UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2013

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________________ to ________________

Commission File Number: 000-32551

LEGEND INTERNATIONAL HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation)	**233067904** (I.R.S. Employer Identification No.)
Level 8, 580 St Kilda Road **Melbourne, Victoria, Australia** (Address of Principal Executive Offices)	**3004** (Zip Code)

Registrant’s telephone number, including area code: 001 (613) 8532 2866

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “accelerated filer,” “large accelerated filer” and “smaller reporting company” in Rule 12-b2 of the Exchange Act.

(Check one): Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b2 of the Exchange Act). ☐ Yes ☒ No

There were 294,047,971 shares of common stock outstanding on May 12, 2013.

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PART I – FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

Introduction to Interim Consolidated Financial Statements.

The interim consolidated financial statements included herein have been prepared by Legend International Holdings, Inc. ("Legend" or the "Company") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "Commission"). Certain information and footnote disclosure normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These interim consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

In the opinion of management, all adjustments, consisting of normal recurring adjustments and consolidating entries, necessary to present fairly the consolidated financial position of the Company and subsidiaries as of March 31, 2013, the results of its consolidated operations for the three month periods ended March 31, 2013 and March 31, 2012 and for the cumulative period January 5, 2001 (inception) through March 31, 2013, and the changes in its consolidated cash flows for the three month periods ended March 31, 2013 and March 31, 2012 and for the cumulative period January 5, 2001 (inception) through March 31, 2013, have been included. The results of operations for the interim periods are not necessarily indicative of the results for the full year.

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Foreign Currency Translation

The functional and reporting currency of the Company is the Australian dollar ("A$"). Amounts have been rounded, except for earnings per share, to the nearest thousand.

UNLESS OTHERWISE INDICATED, ALL FINANCIAL INFORMATION PRESENTED IS IN AUSTRALIAN DOLLARS.

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Balance Sheet

	March 2013 A$000s (unaudited)	December 2012 A$000s
ASSETS		
Current Assets:		
Cash	12,570	2,889
Receivables	233	440
Prepayments	136	123
Receivables - affiliates	-	464
Assets held for sale	5,890	3,371
Inventories	110	172
Total Current Assets	18,939	7,459
Non-Current Assets:		
Property and equipment, net	2,259	7,610
Other investments	302	379
Deposits	463	1,085
Receivables - affiliates	-	381
Prepayments	16	18
Development costs	2,907	2,867
Mineral rights	-	14,095
Goodwill	-	1,093
Total Non-Current Assets	5,947	27,528
Total Assets	24,886	34,987
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	1,683	2,640
Accrued financing costs	6,850	6,441
Advances from affiliates	1,649	2,264
Convertible notes	10,000	10,000
Current Tax Liability	-	650
Short-term debt	2,423	310
Lease liability	100	143
Total Current Liabilities	22,705	22,448
Non Current Liabilities:		
Reclamation and rehabilitation provision	76	1,093
Long-term debt	-	2,199
Lease liability	73	109
Total Non Current Liabilities	149	3,401
Total Liabilities	22,854	25,849
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock: US$.001 par value, 20,000,000 shares authorised, none issued and outstanding.		
Common stock: US$.001 par value, 1,250,000,000 shares authorised 294,047,971 and 249,047,971 shares issued and outstanding	342	298
Additional paid-in-capital	169,845	166,812
Retained (deficit) prior to exploration activities	(839)	(839)
Retained (deficit) during exploration period	(107,617)	(107,617)
Retained (deficit) during development period	(59,699)	(62,534)
Legend Stockholders' Equity (Deficit)	2,032	(3,880)
Non-controlling interests	-	13,018
Total Equity	2,032	9,138
Total Liabilities and Equity	24,886	34,987

The accompanying notes are integral part of the consolidated financial statements.

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Comprehensive Loss
(Unaudited)

	For the three months ended March 31		January 5, 2001 (Inception) to March 31,
	2013 A$000s	2012 A$000s	2013 A$000s
Revenues:			
Sales	-	-	6
less cost of sales	-	-	(1)
Gross profit	-	-	5
Other income			
Interest income – related entity	-	-	441
Interest income – other	16	35	8,906
Other	-	-	12
Total other income	16	35	9,359
Costs and expenses:			
Legal, accounting and professional	67	536	4,969
Exploration expenditure	628	1,252	73,382
Aircraft costs	271	226	3,855
Stock based compensation	-	14	12,817
Interest expense	352	106	2,165
Financing costs	139	484	6,395
Impairment of investment	-	-	327
Administration expenses	867	1,640	42,930
Total costs and expenses	(2,324)	(4,258)	(146,840)
(Loss) from operations	(2,308)	(4,223)	(137,476)
Foreign currency exchange gain/(loss)	(5)	58	(227)
Impairment of equity investment	-	(471)	(6,125)
Impairment of other investment	-	-	(719)
Recovery of /(provision for)allowance for doubtful receivable	(1,161)	944	(4,465)
Realized gain/(loss) on marketable securities	-	-	186
Loss on other investments	-	-	(371)
Loss from sale of property and equipment	(26)	-	(100)
Writeoff/writedown of assets	(945)	-	(1,547)
(Loss) from continuing operations before income taxes	(4,445)	(3,692)	(150,844)
Benefit from /(provision) for income taxes	32	(650)	(618)
(Loss) from continuing operations before equity in (losses) of unconsolidated entities	(4,413)	(4,342)	(151,462)
Equity in (losses) of unconsolidated entity	-	(124)	(8,750)
Net (loss) from continuing operations	(4,413)	(4,466)	(160,212)
Discontinued operations			
Gain on disposal of discontinued operations	9,194	-	9,194
Equity in (losses) of unconsolidated entities	(25)	(56)	(991)
Net (loss) from discontinued operations	(2,723)	(1,689)	(24,345)
Amortization of mineral rights	(350)	(350)	(5,128)
Adjustment to fair value on stepped acquisition	-	-	2,201
Net profit/(loss) attributable to non-controlling interests of discontinued operations	1,152	702	12,189
Net income/(loss) from discontinued operations	7,248	(1,393)	(6,880)
Net income/(loss) attributable to Legend stockholders	2,835	(5,859)	(167,092)
Other Comprehensive Income/(Loss):			
Foreign currency translation adjustments	-	-	(1,063)
Comprehensive income/(loss) attributable to Legend stockholders	2,835	(5,859)	(168,155)
Amounts attributable to Legend Stockholders:			
Basic and diluted net gain/(loss) per common equivalent share			
Net gain/(loss) from continuing operations per share	(0.02)	(0.02)	(1.31)
Net gain/(loss) from discontinued operations per share	0.03	(0.01)	(.05)
Basic and diluted net gain/(loss) per common equivalent shares	0.01	(0.03)	(1.36)
Weighted average number of common equivalent shares used in per share calculations	269,048	226,407	123,423

The accompanying notes are integral part of the consolidated financial statements.

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended March 31, 2013
(Unaudited)

	Common Stock Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Balance, January 5, 2001	-	-	-	-	-	-	-	-
Shares issued to founder for organisation cost and services at US$0.05 per shares	4,298	5	119	-	-	-	-	124
Shares issued for services rendered at US$0.05 per share	146	-	4	-	-	-	-	4
Shares issued for cash	616	1	17	-	-	-	-	18
Net Loss	-	-	-	(131)	-	-	-	(131)
Balance, December 31, 2001	5,060	6	140	(131)	-	-	-	15
Shares issued for cash	225	-	6	-	-	-	-	6
Shares issued for officer's compensation	11,250	15	148	-	-	-	-	163
Net Loss	-	-	-	(183)	-	-	-	(183)
Balance, December 31, 2002	16,535	21	294	(314)	-	-	-	1
Shares issued for services rendered at US$0.022 per share	5,026	7	139	-	-	-	-	146
Net Loss	-	-	-	(157)	-	-	-	(157)
Balance, December 31, 2003	21,561	28	433	(471)	-	-	-	(10)
Shares issued for services rendered at US$0.022 per share	2,005	3	55	-	-	-	-	58
Options issued for services	-	-	161	-	-	-	-	161
Loan forgiveness-former major shareholder	-	-	12	-	-	-	-	12
Net Loss	-	-	-	(235)	-	-	-	(235)
Balance, December 31, 2004	23,566	31	661	(706)	-	-	-	(14)

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended March 31, 2013
(Unaudited)
(continued)

	Common Stock Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Shares issued on cashless exercise of options	17,086	22	(22)	-	-	-	-	-
Net Loss	-	-	-	(75)	-	-	-	(75)
Balance, December 31, 2005	40,652	53	639	(781)	-	-	-	(89)
Shares issued on cashless exercise of options	72,281	93	(93)	-	-	-	-	-
Shares and options issued under settlement agreement	113	0	35	-	-	-	-	35
Shares issued for cash	12,757	17	3,855	-	-	-	-	3,872
Cost of share issues	-	-	(128)	-	-	-	-	(128)
Amortisation of options under stock option plan	-	-	115	-	-	-	-	115
Net Loss	-	-	-	(58)	(4,478)	-	-	(4,536)
Balance, December 31, 2006	125,803	163	4,423	(839)	(4,478)	-	-	(731)
Shares issued for cash	47,687	56	25,686	-	-	-	-	25,742
Cost of share issues	-	-	(1,675)	-	-	-	-	(1,675)
Shares issued for consulting fees	2,604	3	1,001	-	-	-	-	1,004
Shares issued on cashless exercise of options	75	-	-	-	-	-	-	-
Shares issued as a result of delay in lodgement of registration statement	200	-	364	-	-	-	-	364
Shares issued for part-settlement of the acquisition of rights to exploration licences under agreement	500	1	517	-	-	-	-	518

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended March 31, 2013
(Unaudited)
(continued)

	Common Stock Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Amortization of options under stock option plan	-	-	376	-	-	-	-	376
Net Loss	-	-	-	-	(8,638)	-	-	(8,638)
Balance, December 31, 2007	176,869	223	30,692	(839)	(13,116)	-	-	16,960
Shares issued for cash	42,000	44	109,984	-	-	-	-	110,028
Cost of share issues		-	(5,964)	-	-	-	-	(5,964)
Shares issued on cashless exercise of options	1,522	2	(2)	-	-	-	-	-
Shares issued on exercise of options	5,436	6	13,718	-	-	-	-	13,724
Shares issued for consulting fees	31	-	147	-	-	-	-	147
Shares issued under registration rights agreement	458	-	900	-	-	-	-	900
Amortization of options under stock option plan	-	-	5,186	-	-	-	-	5,186
Net Loss	-	-	-	-	(14,222)	-	-	(14,222)
Balance, December 31, 2008	226,316	275	154,661	(839)	(27,338)	-	-	126,759
Shares issued on exercise of options	18	-	3	-	-	-	-	3
Amortization of options under stock option plan	-	-	4,260	-	-	-	-	4,260
Net Loss from operations	-	-	-	-	(38,066)	-	-	(38,066)
Net loss from discontinued operations	-	-	-	-	(247)	-	-	(247)
Fair value of non-controlling interest	-	-	-	-	-	-	10,261	10,261

