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 June 30, 2009

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).*

* The registrant has not yet been phased into the interactive data requirements.

☐ 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 226,333,392 shares of common stock outstanding on August 7, 2009.

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PART I – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Introduction to Interim Financial Statements.

The interim financial statements included herein have been prepared by Legend International Holdings, Inc. ("Legend International" 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 generally accepted accounting principles 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 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, 2008.

In the opinion of management, all adjustments, consisting of normal recurring adjustments and consolidating entries, necessary to present fairly the financial position of the Company and subsidiaries as of June 30, 2009, the results of its operations for the three and six month periods ended June 30, 2009 and June 30, 2008 and for the cumulative period January 5, 2001 (inception) through June 30, 2009, and the changes in its cash flows for the six month periods ended June 30, 2009 and June 30, 2008 and for the cumulative period January 5, 2001 (inception) through June 30, 2009, 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 financial statements in conformity with generally accepted accounting principles 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.

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

LEGEND INTERNATIONAL HOLDINGS, INC.
(An Exploration Stage Company)
Balance Sheet

	June 30, 2009 A$ (unaudited)	December 31, 2008 A$
ASSETS		
Current Assets:		
Cash	98,239,217	119,277,536
Receivables	2,483,298	2,843,331
Prepayments	539,768	371,499
Inventories (note 3)	110,941	92,194
Trading Securities (note 10)	-	780,946
Total Current Assets	101,373,224	123,365,506
Non-Current Assets:		
Property and Equipment, net (note 4)	5,887,942	5,320,625
Investment (note 14)	6,820,018	-
Deposits (note 5)	812,760	793,712
Receivables	924,975	555,668
Prepayments	451,745	40,194
Total Non-Current Assets	14,897,440	6,710,199
Total Assets	116,270,664	130,075,705
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	2,821,393	2,386,575
Lease liability (note 9)	204,228	186,785
Total Current Liabilities	3,025,621	2,573,360
Non Current Liabilities:		
Reclamation and Remediation Provision (note 8)	91,219	206,192
Lease liability (note 9)	420,102	537,008
Total Non Current Liabilities:	511,321	743,200
Total Liabilities	3,536,942	3,316,560
Stockholders’ Equity		
Common Stock: US$.001 par value, 300,000,000 shares authorized 226,333,392 issued and outstanding	275,101	275,076
Additional Paid-in-Capital	157,084,103	154,661,002
Accumulated Other Comprehensive Income	38,490	38,490
Retained Deficit during development period	(839,463)	(839,463)
Retained Deficit during exploration period	(43,824,509)	(27,375,960)
Total Stockholders’ Equity	112,733,722	126,759,145
Total Liabilities and Stockholders’ Equity	116,270,664	130,075,705

The accompanying notes are an integral part of these financial statements.

LEGEND INTERNATIONAL HOLDINGS, INC.
(An Exploration Stage Company)
Statements of Operations
(Unaudited)

	For the three months ended June 30		For the six months ended June 30		January 5, 2001 (Inception) to June 30, 2009
	2009 A$	2008 A$	2009 A$	2008 A$	A$
Revenues:					
Sales	-	-	-	-	6,353
less cost of sales	-	-	-	-	(1,362)
Gross profit	-	-	-	-	4,991
Other income					
Interest income – related entity	17,648	-	31,307	-	81,238
Interest income – other	806,296	224,963	1,964,841	349,972	5,660,339
Other	1,120	-	2,270	-	8,804
	825,064	224,963	1,998,418	349,972	5,750,381
Costs and expenses:					
Legal, accounting and professional	141,462	162,649	357,580	306,324	1,413,484
Exploration expenditure	4,587,790	1,381,335	8,625,094	2,575,968	26,348,516
Aircraft maintenance	136,655	-	245,988	-	524,814
Stock based compensation	1,198,265	1,085,725	2,420,363	1,958,810	8,753,003
Interest expense	17,873	8,836	34,681	18,705	179,527
Impairment of investment	-	-	-	-	326,526
Administration expenses	2,041,969	2,311,161	3,772,424	3,777,685	15.182.866
Total costs and expenses	(8,124,014)	(4,949,706)	(15,456,130)	(8,637,492)	(52,728,736)
(Loss) from operations	(7,298,950)	(4,724,743)	(13,457,712)	(8,287,520)	(46,973,364)
Foreign currency exchange gain/(loss)	(3,172,261)	(1,256,118)	(2,962,778)	(1,884,175)	2,266,577
Gain on trading securities	55,309	-	113,739	-	184,613
(Loss) before income taxes and equity in losses of unconsolidated entity	(10,415,902)	(5,980,861)	(16,306,751)	(10,171,695)	(44,522,174)
Provision for income taxes	-	-	-	-	-
(Loss) before equity in losses of unconsolidated entity	(10,415,902)	(5,980,861)	(16,306,751)	(10,171,695)	(44,522,174)
Equity in losses of unconsolidated entity	(141,798)	-	(141,798)	-	(141,798)
Net (loss)	(10,557,700)	(5,980,861)	(16,448,549)	(10,171,695)	(44,663,972)
Basic and diluted loss per common shares	(0.05)	(0.03)	(0.07)	(0.06)	(0.60)
Weighted average number of common shares used in per share calculations	226,329,436	190,692,289	226,322,453	171,152,461	73,943,719

