \$11,114,377, including the non-renounceable rights issue to shareholders and the debt-for-equity swap with Mr Mark Creasy's Yandal Investments Pty Ltd (Yandal), was settled on the 19 July 2006. Legend's cash balance after the repayment of the principal and interest of the \$3,000,000 loan from Yandal and interest on the Convertible Note was \$8,067,799.

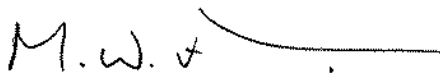
All mortgages and charges over the Company's assets relating to the Convertible Note are in the process of being discharged.

New Capital Structure

The resultant capital structure after the raising is 861,437,644 fully paid shares and 303,909,440 options on issue. Creasy-related interests hold 45.91% of the fully paid shares.

Company Executives Invest in Legend

In off-market transactions, Mr Mark Wilson (Managing Director) and Mr Bob Perring (Executive Director – Technical) acquired 10,000,000 (\$400,000) and 2,000,000 (\$80,000) fully paid shares respectively, from Yandal.



Mark Wilson
Managing Director
31 July 2006

For more information:

Mr Mark Wilson
Managing Director
Legend Mining Limited
Ph: (08) 9212 0600

Mr Bob Perring
Technical Director
Legend Mining Limited
Ph: (08) 9212 0600

The information in this announcement that relates to Exploration Results has been reviewed by Mr Robert Perring, a Member of the Australian Institute of Geoscientists, whose services are provided by Quadramin. Mr Perring 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.

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Legend Mining Limited's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Legend believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

APPENDIX I

Table 1: Completed Diamond Drill Holes – Mt Gibson

Hole Number	North (MGA94)	East (MGA94)	Hole Angle and Direction (Magnetic)	Final Depth (Metres)	Percentage of Hole Sampled & Assayed
LMGD-001	6711025	517385	58° to 303°	887.3	25%
LMGD-002	6710013	516870	56° to 303°	756.3	22%
LMGD-003	6709437	516723	50° to 303°	789.3	55%
LMGD-004	6711730	517574	59° to 303°	684.6	0%

Table 2: Assay Result Summary – Mt Gibson

Hole Number	From (m)	To (m)	Interval (m)	Zn (%)	Cu (%)	Ag (g/t)	Au (g/t)
LMGD-001	290	291	1	1.22	<0.05	5	<0.1
LMGD-001	304	305	1	2.38	<0.05	5	<0.1
LMGD-002	627	628	1	<0.05	0.13	3	1.1
LMGD-002	660	661	1	1.18	<0.05	1	<0.1
LMGD-003	202	203	1	<0.05	<0.05	7	47.9
LMGD-003	295	296.5	1.5	<0.05	0.17	5	3.1
LMGD-003	426	427	1	0.85	0.47	37	3.9
LMGD-003	485	487	2	<0.05	<0.05	2	4.8
LMGD-003	675	679	4	<0.05	0.10	5	1.1
LMGD-003	713	715	2	<0.05	0.07	2	3.0

Sampling based on nominal 1m intervals of half-NQ core. Zinc (Zn), copper (Cu) and silver (Ag) determined by four acid digest and ICP/OES finish. Gold (Au) determined by fire assay and ICP/OES finish. Samples assayed at Ultra Trace Pty Ltd, Perth.