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended March 31, 2013
(Unaudited)
(continued)

	Common Stock Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Net change in controlling/non-controlling interest	-	-	4,842	-	-	-	8,699	13,541
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	(1,612)	(1,612)
Balance, December 31, 2009	226,334	275	163,766	(839)	(65,651)	-	17,348	114,899
Shares issued on cashless exercise of options	66	-	-	-	-	-	-	-
Amortization of options under stock option plan	-	-	1,728	-	-	-	-	1,728
Options issued for consulting fees	-	-	247	-	-	-	-	247
Net Loss from operations	-	-	-	-	(32,730)	-	-	(32,730)
Net loss from discontinued operations	-	-	-	-	(5,136)	-	-	(5,136)
Adjustment due to purchase of additional shares in subsidiary	-	-	(2,705)	-	-	-	(1,327)	(4,032)
Adjustment due to issue of shares by subsidiary	-	-	772	-	-	-	1,692	2,464
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	(3,803)	(3,803)
Balance, December 31, 2010	226,400	275	163,808	(839)	(103,517)	-	13,910	73,637

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended March 31, 2013
(Unaudited)
(continued)

	Common Stock Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Shares issued on cashless exercise of options	7	-	-	-	-	-	-	-
Amortization of options under stock option plan	-	-	452	-	-	-	-	452
Net Loss from operations	-	-	-	-	(4,100)	(35,030)	-	(39,130)
Net loss from discontinued operations	-	-	-	-	-	(4,084)	-	(4,084)
Adjustment due to purchase of additional shares in subsidiary	-	-	(60)	-	-	-	(34)	(94)
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	(2,619)	(2,619)
Balance, December 31, 2011	226,407	275	164,200	(839)	(107,617)	(39,114)	11,257	28,162
Shares issued for cash	22,640	23	2,233	-	-	-	-	2,256
Amortization of options under stock option plan	-	-	44	-	-	-	-	44
Net Loss from operations	-	-	-	-	-	(18,759)	-	(18,759)
Net loss from discontinued operations	-	-	-	-	-	(4,661)	-	(4,661)
Adjustment due to purchase of additional shares in subsidiary	-	-	(3)	-	-	-	(29)	(32)
Adjustment due to issue of shares by subsidiary	-	-	338	-	-	-	4,792	5,130
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	(3,002)	(3,002)
Balance, December 31, 2012	249,047	298	166,812	(839)	(107,617)	(62,534)	13,018	9,138

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended March 31, 2013
(Unaudited)
(continued)

	Common Stock Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Shares issued for cash	45,000	44	2,142	-	-	-	-	2,186
Net loss from operations	-	-	-	-	-	(4,413)	-	(4,413)
Net income from discontinued operations	-	-	-	-	-	7,248	-	7,248
Adjustment due to issue of shares by subsidiary	-	-	891	-	-	-	6,249	7,140
Adjustment for deconsolidation of subsidiary	-	-	-	-	-	-	(18,115)	(18,115)
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	(1,152)	(1,152)
Balance, March 31, 2013	294,047	342	169,845	(839)	(107,617)	(59,699)	-	2,032

The accompanying notes are integral part of the consolidated financial statements.

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statement of Cash Flows
(Unaudited)

	For the three months ended March 31 2013 A$000s	2012 A$000s	January 5, 2001 (Inception) to March 31, 2013 A$000s
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (Loss)	(4,413)	(4,466)	(160,212)
Adjustments to reconcile net loss to net cash(used) by operating activities:			
Foreign currency exchange (gain) loss	5	(58)	227
Unrealised gain on marketable securities	-	-	(251)
Shares and Options issued for Stock Based Compensation			
- Employees	-	14	12,816
- Consultants	-	-	778
- Exploration agreement	-	-	518
- Registration payment arrangements	-	-	1,265
Provision for reclamation and remediation	(9)	(12)	770
Gain/(loss) on sale of property and equipment	(26)	-	451
Writedown/writeoff of assets	945	-	1,547
Depreciation and amortisation	184	401	5,294
Equity accounting loss	-	124	8,750
Impairment of equity investment	-	471	6,125
Impairment of other investment	-	-	719
Allowance for doubtful receivable	1,161	(944)	4,465
Interest receivable	(2)	(2)	(413)
Accrued interest added to principal	-	37	68
Net Change in:			
Receivables	99	(165)	(2,270)
Prepayments and deposits	(3)	(25)	(1,573)
Inventories	71	-	(39)
Accrued financing cost	409	-	6,850
Accounts payable and accrued expenses	(575)	1,505	(1,130)
Net Cash (Used) by Operating Activities	(2,154)	(3,412)	(115,245)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of trading securities	-	-	3,205
Investment in trading securities	-	-	(1,284)
Investment in equity accounted investments	-	-	(18,759)
Acquisition of subsidiary	-	-	(327)
Investment in consolidated entity	-	(6)	(13,411)
Proceeds from sale of subsidiary	12,740	-	12,740
Purchase of property and equipment	-	-	(13,590)
Development costs	(40)	(632)	(2,907)
Proceeds from sale of property and equipment	17	-	498
Net Cash Provided/(Used) by Investing Activities	12,717	(638)	(33,835)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Advances payable - affiliates	(1,130)	587	(1,957)
Repayment of convertible debenture	-	-	(130)
Repayment of shareholder advance	-	-	(1)
Repayment under finance leases	(54)	(51)	(1,316)
Proceeds from convertible debenture payable	-	7,500	10,130
Proceeds from loan	-	-	3,240
Repayment for long term debt	(76)	(115)	(657)
Shareholder advance	-	-	7
Net proceeds from issuance of stock	2,185	-	157,832
Cost of share issues	-	-	(7,126)
Net Cash Provided by Financing Activities	925	7,921	160,022

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statement of Cash Flows
(Unaudited)
(continued)

	For the three months ended March 31 2013 A$000s	2012 A$000s	January 5, 2001 (Inception) to March 31, 2013 A$000s
Discontinued Operations			
Net income/(loss)	7,248	(1,393)	(6,880)
Operating activities	1,946	813	424
Investing activities	-	-	(3,566)
Financing activities	-	580	19,216
Gain on disposal of subsidiary	(9,194)	-	(9,194)
Net Cash Provided by Discontinued Operations	-	-	-
Effect of exchange rate changes on cash	17	-	1,628
Net increase in cash	11,505	3,871	12,570
Cash at beginning of period	1,065	351	-
Cash at end of period	12,570	4,222	12,570
Supplemental Disclosures:			
Cash paid for interest	3	56	503
Cash paid for income taxes	-	-	-
Shares and options issued for services	-	-	1,843
Accrued interest and stockholder advances charged to paid in capital	-	-	13
Stock issued for exploration agreement	-	-	518
Stock issued for registration payment arrangement	-	-	1,265
Equipment obtained through a capital lease	-	-	1,450
Capital lease obligation for exploration costs	-	-	4,189
Interest in relation to capital lease for exploration costs	-	-	42
Fair value of warrants in connection with issuance of capital stock	-	-	1,331

The accompanying notes are integral part of the consolidated financial statements.

1. ORGANISATION AND BUSINESS

Legend International Holdings, Inc. ("the Company" or "Legend") was incorporated under the laws of the State of Delaware on January 5, 2001.

Following a change of management in November 2004, the Company developed a new plan of operations for fiscal 2006, which is to engage in mineral exploration and development activities. The Company's business plan calls for the identification of mineral properties where it can obtain secure title to exploration, development and mining interests. The Company's preference is to identify large minerals deposits with low operating costs. In July 2006, the Company completed the acquisition of certain diamond mining tenements in Northern Australia. Since that time, the Company has identified that those mining tenements in Northern Australia also have potential for uranium and base metals. In November 2007, the Company acquired mining tenements prospective for phosphate in the State of Queensland, Australia.

During the economic downturn of 2008, Legend also decided that part of the Company's strategy should be to invest into undervalued mining projects should opportunities arise. This investment would not detract from Legend's primary goal of developing the Phosphate Project and had the aim of diversifying interests to dilute the effect of identified potential project risks. This was seen as necessary by the Company due to the obviously volatile and unpredictable nature of the commodity markets at the time. Some of these investments include taking a major stake in Merlin Diamonds Ltd (MED) which controls the Merlin Diamond Mine and included MED's 31.90% interest in Top End Minerals Ltd and an investment in Northern Capital Resources Corporation which controlled gold and zinc assets in Nova Scotia, Canada. These are outlined in further detail below.

Legend had been an exploration stage company between August 2006 and February 2011.

Effective March 1, 2011, Legend is reporting as a development stage company. During February 2011, the Company announced its maiden mineral reserve for its 100% owned Paradise South phosphate project. In accordance with SEC Industry Guide 7, as a result of establishing mineral reserve estimates, Legend has entered into the development stage for this project as it engages in the process of preparing the mineral deposit for extraction, while it continues with its various other exploration activities. Management considers the phosphate business as its main focus of operations and plans to devote a majority of its resources to this area. As a result of establishing the phosphate mineral reserve estimates, the Company will account for development expenditure by capitalizing such costs. Exploration costs incurred on the Company's other activities will be written off as incurred to the consolidated statements of comprehensive loss.

Legend has been focused on the development of mining, beneficiation and processing of its 100% owned phosphate mineral reserves near Mount Isa in northwest Queensland whilst continuing its exploration activities. Legend has a phased implementation plan to become one of the world's leading suppliers of phosphate fertilizer. The phased implementation plan involves independent development of a direct shipping ore ("DSO") project, beneficiation project and a fertilizer complex project. The development of these projects is dependent on the phosphate fertilizer market and access to project finance.

On February 13, 2012, the Company announced the restructuring of its phosphate assets in order to facilitate the financing of its 100% owned Paradise phosphate project. This first step involved a transfer of all Legend's phosphate assets into a 100% owned subsidiary of Legend named Paradise Phosphate Limited ("Paradise"); the issue of 100 million ordinary shares (100% of the issued shares of Paradise) by Paradise to Legend; and funding via a A$10,000,000 convertible note facility ("Convertible Note Agreement") which has been injected into Paradise through Acorn, an Australian financial institution. The intention was that the A$10,000,000 would convert into equity in the subsidiary upon a successful initial public offering ("IPO") and listing of the subsidiary on ASX within 12 months of the note issue date. Paradise did not proceed with the IPO and listing on ASX due to market conditions and the advanced state of discussions with strategic partners at the time. Legend anticipated that by using an Australian subsidiary it was better placed to lift the profile of the world quality phosphate assets, provide a stronger trading platform that will help maximise its value and enable further capital raising to support the development of phosphate rock production and subsequent value added products.

The convertible note facility of A$10,000,000 to Paradise was repayable 12 months from the completion date of the agreement, subsequently extended to March 10, 2013. The notes bear interest at the nominal rate of 10% per annum (the actual amount of effective interest depends upon the event that triggers repayment). Funds received under the convertible note facility were used to progress the project, its development, production and ultimately the export of phosphate rock from the phosphate deposits. The notes are secured by a security interest in the phosphate assets and in the shares in Paradise. The note agreement calls for an adjustment to the repayment factor if Paradise does not complete the public offering as defined. Acorn agreed to extend the repayment date for 2 months under certain conditions including the finalisation of a term sheet for an off-take agreement prior to March 10, 2013. Paradise has entered into a term sheet with a third party and the repayment date has been extended to May 10,

2013. The Company has recorded a A$6,850,000 liability at March 31, 2013 representing interest and an additional payment due in accordance with the term sheet (see note 15 to the financial statements). On April 29, 2013, Paradise repaid the convertible note.

On January 16, 2013, Legend announced that (i) it had placed 150 million shares of common stock to a third party at a price of US$0.05 per share to raise US$7.5 million. Closing of the first tranche of this placement of 45 million shares raising US$2,250,000 occurred on February 20, 2013; and (ii) that it intends to undertake a rights issue of shares to all Legend shareholders, on a pro-rate basis at a price of US$0.05. If fully subscribed, the rights issue will raise US$20,000,000. On January 18, 2013, Legend announced that it had entered into an agreement with a third party to sell 24,000,000 ordinary shares (approximately 13.6%) in MED at a price of A$0.21 per share for a total consideration of A$5,040,000, and on March 12, 2013, it entered into two further contracts to sell a total of 35,000,000 ordinary shares (approximately 19.9%) in MED at a price of A$0.22 per share. Legend closed these transactions in March 2013 and as at March 31, 2013 holds a 0.28% interest in MED.

The Company has historically funded its activities from funds provided by capital raising through the issuance of its shares and from advances from affiliated entities. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements and its exploration and development plans. Based on this process and the amount of the Company's cash and other current assets as of March 31, 2013, management believes that the Company has sufficient operating liquidity to sustain its activities through 2013. However, as the Company has not yet commenced income producing activities, it will continue to seek opportunities to raise additional funds from capital raising efforts through the issuance of its shares, funding from affiliated entities as may be available, debt facilities and other financing arrangements until such time as the Company can commence revenue producing activities.

As future development and exploration activities will require additional financing, the Company is pursuing varying strategies to accomplish this including obtaining third parties to take an ownership interest in or to provide financing for the anticipated development activities related to the phosphate project, as well as capital raising through share issuances. In the event the Company is unsuccessful in raising such additional capital, it may not be able to continue active operations.

The financial statements presented herein have been prepared on a consolidated basis to include the accounts of Legend, its wholly owned subsidiaries Paradise Phosphate Limited, Teutonic Minerals Pty Ltd, Legend International Holdings Limited, Legend Diamonds Pty Ltd, Alexya Pty Ltd and MED through March 31, 2013. All intercompany balances and transactions have been eliminated in consolidation.

The Company's consolidated financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, Legend has incurred net losses since its inception. Notwithstanding the losses since inception, the Company has been able to continue to raise capital to fund its operations.

2. RECENT ACCOUNTING PRONOUNCEMENTS

Management does not believe that any recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying consolidated financial statements.

3. PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. The Company records depreciation and amortization, when appropriate, using straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred. Additions, major renewals and replacements that increase the property's useful life are capitalized. Property sold or retired, together with the related accumulated depreciation is removed from the appropriate accounts and the resultant gain or loss is included in net income (loss).

		At March 31, 2013			At December 31, 2012		
	Depreciable Life (in years)	Cost A$000s	Accumulated Depreciation A$000s	Net Book Value A$000s	Cost A$000s	Accumulated Depreciation A$000s	Net Book Value A$000s
Land		231	-	231	231	-	231
Buildings	40	10	(5)	5	10	(5)	5
Leasehold Improvements	1-2	182	(105)	77	182	(99)	83
Motor Vehicles	5	1,209	(808)	401	1,503	(914)	589
Equipment	1-10	1,103	(668)	435	4,115	(2,106)	2,009
Aircraft	5	-	-	-	4,240	(678)	3,562
Construction in Progress		1,110	-	1,110	1,131	-	1,131
		3,845	(1,586)	2,259	11,412	(3,802)	7,610

The depreciation expense for the three months ended March 31, 2013 amounted to A$184,000 and for the three months ended March 31, 2012 amounted to A$401,000 and accumulated depreciation on assets written off and/or disposed of for the three months ended March 31, 2013 was A$805,000. Net book value of assets written off and/or disposed of for the three months ended March 31, 2013 amounted to A$3,509,000.

4. DEVELOPMENT COSTS

As a result of establishing the phosphate mineral reserve estimates, the Company accounts for development expenditure on the tenements where reserves have been identified by capitalizing such costs. Upon commencement of commercial production, capitalized costs will be transferred to the appropriate asset category and amortized over their estimated useful lives. Capitalized costs, net of salvage values, relating to a deposit which is abandoned or considered uneconomic for the foreseeable future, will be written off.

During the three months ended March 31, 2013, A$40,000 of Paradise South phosphate project costs incurred in the process of preparing the mineral deposit for extraction were capitalized and included in development costs.

5. DEPOSITS

Deposits held by the Company as at March 31, 2013 and December 31, 2012 consist of:

	March 31, 2013 A$000s	December 31, 2012 A$000s
Term deposit as security for a Banker's Undertaking	178	317
Cash deposits provided to Government Departments for the purpose of guaranteeing the Company's performance in accordance with mining law	132	616
Other	153	152
	463	1,085

6. STOCKHOLDERS EQUITY

Share Option Plan

The Company has a Stock Incentive Plan ("Stock Plan") for executives and eligible employees and contractors. Under this Stock Plan, options to purchase shares of stock can be granted with exercise prices not less than the fair market value of the underlying stock at the date of grant. The Company believes that such awards better align the interests of its employees with those of its shareholders. Option awards are generally granted with an exercise price equal to or greater than the market price of the Company's stock at the date of grant; those option awards generally vest 1/3 after 12 months, 1/3 after 24 months and the balance after 36 months with a 10-year contractual term. The expected life of the options is generally between 5 ½ to 6 ½ years. Certain option and share awards provide for accelerated vesting if there is a change in control (as defined in the Stock Plan). The maximum aggregate number of Shares which may be optioned and sold under the Stock Plan is 10% of the issued and outstanding shares (on a fully diluted basis).

The fair value of each option award is estimated on the date of grant using the Binomial option valuation model that uses the assumptions noted in the following table. The Binomial option valuation model requires the input of subjective assumptions, including the expected term of the option award and stock price volatility. Expected volatility is based on the historical volatility of our stock at the time grants are issued and other factors, including the expected life of the options of 5 ½ to 6 ½ years. The Company uses historical data to estimate option exercise and employee termination within the valuation model; separate groups of employees that have similar historical exercise behaviour are considered separately for valuation purposes. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding; the range given below results from certain groups of employees exhibiting different behaviour. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant.

A summary of option activity under the Plan as of March 31, 2013, and changes during the three months then ended is presented below:

Options	Shares 000s	Weighted-Average Exercise Price
Balance, December 31, 2012	21,900	$1.34
Granted	-	-
Exercised	-	-
Forfeited and expired	-	-
Balance, March 31, 2013	21,900	$1.34
Options exercisable at March 31, 2013	21,900	$1.34

At the time of an issue of options, management assess the forfeiture rate to be used for the issue based on historical experience and management's view on the likelihood that the individual will continue employment to the end of the vesting period. The forfeiture rates historically have varied between 33.3% and 100%.

For the three months ended March 31, 2013, stock-based compensation expense relating to stock options was A$nil. No income tax benefit was recognized in the three months ended March 31, 2013 for stock-based compensation arrangements. As at March 31, 2013, there was A$nil of unrecognized compensation cost, before income taxes, related to unvested stock options.

	Options Outstanding			Options Exercisable		
Exercise Price US$	Number Outstanding 000s	Weighted Average Remaining Contractual Life (In Years)	Weighted-Average Exercise Price	Number Exercisable 000s	Weighted Average Remaining Contractual Life (In Years)	Weighted-Average Exercise Price
$0.444	1,856	3.61		1,856	3.61	
$1.000	13,144	4.60		13,144	4.60	
$2.000	5,900	4.93		5,900	4.93	
$3.480	1,000	5.28		1,000	5.28	
	21,900	4.64	$1.34	21,900	4.64	$1.34

The aggregate intrinsic value of outstanding stock options at March 31, 2013 was A$nil and the aggregate intrinsic value of exercisable stock options was A$nil.

7. AFFILIATE TRANSACTIONS

Legend advances to and receives advances from various affiliates. All advances between consolidated affiliates are eliminated on consolidation. The Company has entered into an agreement with AXIS Consultants Pty Ltd ("AXIS") to provide geological, management and administration services to the Company. AXIS is affiliated through common management. The Company is one of ten affiliated companies to which AXIS provides services. Each of the companies has some common Directors, officers and shareholders. Legend holds a 9.09% interest at a cost of A$1 in AXIS, which is accounted for under the cost method.

During the three months ended March 31, 2012, AXIS charged the Company A$1,689,000 for management and administration services and A$1,138,000 for exploration and development services. The Company paid A$2,380,000 for 2012 charges and AXIS repaid A$140,000. At December 31, 2011, management considered the recoverability of the amount owed by AXIS and in accordance with the requirements of accounting standards provided a A$6,800,000 provision for doubtful receivable during the 4th quarter of 2011. For the three months ended March 31, 2012 the Company recorded an adjustment to the provision of A$944,000. The amount owed by AXIS at March 31, 2012 under non-current assets – advances to affiliates was A$645,000.

During the three months ended March 31, 2013, AXIS charged the Company A$536,000 for management and administration services and A$332,000 for exploration and development services. The Company paid A$2,764,000 for 2013 charges and funding advances. For the three months ended March 31, 2013 AXIS repaid A$1,381,000 to the Company and accordingly the Company recorded an adjustment to the provision of A$(1,161,000). For the three months ended March 31, 2013, the Company charged AXIS interest of A$nil. The amount owed by AXIS at March 31, 2013 under non-current assets – advances to affiliates was A$4,464,000, which has been fully provided for.

The Company holds a 0.28% interest in MED. At March 31, 2013 the amount owed by the Company to MED under current liabilities – accounts payable and accrued expenses is A$12,000 for corporate and direct costs.

During the 2011 year, Edinox Pty Ltd ("Edinox"), a company associated with Mr J I Gutnick, advanced the Company A$2,264,000. The Company has provided security in the form of properties owned by Legend for the advance. Under the terms of the agreement the advance was repayable on April 2, 2012 but has been extended to at call. At December 31, 2012 and March 31, 2013 the amount owed by the Company to Edinox under current liabilities - advances from affiliates was A$2,264,000 and A$1,649,000 respectively. For the three months ended 31 March, 2013, Edinox charged the Company interest of A$28,000 at a rate between 4.74% and 4.66%.

8. ASSETS HELD FOR SALE

Assets held for sale represent fixed assets and intangible assets which have been acquired and that management intends to divest within the next 12 months at amounts equal or exceeding the asset carrying values at the respective balance sheet dates.