APPENDIX II

MT GIBSON PROJECT AREA

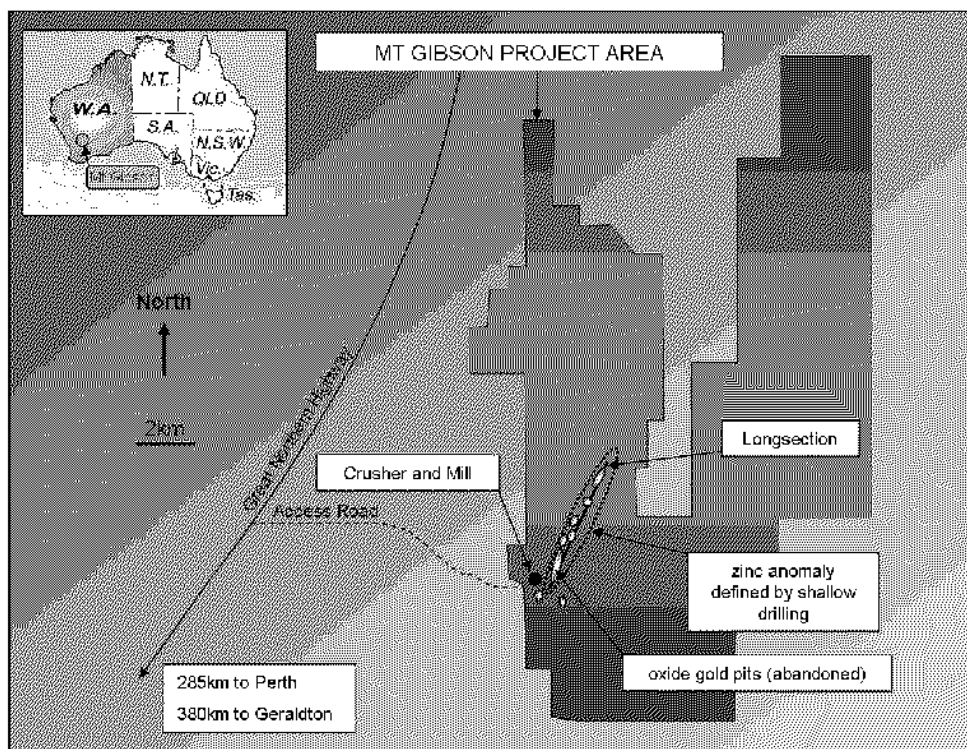


Figure 1
Map of the Mt Gibson Project Area showing the location of the near surface zinc anomaly and the longsection shown below.

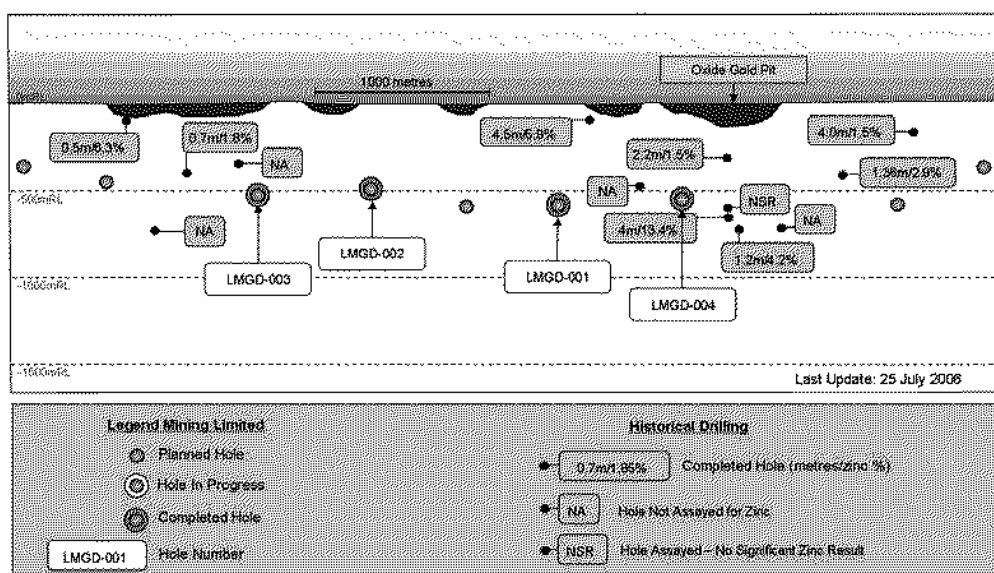


Figure 2
Mt Gibson longsection showing historical zinc drill intercepts and the relative position of Legend drill intercepts.