Impairment of Long-Lived Assets

The Company accounts for its long-lived assets in accordance with ASC Topic 360, "Impairment or Disposal of Long-Lived Assets". ASC Topic 360 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of its assets, including property, plant and equipment and mineral rights, by estimating the future net cash flows expected to result from the asset, including eventual disposition. If the future net cash flows are less than the carrying value of the asset, the impairment loss is recorded equal to the difference between the asset's carrying value and fair value or disposable value. At March 31, 2013, the Company reviewed the assets held and adopted a plan to dispose of some of its assets relating to land and buildings A$3,359,000 and aircraft A$2,531,000 which were surplus to its needs. As part of the plan, an impairment loss of A$945,000 was recognized which is included in write off/writedown of assets, representing the excess of the carrying amount of certain assets over the aggregate of the fair value. Fair value of assets held for sale are based on either sale agreements for relevant assets adjusted for selling costs or on an assessments provided to the Company by industry experts for each asset. All of the impaired assets are part of the current assets – assets held for sale.

9. LEASE LIABILITY

The Company entered into capital finance lease agreements for motor vehicles. The leases are non-cancellable and require total monthly repayments of A$8,000 and expire at various dates from 2013 to 2016. Future minimum payments due for the remaining term of the leases as of March 31, 2013 are as follows:

	A$000s
2013	73
2014	59
2015	14
2016	40
	186
Less amounts representing interest	13
	173
Current liability	100
Non-current liability	73
	173
At March 31, 2013, the net book value of the motor vehicles under capital finance leases amounts to:	281

10. OTHER INVESTMENTS

During December 2009, the Company invested A$2,784,000 in exchange for shares in a Fund that purchases shares in companies quoted on international stock exchanges. The fair value of the equity security is not readily determinable from published information. The Company accounts for these investments at cost and reviews the carrying amount for impairment at each balance sheet date. During 2011, the Company redeemed the investment and at December 31, 2011, had received A$1,695,000 (US$1,724,000) of the redeemed investment. At December 31, 2011 the Company assessed the current net asset value of the investment from information provided by the Fund Manager and determined that a provision for impairment was appropriate of A$719,000 (US$732,000). The Company considers the provision remains appropriate as at March 31, 2013.

11. COMMITMENTS AND CONTINGENCIES

On March 25, 2013, the Indian Farmers Fertiliser Cooperative Limited ("IFFCO") and its subsidiary, Kisan International Trading FZE ("Kisan",) commenced an arbitration proceeding against the Company before the Singapore International Arbitration Centre seeking damages for the Company's alleged failure to enter into a long term rock off-take agreement ("ROTA") with IFFCO for phosphate rock in accordance with the terms of the Share Options Agreement, dated as of July 14, 2008, between the Company and IFFCO. Under the Share Options

Agreement, the Company and IFFCO had agreed to use their reasonable best efforts to negotiate and enter into the ROTA within 24 months following the execution of this Agreement, which time period was subsequently extended to July 14, 2012. On April 25, 2013, the Company submitted a response denying IFFCO's claims on the basis that the Company had complied with its obligations under the Share Option Agreement. On May 6, 2013, IFFCO and Kisan filed a reply to the defense filed by Legend. The proceeding is at its earliest stages so it is difficult to determine the Company's exposure, if any. In any event, the Company intends to vigorously defend this matter. No provision for losses has been recorded in connection with this litigation.

Operating Leases

The Company has entered into lease agreements for the rental of office premises and equipment which expire between 2013 and 2014. The lease agreements have a monthly payment as adjusted by the increase in the consumer price index in Australia annually, and the future commitment amounts to A$57,000.

	A$000s
Future minimum lease payments under the Company's non-cancellable operating leases are as follows:	
2013	30
2014	27
	57

Exploration

The Company has to perform minimum exploration work and expend minimum amounts of money on its tenements in accordance with the terms and conditions under which the tenements were granted. The overall expenditure requirement tends to be limited in the normal course of the Company's tenement portfolio management through expenditure exemption approvals, and expenditure reductions through relinquishment of parts or the whole of tenements deemed non-prospective. Should the company wish to preserve interests in its current tenements the amount which may be required to be expended is as follows:

	A$000s
Not later than one year	1,855
Later than one year but not later than five years	2,891
Later than five years but not later than twenty one years	395
	5,141

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC Topic 825 "Financial Instruments" requires the Company to disclose, when reasonably attainable, the fair market values of its assets and liabilities which are deemed to be financial instruments. The Company's financial instruments include cash, receivables, other investments, advances due from affiliates, convertible debenture, advances from affiliates, accounts payable and accrued expenses. The carrying amounts of cash, receivables, accounts payable and accrued expenses approximate their respective fair values due to the short term maturities of these instruments. The carrying value of the convertible debenture is reasonable approximation of its fair value. The fair value of advances due to and from affiliates are not practicable to estimate as no similar market exists for these instruments and as it does not have a specified date of repayment.

The Company's other financial instruments consists of short term debt. The fair value of the Company's fixed rate debt based on market prices as of March 31, 2013 was A$2,423,000, based on current interest rates available to us for debt instruments with similar terms, degrees of risk and remaining maturities. The carrying values of these obligations, for each period presented, approximate fair value.

13. INVESTMENTS/SUBSIDARIES

Consolidated Entities

Paradise Phosphate Limited ("Paradise")

The Company holds 100% of the shares of Paradise which commenced operating during 2012. During 2012 Paradise issued 100,000,000 shares to Legend for all of Legend's phosphate assets. The assets were transferred at their respective cost basis. Legend has paid an estimated tax liability of A$618,000 as a result of the transfer of the assets to Paradise. The amount of other income of Paradise for the three months ended March 31, 2013 and 2012 included in the Consolidated Statement of Comprehensive Loss amounts to A$22,000 and A$36,000 respectively, and the amount of loss is A$887,000 and A$2,537,000 respectively.

Alexya Pty Ltd ("Alexya")

On October 22, 2010, the Company incorporated a wholly owned Australian subsidiary, Alexya to hold a certain asset and liability which has been consolidated in the accompanying consolidated financial statements. For the three months ended March 31, 2013 and 2012, the amount of revenue of Alexya included in the Consolidated Statement of Comprehensive Loss is A$nil and A$nil respectively, and the amount of the loss is A$1,251,000 and A$320,000 respectively.

<u>Other Subsidiaries</u>

The Company also has the following wholly owned inactive subsidiaries:

- Legend International Holdings Limited
- Legend Diamonds Pty Ltd.

<u>Equity Investments</u>

Northern Capital Resources Corp ("NCRC")

At March 31, 2013 and December 31, 2012 the Company's holding in NCRC was 31.50%. At December 31, 2012 and March 31, 2013, the carrying value of the investment was A$nil. For the three months ended March 31, 2013 and 2012, the Company recorded an equity loss in NCRC of A$nil and A$124,000 respectively. At March 31, 2013, the investment in the unconsolidated subsidiary is accounted for under the equity method.

The following table presents summary unaudited financial information for NCRC as of March 31, 2013 and March 31, 2012 and for the three months thus ended. Such summary financial information has been provided herein based upon the individual significance of this unconsolidated equity investment to the consolidated financial information of the Company:

	March 2013 A$000s	March 2012 A$000s
Current assets	243	1,199
Non- current assets	1,042	7,146
Total assets	1,285	8,345
Current liabilities	186	376
Non-current liabilities	-	821
Total liabilities	186	1,197
Total shareholders' equity	1,099	7,148
Noncontrolling interest	-	(7,212)
Shareholder equity attributable to NCRC	1,099	(64)
Net profit/(loss)	(940)	(394)

The excess of the carrying value of this equity investment to the Company's share of underlying equity in the net assets of the investee at March 31, 2013 approximates A$nil.

14. DECONSOLIDATION

At December 31, 2012, the Company held a 41.9% controlling interest in MED.

On January 18, 2013 the Company announced that it has entered into an agreement to sell 24 million ordinary shares, being approximately 16.9% in MED at a price of 21 cents per share which amounts to A$5.04 million, and on March 12, 2013, it entered into two further contracts to sell a total of 35 million ordinary shares, being approximately 19.9% in MED at a price of A$0.22 per share (proceeds of approximately A$7.70 million). The shares were sold to an unaffiliated third party.

Following closing, on March 26, 2013 the Company no longer held a controlling interest in MED. The sale of the 19.9% interest in MED resulted in the deconsolidation of MED and a gain in the amount of A$9,194,000 which represents (i) the A$12,740,000 cash proceeds from the sale and the A$102,000 fair value of the retained interest less (ii) the A$3,648,000 net liabilities of MED at the date of consolidation. The gain is included in the Consolidated Statements of Comprehensive Income under gain on disposal of discontinued operations. The investment in MED is now classified as a marketable security, and accordingly is presented at its fair market value. The fair value of the remaining investment in MED was based on the recent sale of MED shares to unrelated parties by the Company and the market value at March 31, 2013.

Assets and liabilities at the date of deconsolidation and the comparative December 31, 2012 consist of the following:

	March 26, 2013 A$000s	December 31, 2012 A$000s
Assets		
Current assets	3,845	1,938
Receivables - affiliates	527	200
Other non current assets	994	777
Property, plant and equipment	4,878	1,660
Mineral rights	13,745	14,095
Goodwill	1,093	1,093
Total assets	25,082	19,763
Liabilities		
Current liabilities	2,311	1,035
Reclamation and rehabilitation	1,008	1,007
Total liabilities related to assets	3,319	2,042
Non-controlling interests	18,115	13,018
Net book value of assets at deconsolidation	3,648	4,703

The Company's interest in Merlin at March 31, 2013 is 0.28%.

15. CONVERTIBLE NOTES

Effective as of February 7, 2012, the Company entered into a convertible note agreement via its wholly-owned subsidiary, Paradise, with two Australian investment funds, pursuant to which Paradise issued $7,500,000 in principal amount of notes due 12 months from the issue date (the "Notes"), which bear interest at a nominal rate of 10% per annum (the actual amount of effective interest depends upon the event that triggers repayment). If, within 12 months of the completion date of the agreement, Paradise conducted a public offering of securities in Australia and those securities were listed on ASX, then the convertible notes would be converted into ordinary shares of Paradise at a conversion rate which is based on the pre-money value of Paradise at the time of the public offering of securities. The note agreement calls for an adjustment to the repayment factor if Paradise does not complete the public offering, as defined. On April 30, 2012, Paradise raised a further A$2,500,000 via an increase in the convertible note facility on the same terms and conditions set out for the A$7,500,000. As at March 31, 2013 interest of $1,121,000 (US$1,168,000) has been incurred on the convertible notes which is included in current liabilities – accrued financing costs. The A$10,000,000 convertible note was due for repayment on March 10, 2013. Acorn agreed to extend the repayment date for 2 months under certain conditions including the finalisation of a term sheet for an off-take agreement prior to March 10, 2013. Paradise has entered into a term sheet with a third party and the repayment date was extended to May 10, 2013.

Paradise did not proceed with the IPO and listing on ASX due to market conditions and the advanced state of strategic partners at the time.

On April 11, 2013 the Company entered into a new agreement with Acorn to finalise repayment of the convertible note by April 29, 2013. The approximate cash repayment due by April 29, 2013 was $16,929,000, made up of the principal amount of $10,000,000 due by April 12, 2013, plus interest of approximately $1,173,000 multiplied by a repayment factor of 0.66, equating to A$5,756,000. The Company made the final payment on April 29, 2013 and all mortgages and securities held over Legend's shares in Paradise and Paradise's phosphate assets have been released.

16. SHORT TERM DEBT

During November 2010, the Company entered into a US$ denominated loan facility agreement with a third party lender, which provides for a US$3,200,000 credit facility and has a term of five years. Interest on borrowings under the agreement is fixed at 6.70% per annum.

Borrowings under this agreement amounted to A$2,423,000 (US$2,525,000) at March 31, 2013 and is secured by certain equipment purchased by the Company. On April 16, 2013 the Company entered into an agreement to sell the equipment securing this debt and accordingly it has been reclassified as current.

17. COMPREHENSIVE INCOME (LOSS)

The Company follows ASC Topic 220 “Comprehensive Income” (“ASC 220”). ASC 220 requires a company to report comprehensive profit (loss) and its components in a full set of financial statements. Comprehensive income profit/(loss) is the change in equity during a period from transactions and other events and circumstances from non-owner sources such as unrealized gains (losses) on foreign currency translation adjustments.

18. INCOME TAXES

The Company has adopted the provisions of ASC Topic 740 "Income Taxes". ASC 740 requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

ASC Topic 740 prescribes how a company should recognise, measure, present and disclose in its financial statements uncertain tax positions that the Company has taken or expects to take on a tax return. Additionally for tax positions to qualify for deferred tax benefit recognition under ASC 740, the position must have at least a “more likely than not” chance of being sustained upon challenge by the respective taxing authorities, and whether or not it meets that criteria is a matter of significant judgement. The Company believes that it does not have any uncertain tax positions that would require the recording or disclosure of a potential tax liability.

The Company is subject to taxation in both the USA and Australia.

At March 31, 2013, the net deferred tax asset consisted of the following:

	USA 2013 A$000s	Australia 2013 A$000s	Total 2013 A$000s
Deferred tax assets			
Net operating loss carry-forward	5,461	6,224	11,685
Exploration expenditure	5,255	-	5,255
Less valuation allowance	(10,716)	(6,224)	(16,940)
Net deferred taxes	-	-	-

Under ASC 740-10 tax benefits and provisions are recognised only for tax positions that are more likely than not to be sustained upon examination by tax authorities based on the technical merits of the position. The valuation allowance offsets the net deferred tax asset for which there is no assurance of recovery. The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the deferred tax asset will be realized.

At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax assets is no longer impaired and the allowance is no longer required.

In February 2012, as a result of the transfer of the phosphate assets to Paradise, the Company has realised carrying-forward net operating losses and exploration expenditure. In addition the Company made a tax payment of A$618,000 resulting from the transaction.

As a result of the ownership change that occurred in November 2004 (see note 1), Internal Revenue Code Section 382 limits the use of available operating loss carryforwards for losses incurred prior to the ownership change. Carry-forward net operating losses will be available to offset future taxable income. Total available net operating loss carryforwards in the United States, which are subject to limitations, amount to approximately A$14,500,000 at December 31, 2012 and expire in years 2024 through 2031. Net operating loss carryforwards in Australia do not have a definite expiration date and amounted to A$15,600,000.

The Company’s tax years for all years since December 31, 2008 remain open to most taxing authorities.

19. SUBSEQUENT EVENTS

The Company has evaluated events and transactions after the balance sheet date and, through the date the consolidated financial statements were issued and believes that all relevant disclosures have been included herein and there are no other events which require recognition or disclosure in the accompanying consolidated financial statements, other than disclosed herein.

On April 12, 2013 the Company repaid $10,000,000 of the convertible note liability to Acorn and on April 29, 2013 the Company made a final payment of $6,900,000 of the convertible note liability to Acorn.

Effective as of May 3, 2013, Legend International Holdings, Inc, a Delaware corporation (the “Company”), completed a private placement offering to an accredited investor (the “Private Placement”) in which the Company sold an aggregate of 97,500,000 shares (the “Shares”) of common stock, U.S. $0.001 par value (the “Common Stock”) at a purchase price of U.S. $0.05 per share, for aggregate proceeds of U.S.$4,875,000.00. The Private Placement was effected pursuant to the terms of a Subscription Agreement.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FUND COSTS CONVERSION

The statements of comprehensive loss and other financial and operating data contained elsewhere here in and the balance sheets and financial results have been reflected in Australian dollars unless otherwise stated.

The following table shows the average rate of exchange of the Australian dollar as compared to the US dollar during the periods indicated:

3 months ended March 31, 2012	A$1.00 = US$1.0386
3 months ended March 31, 2013	A$1.00 = US$1.0420
3 months ended March 31, 2012	A$1.00 = CDN$1.0357
3 months ended March 31, 2013	A$1.00 = CDN$1.0602

GENERAL

At December 31, 2012, the Company's holding in Merlin was 41.96%. On January 18, 2013 the Company announced that it has entered into an agreement to sell 24,000,000 ordinary shares being approximately 16.9% in MED at a price of 21 cents per share which amounts to A$5,040,000, and on March 12, 2013, it entered into two further contracts to sell a total of 35,000,000 ordinary shares being approximately 19.9% in MED at a price of A$0.22 per share. The shares were sold to an unaffiliated third party. Following closing, on March 26, 2013 the Company lost its control in Merlin. As a result at March 26, 2013, Legend de-consolidated the operations of Merlin. The fair value of the remaining investment in Merlin was based on market value at March 31, 2013. See footnote 14 to the consolidated financial statements for further information.

As a result, the management discussion and analysis relates to the activities of the Company only and does not include a discussion of Merlin activities unless otherwise stated.

RESULTS OF OPERATION

Three Months Ended March 31, 2013 vs. Three Months Ended March 31, 2012.

The Company's financial statements are prepared in Australian dollars (A$). A number of the costs, expenses and assets of the Company are incurred/held in US$ and the conversion of these costs to A$ means that the comparison of the three months ended March 31, 2013 to the three months ended March 31, 2012 does not always present a true comparison.

As an exploration company until February 2011 and a development stage company since then, we do not have an ongoing source of revenue. Our revenue stream is normally from interest received on cash in bank and adhoc tenement disposals and Australian Taxation Office refunds.

Other income decreased from A$35,000 for the three months ended March 31, 2012 to A$16,000 for the three months ended March 31, 2013, which primarily represents interest on funds held in the bank, as a result of the reducing cash at bank balances as funds have been used for operational purposes.

Costs and expenses decreased from A$4,258,000 in the three months ended March 31, 2012 to A$2,324,000 in the three months ended March 31, 2013. The decrease in expenses is a net result of:

a) a decrease in legal, accounting and professional expense from A$536,000 for the three months ended March 31, 2012 to A$67,000 for the three months ended March 31, 2013. In 2012, there were professional fees of A$405,000 for attorneys, accountants, experts and advisors for the spin out of the phosphate assets into the 100% owned subsidiary Paradise Phosphate Limited and there were no comparable costs in 2013.

b) a decrease in exploration expenditure written off from A$1,252,000 in the three months ended March 31, 2012 to A$628,000 in the three months ended March 31, 2013. The exploration costs include drilling/geological/geophysical/mineral analysis contractors, contract field staff costs, travel costs, accommodation and tenement costs on properties where we have not estimated mineral reserves. On our phosphate activities, costs which were capitalized and included in development costs decreased from A$632,000 for the three months ended March 31, 2012, to A$40,000 for the three months ended March 31, primarily due to lesser activity on the feasibility test work.

c) an increase in aircraft costs from A$226,000 in the three months ended March 31, 2012 to A$271,000 in the three months ended March 31, 2013.

d) a decrease in stock based compensation from A$14,000 in the three months ended March 31, 2012 to A$nil in the three months ended March 31, 2013. The Company has issued options under the 2006 Incentive

Option Plan throughout 2006 to 2010. The decrease is a result of a majority of the options being fully vested in prior periods.

e) an increase in interest expense from A$106,000 for the three months ended March 31, 2012 to A$352,000 for the three months ended March 31, 2013 due to an increase in interest on the convertible notes; and on an advance from an affiliate that incurs interest.

f) a decrease in convertible note costs from A$484,000 for the three months ended March 31, 2012 to A$139,000 for the three months ended March 31, 2013 due to the convertible note agreement the Company entered into via its wholly-owned subsidiary, Paradise, with two Australian investment funds. The expense in the prior period represented the initial legal and advisors fees in relation to the issue of the convertible notes (see note 16) for which there is no comparable cost in the current quarter.

g) a decrease in administration expense from A$1,640,000 in the three months ended March 31, 2012 to A$867,000 in the three months ended March 31, 2013 is primarily a net result of: (i) a decrease in direct costs, indirect costs and service fees charged to the Company by AXIS which decreased from A$1,211,000 to A$536,000 primarily as a result of a decrease in direct costs incurred on our behalf by AXIS; (ii) an increase in the cost of travel and accommodation relating to the business activities of the Company from A$5,000 to A$30,000 as there have been increased travel for business and marketing purposes in the current quarter; (iii) a decrease in investor relations and other consultants costs from A$49,000 to A$nil as a result of decrease in business activity; (iv) a decrease in property rentals and associated costs from A$148,000 to A$7,000 as a result of a decrease in outgoing costs; and (iv) an increase in insurance costs from A$10,000 to A$25,000 as a result of an increase in insurance premiums.

As a result of the foregoing, the loss from operations decreased from A$4,223,000 for the three months ended March 31, 2012 to A$2,308,000 for the three months ended March 31, 2013.

A decrease in the foreign currency exchange loss from a gain of A$58,000 for the three months ended March 31, 2012 to a foreign exchange loss of A$5,000 for the three months ended March 31, 2013 was recorded as a result of the movement in the Australian dollar versus the US dollar.

An impairment of equity investments was recorded of A$nil (2012: $471,000) as the Company has assessed the current net asset value of the investment from the information available and determined that the prior year provision for impairment was adequate.

At December 31, 2012, management considered the recoverability of the amount owed by AXIS and in accordance with the requirements of accounting standards provided a provision for doubtful receivable. For the three months ended March 31, 2013 the Company recorded an adjustment to the provision of A$(1,161,000) compared to A$944,000 for the three months ended March 31, 2012.

A net realised loss of A$26,000 (2012: A$nil) was recorded on sale of property and equipment, being the difference between cost and sale price, was incurred in the three months ended March 31, 2013.

The Company has written off assets of A$945,000 for the three months ended March 3, 2013 for which there was no comparable amount for the three months ended March 31, 2012.

The loss before income taxes and equity in losses of unconsolidated entities was A$3,692,000 for the three months ended March 31, 2012 compared to A$4,445,000 for the three months ended March 31, 2013.

The Company has recorded reduction in the current tax liability of A$32,000 for the three months ended March 31, 2013 (2012: A$650,000) as a result of the transfer of the phosphate assets to a 100% owned subsidiary of Legend.