APPENDIX II (CONTINUED)

GIDGEE PROJECT AREA

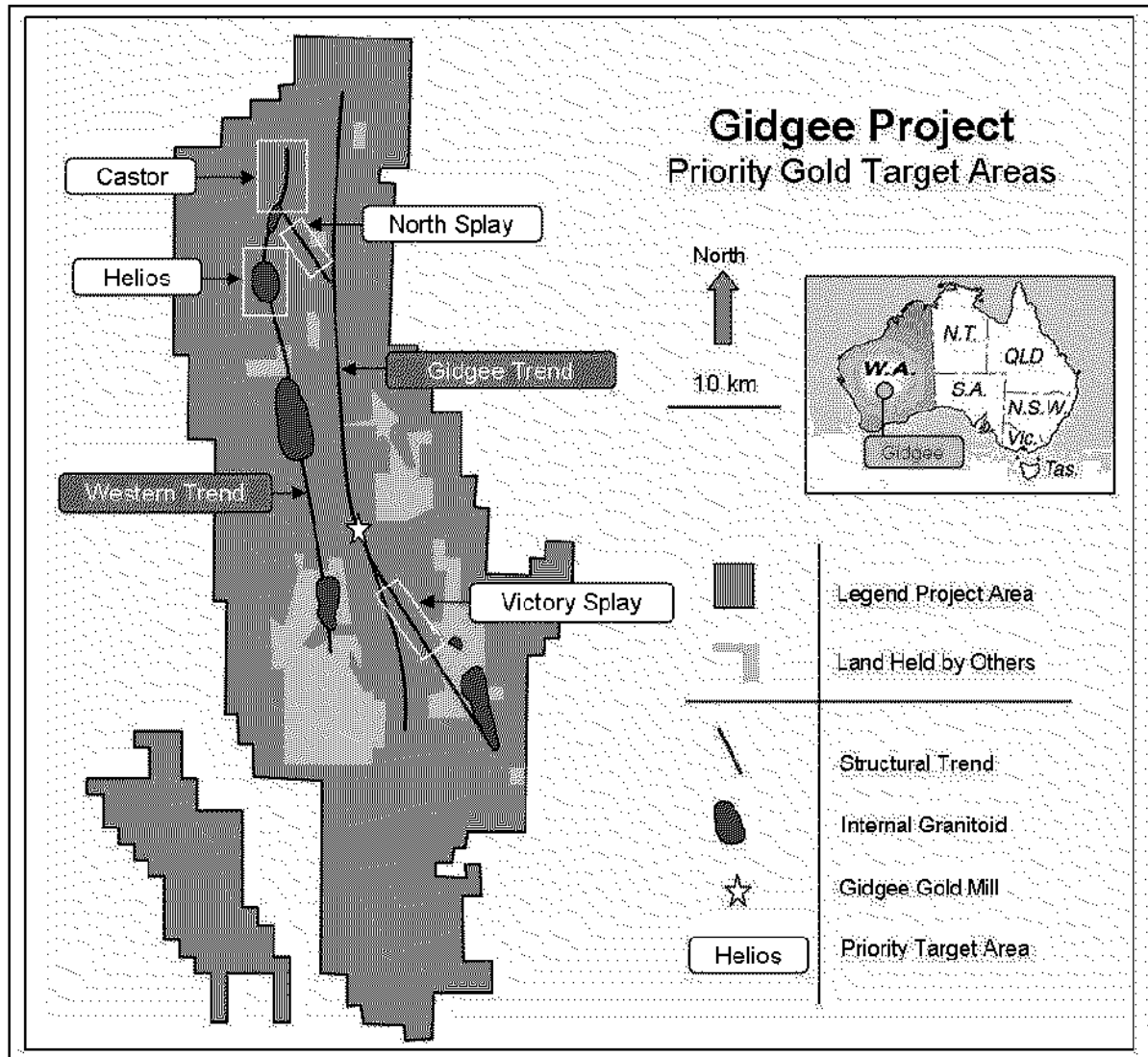


Figure 3
Map of the Gidgee Project Area showing the location of Priority Gold Targets.