The equity losses in unconsolidated entities for the three months ended March 31, 2013 amounted to A$nil (2012: A$124,000). The Company holds a 31.50% interest in Northern Capital Resources Corp and accounts for this investment using the equity method of accounting.

The net loss was A$4,413,000 for the three months ended March 31, 2013 compared to a net loss of A$4,466,000 for the three months ended March 31, 2012.

A net income of A$7,248,000 (2012: loss of A$1,393,000) was recorded on discontinued operations in the three months ended March 31, 2013.

The net income attributable to Legend stockholders amounted to A$2,835,000 for the three months ended March 31, 2013 compared to a net loss of A$5,859,000 for the three months ended March 31, 2012.

Liquidity and Capital Resources

For the three months ended March 31, 2013, net cash used in operating activities was A$2,154,000 (2012: A$3,412,000) primarily consisting of the net loss of A$4,413,000 (2012: A$4,466,000), adjusted for non-cash items being depreciation and amortization of A$184,000 (2012: A$401,000), write-down of assets of A$945,000 (2012: A$nil), decrease in accounts receivable of A$99,000 (2012: increase A$165,000); increase in prepayments and deposits of A$3,000 (2012: A$25,000); decrease in inventories of A$71,000 (2012: A$nil), increase in accrued financing cost of A$409,000 (2012: A$nil) and an increase in accounts payable and accrued expenses of A$575,000 (2012: decrease A$1,505,000).

Net cash provided by investing activities was A$12,717,000 (2012: (used) A$638,000) which consisted of the proceeds from sale of 59,000,000 shares in MED for A$12,740,000 (2012: A$nil), proceeds from sale of plant and equipment A$17,000 (2012: A$nil) and additions to mine development of A$40,000 (2012: A$632,000).

Net cash provided by financing activities was A$925,000 (2012: A$7,921,000) being the private placement of 45,000,000 shares for net proceeds of A$2,185,000 (2012: A$nil), repayments under finance leases of A$54,000 (2012: A$51,000), advances by affiliates of A$1,130,000 (2012: repayment A$587,000), and repayment of long term debt of A$76,000 (2012: $115,000).

As at March 31, 2013, the Company had A$12,570,000 in cash.

We plan to continue our exploration and development program throughout 2013 and the Company has an obligation to incur expenditure on other commodity projects of A$400,000. Our budget for general administration costs for 2013 is A$2,200,000, Paradise's budget for phosphate projects is A$1,400,000, and general and administration costs for 2013 is A$2,300,000. At March 31, 2013, the Company had a receivable from AXIS amounting to A$4,464,000 which has been fully provided for. Legend is substantially dependent upon AXIS for our senior management, financial and accounting, corporate legal, geological and other corporate headquarters functions. For example, each of our officers is employed by AXIS. AXIS provides us with office facilities, administrative personnel and services, management and geological staff and services. Legend has continued to provide funds in advance of services to be rendered by AXIS as Legend has no capabilities to undertake the services in its own right nor has it the infrastructure itself.

On February 13, 2012, the Company announced the restructuring of its phosphate assets in order to facilitate the financing of its 100% owned Paradise phosphate project. This first step involved a transfer of all Legend's phosphate assets into a 100% owned subsidiary of Legend named Paradise; the issue of 100 million ordinary shares (100% of the issued shares of Paradise) by Paradise to Legend; and funding via a A$10,000,000 convertible note facility ("Convertible Note Agreement") which has been injected into Paradise through Acorn, an Australian financial institution. The intention was that the A$10,000,000 would convert into equity in the subsidiary upon a successful initial public offering ("IPO") and listing of the subsidiary on ASX within 12 months of the note issue date. Paradise did not proceed with the IPO and listing on ASX due to market conditions and the advanced state of discussions with strategic partners at the time. Legend anticipated that by using an Australian subsidiary it was better placed to lift the profile of the world quality phosphate assets, provide a stronger trading platform that will help maximise its value and enable further capital raising to support the development of phosphate rock production and subsequent value added products.

The phosphate assets comprise the Paradise phosphate rock deposits of Paradise North (historically known as Lady Jane) and Paradise South (historically known as Lady Annie), the D-Tree deposit and the deposits associated with Legend's rights and obligations under the King Eagle Joint Venture agreement (i.e. Highland Plains, Lily & Sherrin Creek and Quita Creek). The assets include the exploration and mining permits and applications associated with the above deposits and related infrastructure.

The convertible note facility of A$10 million to Paradise was repayable 12 months from the completion date of the agreement, subsequently extended to March 10, 2013. The notes bear interest at the nominal rate of 10% per annum (the actual amount of effective interest depends upon the event that triggers repayment). Funds received under the convertible note facility were used to progress the project, its development, production and ultimately the export of phosphate rock from the phosphate deposits. The notes are secured by a security interest in the phosphate assets and in the shares in Paradise. The note agreement called for an adjustment to the repayment factor if Paradise did not complete the public offering as defined. Acorn agreed to extend the repayment date for 2 months under certain conditions including the finalisation of a term sheet for an off-take agreement prior to March 10, 2013. Paradise has entered into a term sheet with a third party and the repayment date was been extended to May 10, 2013. The Company has recorded a A$6,850,000 liability at March 31, 2013 representing interest and an additional payment due in accordance with the term sheet (see note 15 to the financial statements). On April 29, 2013, Paradise repaid the convertible note.

On January 16, 2013, Legend announced that (i) it had placed 150 million shares of common stock to a third party at a price of US$0.05 per share to raise US$7,500,000. Closing of the first tranche of this placement of 45 million shares raising $2,250,000 occurred on February 20, 2013; and (ii) that it intends to undertake a rights issue of shares to all Legend shareholders, on a pro-rate basis at a price of US$0.05. If fully subscribed, the rights issue will raise US$20,000,000. On January 18, 2013, Legend announced that it had entered into an agreement with a third party to sell 24,000,000 ordinary shares (approximately 13.6%) in MED at a price of A$0.21 per share for a total consideration of A$5,040,000, and on March 12, 2013, it entered into two further contracts to sell a total of 35,000,000 ordinary shares (approximately 19.9%) in MED at a price of A$0.22 per share for consideration of A$7,700,000. Legend closed these transactions in March 2013 as at March 31, 2013 holds a 0.28% interest in MED.

However, as the Company has not yet generated income producing activities, it will continue to seek opportunities to raise additional funds from capital raising efforts through the issuance of its shares, funding from affiliated entities as may be available, debt facilities and other financing arrangements until which time as the Company can commence revenue producing activities.

As future exploration and development activities will require additional financing, the Company is pursuing varying strategies to accomplish this including obtaining third parties to take an ownership interest in or to provide financing for the development activities related to the phosphate project, as well as capital raising through share issuances. In the event the Company is unsuccessful in raising such additional capital, it may not be able to continue active operations.

Information Concerning Forward Looking Statements

This report and other reports, as well as other written and oral statements made or released by us, may contain forward looking statements. Forward looking statements are statements that describe, or that are based on, our current expectations, estimates, projections and beliefs. Forward looking statements are based on assumptions made by us, and on information currently available to us. Forward-looking statements describe our expectations today of what we believe is most likely to occur or may be reasonably achievable in the future, but such statements do not predict or assure any future occurrence and may turn out to be wrong. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. The words "believe," "anticipate," "intend," "expect," "estimate," "project", "predict", "hope", "should", "may", and "will", other words and expressions that have similar meanings, and variations of such words and expressions, among others, usually are intended to help identify forward-looking statements.

Forward-looking statements are subject to both known and unknown risks and uncertainties and can be affected by inaccurate assumptions we might make. Risks, uncertainties and inaccurate assumptions could cause actual results to differ materially from historical results or those currently anticipated. Consequently, no forward-looking statement can be guaranteed. The potential risks and uncertainties that could affect forward looking statements include, but are not limited to:

- The risk factors set forth in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012,
- The possibility that the phosphates we find are not commercially economical to mine,
- The possibility that we do not find diamonds or other minerals or that the diamonds or other minerals we find are not commercially economical to mine,
- The risks and hazards inherent in the mineral exploration and development business (including environmental hazards, industrial accidents, weather or geologically related conditions),
- Changes in the market price of phosphate, base metals and diamonds,
- The uncertainties inherent in our exploratory activities, including risks relating to permitting regulatory delays,
- The effects of environmental and other governmental regulations,
- Uncertainty as to whether financing will be available to enable further exploration and development,
- Estimates of proven and probable reserves are subject to considerable uncertainty,
- Movements in foreign exchange rates,
- Increased competition, governmental regulation,
- Performance of information systems,
- Ability of the Company to hire, train and retain qualified employees,
- The availability of sufficient, transportation, power and water resources, and

- Our ability to enter into key exploration and supply agreements and the performance of contract counterparties.

In addition, other risks, uncertainties, assumptions, and factors that could affect the Company's results and prospects are described in this Quarterly Report on Form 10-Q and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, including under the heading "Risk Factors" and elsewhere herein and therein and may further be described in the Company's prior and future filings with the Securities and Exchange Commission and other written and oral statements made or released by the Company.

We caution you not to place undue reliance on any forward-looking statements, which speak only as of the date of this document. The information contained in this report is current only as of its date, and we assume no obligation to update any forward-looking statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

At March 31, 2013, the Company had debt of A$2,423,000 (US$2,525,000). As the Loan Facility is in US dollars, a change in the exchange rate between the A$ and the US$ will have an effect on the amounts reported in the Company's consolidated financial statements, and create a foreign exchange gain or loss. A movement of 1% in the A$ versus the US$ exchange rate will have an A$24,000 effect on the consolidated balance sheet and statement of comprehensive loss.

Item 4. Controls and Procedures.

(a) Disclosure Controls and Procedures

Our principal executive officer and our principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 as amended) as of the end of the period covered by this report. Based on that evaluation, such principal executive officer and principal financial officer concluded that, the Company's disclosure control and procedures were effective as of the end of the period covered by this report at the reasonable level of assurance.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the first quarter of 2013 that materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

(c) Other

We believe that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. Therefore, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Our disclosure controls and procedures are designed to provide such reasonable assurance of achieving our desired control objectives, and our principal executive officer and principal financial officer have concluded, as of March 31, 2013, that our disclosure controls and procedures were effective in achieving that level of reasonable assurance.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

On March 25, 2013, the Indian Farmers Fertiliser Cooperative Limited ("IFFCO") and its subsidiary, Kisan International Trading FZE ("Kisan",) commenced an arbitration proceeding against the Company before the Singapore International Arbitration Centre seeking damages for the Company's alleged failure to enter into a long term rock off-take agreement ("ROTA") with IFFCO for phosphate rock in accordance with the terms of the Share Options Agreement, dated as of July 14, 2008, between the Company and IFFCO. Under the Share Options Agreement, the Company and IFFCO had agreed to use their reasonable best efforts to negotiate and enter into the ROTA within 24 months following the execution of this Agreement, which time period was subsequently extended to July 14, 2012. On April 25, 2013, the Company submitted a response denying IFFCO's claims on the basis that the Company had complied with its obligations under the Share Option Agreement. On May 6, 2013, IFFCO and Kisan filed a reply to the defense filed by Legend. The proceeding is at its earliest stages so it is difficult to determine the Company's exposure, if any. In any event, the Company intends to vigorously defend this matter. No provision for losses has been recorded in connection with this litigation.

Item 1A Risk Factors

An investment in the Company involves a high degree of risk.

In addition to the other information set forth in this Report, investors should carefully review and consider the information regarding certain factors which could materially affect the Company's business, results of operations, financial condition and cash flows set forth below and in Part I Item 1A. "Risk Factors" in the Company's Fiscal 2012 Form 10-K. The Company may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

The Company is subject to litigation risks, which could adversely affect its business.

On March 25, 2013, the Indian Farmers Fertiliser Cooperative Limited ("IFFCO") and its subsidiary, Kisan International Trading FZE ("Kisan",) commenced an arbitration proceeding against the Company before the Singapore International Arbitration Centre seeking damages for the Company's alleged failure to enter into a long term rock off-take agreement ("ROTA") with IFFCO for phosphate rock in accordance with the terms of the Share Options Agreement, dated as of July 14, 2008, between the Company and IFFCO. Under the Share Options Agreement, the Company and IFFCO had agreed to use their reasonable best efforts to negotiate and enter into the ROTA within 24 months following the execution of this Agreement, which time period was subsequently extended to July 14, 2012. On April 25, 2013, the Company submitted a response denying IFFCO's claims on the basis that the Company had complied with its obligations under the Share Option Agreement. On May 6, 2013, IFFCO and Kisan filed a reply to the defense filed by Legend. The proceeding is at its earliest stages so it is difficult to determine the Company's exposure, if any. In any event, the Company intends to vigorously defend this matter. No provision for losses has been recorded in connection with this litigation.

For further information, see "Item 1-Legal Proceedings."

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Effective as of May 3, 2013, Legend International Holdings, Inc, a Delaware corporation (the "Company"), completed a private placement offering to an accredited investor (the "Private Placement") in which the Company sold an aggregate of 97,500,000 shares (the "Shares") of common stock, U.S. $0.001 par value (the "Common Stock") at a purchase price of U.S. $0.05 per share, for aggregate proceeds of U.S.$4,875,000.00. The Private Placement was effected pursuant to the terms of a Subscription Agreement.

Item 3. Defaults Upon Senior Securities.

Not Applicable

Item 4. Mine Safety Disclosures.

Not Applicable

Item 5. Other Information.

On April 12, 2013 the Company repaid $10,000,000 of the convertible note liability to Acorn Capital Limited (Acorn) and on April 29, 2013 the Company made a final payment of $6,900,000 of the convertible note liability to Acorn. As a result, Acorn released all security held for the convertible note liability.

Item 6. Exhibits.

Exhibit No.	Description
10.28	Subscription Agreement dated January 17, 2013.
10.29	Deed of Release of Security dated April 29, 2013
31.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Joseph Isaac Gutnick
31.2	Certification of Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Peter James Lee
32.1	Certification of Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Joseph Isaac Gutnick
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Peter James Lee
101	The following materials from the Legend International Holdings, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Comprehensive Loss, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows and (iv) related notes.

#101.INS	XBRL Instance Document.
#101.SCH	XBRL Taxonomy Extension Schema Document.
#101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
#101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
#101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
#101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.

Filed herewith. In accordance with Rule 406T of Regulation S-T, these interactive data files are deemed “not filed” for purposes of section 18 of the Exchange Act, and otherwise are not subject to liability under that section.

FORM 10-Q

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

LEGEND INTERNATIONAL HOLDINGS, INC.

(Registrant)

/s/ Peter J Lee
By: ……………………………………
Peter J Lee
Chief Financial Officer and Secretary

Dated: May 19, 2013

EXHIBIT INDEX

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Exhibit 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph Isaac Gutnick, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Legend International Holdings, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 19, 2013

/s/ Joseph I Gutnick

Name: Joseph I. Gutnick
Title: Chairman of the Board, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter James Lee, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Legend International Holdings, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

   b) designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 19, 2013

/s/ Peter J Lee

Name: Peter Lee
Title: Secretary and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Legend International Holdings, Inc. (the “Company”) for the quarter ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “report”), the undersigned, Joseph Isaac Gutnick, Chief Executive Officer of the Company, certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 19, 2013

/s/ Joseph I Gutnick

Joseph Isaac Gutnick
Chairman of the Board, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of Legend International Holdings, Inc. (the "Company") for the quarter ended March 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "report"), the undersigned, Peter James Lee, Chief Financial Officer of the Company, certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 19, 2013

/s/ Peter J Lee

Peter James Lee
Secretary and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.28

LEGEND INTERNATIONAL HOLDINGS, INC.

SUBSCRIPTION AGREEMENT

Legend International Holdings, Inc.
Level 8, 580 St Kilda Road
South Melbourne
Victoria 3004 Australia

Attn: Peter Lee

Gentlemen:

1. Subscription.

1.1 Offering. The undersigned understands that Legend International Holdings, Inc. (the "Company") is offering to sell to investors shares of its Common Stock, US$.001 par value ("Common Stock") at US$0.05 per share.

1.2 Manner of Subscription. The undersigned (the "Subscriber") hereby subscribes for and agrees to purchase 150,000,000 Shares of Common Stock for a purchase price of US$0.05 per share or an aggregate purchase price of US$7,500,000 on the terms and conditions described herein. The minimum subscription is for 100,000 Shares unless the Company agrees to accept a lesser subscription. The undersigned hereby tenders to the Company a check made payable to the order of "Legend International Holdings, Inc." in the amount indicated above and two executed copies of this Subscription Agreement.

1.3 Offering Period. The undersigned agrees that this subscription is, and shall be, irrevocable, but his or her obligations hereunder will terminate if this subscription is not accepted by the Company by March 31, 2013 or such later date as may be designated by the Company, but not later than June 30, 2013 (the "Outside Date). The Company reserves the right, in its sole discretion, to accept or reject this subscription, in whole or in part, for any reason, at anytime through the Outside Date, as such date may be extended by the Company in its sole discretion.

1.4 Closing. The undersigned acknowledges and agrees that the closing of this Offering is conditioned upon the receipt and acceptance by the Company of subscriptions for a minimum of 500,000 shares ("Minimum Subscription") prior to the Outside Date.

2. Representations, Warranties and Covenants of the Subscriber.

2.1 Representations and Warranties; Risk Factors. The Subscriber, by signing this Subscription Agreement, represents and warrants to the Company that the Subscriber:

(a) All Common Stock purchased by him are being acquired by him for his own account (or for accounts for which he has sole investment discretion) for investment, without any intention of selling, further distributing, or otherwise disposing of the Common Stock.

(b) None of the Common Stock is registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws. The Subscriber understands that the offering and sale of the Common Stock is intended to be exempt from registration under the 1933 Act by virtue of Section 4(2) and/or Section 4(6) thereof and/ or the provisions of Regulation S promulgated thereunder, based, in part, upon the representations, warranties and agreements of the Subscriber contained in this Subscription Agreement.

(c) The Subscriber is not a U.S. Person as that term is defined in rule 902(k) of Regulation S and is a resident of the jurisdiction set forth on the Signature Page.

(d) The Common Stock was not offered to the Subscriber in the United States.

(e) At the time of the execution of this Agreement and the time of any offer to the Subscriber to purchase the Common Stock hereunder, the Subscriber was physically outside the United States.

(f) The Subscriber is purchasing the Common Stock for his or her own account and not on behalf of or for the benefit of any U.S. Person and the sale and resale of the Common Stock has not been prearranged with any U.S. Person or buyer in the United States.

(g) The Subscriber is not an underwriter, dealer, distributor or other person who is participating, pursuant to a contractual agreement, in the distribution of the Common Stock offered or sold in reliance on Regulation S.

(h) To the knowledge of the Subscriber, without any independent investigation, neither the Company nor any person acting for the Company has conducted any "directed selling efforts" in the United States as such term is defined in Rule 902(c) of Regulation S, which in general, means any activity taken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Common Stock being offered in reliance on Regulation S. Such activity includes, without limitation, the mailing of printed material to Investors residing in the United States, the holding of promotional seminars in the United States, and the placement of advertisements with radio or television stations broadcasting in the United States or in publication for the general circulation in the United States that refer to the offering of the Common Stock in reliance on Regulation S.

(i) The Subscriber must bear the substantial economic risks of the investment in the Common Stock indefinitely because none of the Common Stock may be sold, hypothecated or otherwise disposed of unless subsequently registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available (including under Regulation S). Legends shall be placed on the certificates, representing the Common Stock to the effect that they have not been registered under the 1933 Act or applicable state securities laws and appropriate notations thereof will be made in the Company's stock books.

(j) Neither the Securities and Exchange Commission nor any state securities commission has approved the Common Stock or passed upon or endorsed the merits of this offering.

(k) In evaluating the suitability of an investment in the Company, the Subscriber has not relied upon any representation or other information (oral or written) other than as stated in the Form 10-K for the year ended December 31, 2011 and the Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012 or as contained in documents or answers to questions so furnished to the Subscriber by the Company.

(l) The Subscriber is aware that an investment in the Common Stock involves a high degree of risk, and has carefully read and considered the matters set forth in the Form 10-K for the year ended December 31, 2011, and the Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012 that has been provided to Subscriber.

(m) The Subscriber acknowledges that estimates or projections included in the Form 10-K for the year ended December 31, 2011 and the Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012 that have been provided to Subscriber, if any, were prepared by the Company in good faith but that the attainment of such projections and estimates cannot be guaranteed by the Company.

(n) No oral or written representations have been made, or oral or written information furnished, to the Subscriber in connection with this offering which are in any way inconsistent with the information contained in the Form 10-K for the year ended December 31, 2011 and the Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012 that have been provided to Subscriber.

(o) The Subscriber may not directly or indirectly, sell, assign, transfer, pledge, give, subject to lien or security interest or otherwise dispose of or encumber, or participate in the underwriting of any such distribution or transfer of (collectively "Transfer") any Common Stock in violation of this Subscription Agreement. Subscriber further covenants, warrants and represents to the Company that (i) it will not act in any way that would constitute it to be an underwriter of such Common Stock within the meaning of the 1933 Act, and (ii) during the one year period following the Closing, neither the Subscriber nor any of his or her affiliates will, directly or indirectly, hold or maintain any short position in or engage in hedging transactions with respect to the Common Stock or any other securities of the Company.

(p) No actual or purported Transfer of Common Stock, or any interest therein, whether voluntary or involuntary, not in accordance with the provisions of this Subscription Agreement and or applicable law shall be valid or effective to grant to the purported transferee of such Common Stock or interest therein any right, including without limitation the right to cause the registration of such Common Stock on the books of the Company in the transferees's name or on its behalf, to receive dividends, to receive any distributions upon the dissolution, liquidation or winding up of the affairs of the Company or to vote any shares of capital stock, title or interest in or to such Common Stock, and the transferor of such Common Stock, until such Transfer or purported Transfer shall be rescinded, shall not be entitled to, and hereby specifically waives, all such right, title and interest in and to such Common Stock from the date of such Transfer or purported Transfer.

(q) The Subscriber will, prior to any attempted Transfer of Common Stock, give written notice to the Company expressing its desire to effect such transfer and describing in detail the proposed transfer. Upon receiving such notice, Company shall present copies thereof to counsel for the Company to evaluate said Transfer pursuant to the 1933 Act and the Securities Exchange Act of 1934, as then in force, or any similar statute, and applicable state securities law.

(r) The Subscriber does not presently have any reason to anticipate any change in his circumstances or any other particular occasion or event which would cause it to sell any of the Common Stock.

(s) The Subscriber is fully aware that in agreeing to sell and issue such Common Stock to it and in entering this Subscription Agreement, the Company is relying upon the truth and accuracy of the representations and warranties of the Subscriber made herein.

(t) The Subscriber is experienced in investing in junior exploration mining companies. The Subscriber has been granted the opportunity to ask questions of, and receive answers from, the Company concerning the terms and conditions of this offering, the Company, and the Form 10-K for the year ended December 31, 2011 and the Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012 that have been provided to Subscriber and to obtain such additional information as it deems necessary to verify the accuracy of the information contained in the offering materials or which otherwise may be desired to make an informed investment decision.

3. <u>Disclosure.</u>

This offering is limited to accredited investors in reliance upon exemptions contained in the 1933 Act and Regulations D and S promulgated thereunder and applicable state securities laws. Accordingly, the Company is offering the Common Stock utilizing this Subscription Agreement rather than a formal private offering memorandum. The undersigned understands that this Subscription Agreement and the Form 10-K for the year ended December 31, 20and the Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012 that have been provided to Subscriber contains less information that would be included in a private offering memorandum. In making an investment decision Subscribers must rely on their own examination of the Company and the terms of the Offering, including the risks involved.

4. <u>Risk Factors</u>.

The undersigned acknowledges and agrees that he or she has been advised by the Company that an investment in the Company involves a high degree of risk, including the risk that the Subscriber may lose his or her entire investment in the Company. Without limiting the generality of the foregoing, the undersigned acknowledges that he or she has been apprised of the risks factors set out in the Form 10-K for the year ended December 31, 2011 and the Form

10-Q for the quarters ended March 31, 2012 June 30, 2012 and September 30, 2012 that have been provided to Subscriber.

5. Indemnification and Hold Harmless.

If the Subscriber breaches any of the agreements, representations or warranties which the Subscriber has made in his or her Subscription Agreement, the Subscriber shall indemnify and hold harmless the Company (and their respective employees, agents, and affiliates) against any claim, liability, loss, damage or expense (including attorneys' fees and other costs of investigating and litigating claims) caused, directly or indirectly, by the Subscriber's breach.

6. Confidentiality.

This Subscription Agreement and is personal to each Offeree and does not constitute any offer to any other person. Each prospective purchaser, by accepting delivery of this Subscription Agreement, agrees not to disclose to anyone, other than his or her professional advisors, and make no copies of this Subscription Agreement and if the offeree does not purchase any shares, to return this Subscription Agreement to the Company at the above address.

7. Miscellaneous.

7.1 Governing Law. This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed entirely within Delaware.

7.2 Entire Agreement; Waiver. This Agreement constitutes the entire agreement between the parties and supersedes any prior agreements or understanding between them. This Agreement may not be modified in any manner unless in writing and signed by the party against whom enforcement thereof is sought. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any subsequent breach or condition of a like or different nature.

7.3 Binding Effect. This Agreement and all the terms and provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns; provided that, this Agreement may not be assigned by Subscriber without the Company's prior written consent.

7.4 No Third Party Beneficiaries. The provisions of this Agreement and of any other agreement between the Company and Subscriber are solely for the benefit of the Company and Subscriber and may be changed, terminated or revoked in any manner at any time by mutual agreement between the Company and Subscriber without notice or liability to any other person.

7.5 Further Assurances. Each of the parties hereto agrees to execute, acknowledge, deliver, file, record and publish such further certificates, instruments, agreements and other documents and to take all such further action as may be required by law or be necessary or appropriate in order to carry out the provisions of this Agreement.

7.6 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

7.7 Section Headings. Section headings herein have been inserted for reference only and shall not be deemed to limit or otherwise affect, in any manner, or be deemed to interpret in whole or in part any of the terms or provisions of this Subscription Agreement.

EXECUTION PAGE

IN WITNESS HEREOF, the Subscriber has executed this Subscription Agreement.

SUBSCRIBER:

Name (Print) PLANETES INTERNATIONAL LIMITED

Address of Residence	UNIT 820, 8TH FLOOR BLOCK A, DAMANSARA INTAN, 1 JALAN SS20/27, 47400 PETALING JAYA, SELANGOR DE, MALAYSIA

Social Security Number or Tax Identification Number: ___________________________________

1. Number of shares Subscribed for: 150,000,000
2. Total Payment obligation: US$0.05 per share, payable upon subscription.
3. Checks delivered herewith: _________________

Date 17 January 2013

Signature s/s Nelson Fernandez

Name Nelson Fernandez

ACKNOWLEDGED AND AGREED:

LEGEND INTERNATIONAL HOLDINGS, INC.

By s/s Peter James Lee

Be sure to include:

(1) Your check for your subscription;
(2) Two signed copies of this Subscription Agreement.

HERBERT SMITH FREEHILLS

Exhibit 10.29

Exhibit 10.29

Deed

Investment in Paradise Phosphate Pty Ltd

Deed of release of security

Paradise Phosphate Limited
Legend International Holdings, Inc.
(each as **Grantor**)

Acorn Capital Limited
(as **Secured Party**)

HERBERT
SMITH
FREEHILLS

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HERBERT SMITH FREEHILLS

Deed of release of security

Date ►29 April 2013

Between the parties

Grantors	**Paradise Phosphate Limited** ACN 154 180 882 of Level 8, 580 St Kilda Road, Melbourne VIC 3004 **Legend International Holdings, Inc** ARBN 120 855 352 of Level 8, 580 St Kilda Road, Melbourne VIC 3004 (each a **Grantor**)
Secured Party	**Acorn Capital Limited** ACN 082 694 531 of Level 12, 90 Collins Street, Melbourne Vic 3000 (**Secured Party**)
Recitals	1 Each Grantor charged and mortgaged its property under the Security Documents. 2 All moneys the payment of which was secured under the Security Documents have been paid or repaid or otherwise satisfied in full. 3 The Secured Party agrees to release the Released Assets from the Security Documents in accordance with this deed.
This deed witnesses	that, for valuable consideration, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1 Definitions and interpretation

1.1 Definitions

The meanings of the terms used in this deed are set out below.

Term	Meaning
Business Day	a day on which banks are open for business in Brisbane and Melbourne excluding a Saturday, Sunday or public holiday.
Effective Date	29 April 2013.
Financing Statement	data registered (or that is to be registered) pursuant to an application for registration under section 150(1) of the PPS.
Financing Change Statement	data amending a Financing Statement registered on the PPS Register.
PPSA	the *Personal Property Securities Act 2009* (Cth).
PPS Register	the Personal Property Securities Register established under section 147 of the PPSA.
Released Assets	the whole of the property secured under the Security Documents.
Security Document	each document described in Schedule 1.
Title Document	any original, duplicate or counterpart certificate or document of title including any real property certificate of title, certificate of units in a unit trust, share certificate or certificate evidencing an investment instrument or negotiable instrument (in the case of the terms ‘certificate’, ‘investment instrument’ or ‘negotiable instrument’, each within the meaning of the PPSA).

1.2 Deed components

This deed includes any schedule.

2 Release

On and from 5:00pm on the Effective Date, the Secured Party:

(a) releases the Released Assets from the operation of the Security Documents; and

(b) releases each Grantor from all of its obligations under the Security Documents.

3 Further Assurance

(a) Within 10 Business Days after the Effective Date, the Secured Party must register a Financing Change Statement which amends any Financing Statement registered on the PPS Register with respect to the Released Assets to reflect the release of the security under this deed.

(b) In relation to the Security Document listed as item 4 in Schedule 1, the Secured Party must on the Effective Date execute and give to Legend International Holdings, Inc.:

(1) a release of mortgage in Form MMOL-06 in accordance with Chapter 7 of the Mineral Resources Act 1989 (Qld); and

(2) a letter addressed to the Queensland Department of Natural Resources and Mines requesting the removal of all caveats registered in favour of the Secured Party in respect of mining leases ML 90190 and ML 90191.

(c) In addition to clauses (a) and (b) of this deed, the Secured Party must take all reasonable steps and execute all documents reasonably required by each Grantor to give effect to the transaction contemplated by this deed.

4 Title Documents

The Secured Party agrees to return to the Grantors on the Effective Date all Title Documents held by the Secured Party in relation to the Released Assets.

5 Costs and Expenses

Paradise Phosphate Limited must pay all costs and expenses (including legal costs and expenses on a full indemnity basis) of the Secured Party in relation to the preparation, execution, delivery, completion and performance of this deed and any document referred to in clause 3.

6 Governing Law

This deed is governed by the laws of Queensland.

7 Counterparts

This deed may be executed in any number of counterparts. All counterparts, taken together, constitute one instrument. A party may execute this deed by signing any counterpart.

HERBERT SMITH FREEHILLS

Schedule 1

Security Documents

1 The security agreement dated 7 February 2012 granted by Legend International Holdings, Inc (**Legend**) in favour of the Secured Party.

2 The share mortgage dated 7 February 2012 granted by Legend in favour of the Secured Party.

3 The general security agreement dated 7 February 2012 between Paradise Phosphate Limited (formerly Paradise Phosphate Pty Ltd)(**Paradise**) and the Secured Party.

4 The mortgage dated 7 February 2012 over mining leases ML 90190 and ML 90191 granted by Legend in favour of the Secured Party registered with the Queensland Department of Natural Resources and Mines as dealing numbers 1040294 and 1040295, respectively.

5 The mortgage executed on or about 7 February 2012 over mining leases ML 90190 and ML 90191 granted by Paradise in favour of the Secured Party and not registered with the Queensland Department of Natural Resources and Mines.

Signing page

Executed as a deed

Grantor

Signed sealed and delivered by
Paradise Phosphate Limited
by

sign here ► S/S PETER LEE
Company Secretary/Director

print name PETER LEE

sign here ► S/S CRAIG MICHAEL
Director

print name CRAIG MICHAEL

Grantor

Signed sealed and delivered by
Legend International Holdings, Inc.
by its attorney Peter James Lee dated 12 March 2013

sign here ► S/S PETER LEE

print name PETER LEE

sign here ► ____________________

print name ____________________

Secured Party

Signed sealed and delivered by
Acorn Capital Limited
by

sign here ► s/s M SHEEHAN
Company Secretary/Director

print name M SHEEHAN

sign here ► S/S DOUGLAS LOH
Director

print name DOUGLAS LOH