The accompanying notes are an integral part of these consolidated financial statements

LEGEND INTERNATIONAL HOLDINGS, INC.
(An Exploration Stage Company)
Statements of Stockholders' Equity (Deficit)
for the period ended June 30, 2009

	Common Stock						
	Shares	Par Value A$	Additional Paid-In Capital A$	Retained (Deficit) During the Exploration Period A$	Retained (Deficit) During the Development Period A$	Accumulated Other Comprehensive Income A$	Stockholders' Equity (Deficit) A$
Balance, January 5, 2001	-	-	-	-	-	-	-
Shares issued to founder for organisation cost and services at US$0.05 per shares	4,297,500	5,550	118,896	-	-	-	124,446
Shares Issued for services rendered at US$0.05 per share	146,250	189	4,046	-	-	-	4,235
Shares Issued for Cash	616,500	796	17,056	-	-	-	17,852
Net Loss	-	-	-	-	(131,421)	-	(131,421)
Balance, December 31, 2001	5,060,250	6,535	139,998	-	(131,421)	-	15,112
Shares Issued for Cash	225,000	291	6,225	-	-	-	6,516
Shares Issued for Officer's Compensation	11,250,000	14,529	148,359	-	-	-	162,888
Net Loss	-	-	-	-	(182,635)	-	(182,635)
Balance, December 31, 2002	16,535,250	21,355	294,582	-	(314,056)	-	1,881
Shares Issued for services rendered at US$0.022 per share	5,026,500	6,491	139,065	-	-	-	145,556
Net Loss	-	-	-	-	(156,965)	-	(156,965)
Balance, December 31, 2003	21,561,750	27,846	433,647	-	(471,021)	-	(9,528)
Shares Issued for services rendered at US$0.022 per share	2,004,750	2,589	55,464	-	-	-	58,053
Options Issued for services	-	-	160,672	-	-	-	160,672
Loan forgiveness-former major shareholder	-	-	12,144	-	-	-	12,144
Net Loss	-	-	-	-	(234,611)	-	(234,611)
Balance, December 31, 2004	23,566,500	30,435	661,927	-	(705,632)	-	(13,270)
Shares issued on cashless exercise of options	17,085,938	22,066	(22,066)	-	-	-	-
Net Loss	-	-	-	-	(75,508)	-	(75,508)
Balance, December 31, 2005	40,652,438	52,501	639,861	-	(781,140)	-	(88,778)
Share issued on cashless exercise of options	72,281,329	93,336	(93,336)	-	-	-	-
Shares and options issued under settlement agreement	112,500	144	35,272	-	-	-	35,416
Shares issued for cash	12,756,734	16,254	3,854,843	-	-	-	3,871,367
Cost of share issues	-	-	(128,376)	-	-	-	(128,376)
Amortisation of Options under stock option plan	-	-	115,307	-	-	-	115,307
Net unrealized gain on foreign exchange translation	-	-	-	-	-	38,490	38,490
Net Loss	-	-	-	(4,516,271)	(58,323)	-	(4,574,594)
Balance, December 31, 2006	125,803,001	162,505	4,423,571	(4,516,271)	(839,463)	38,490	(731,168)

LEGEND INTERNATIONAL HOLDINGS, INC.
(An Exploration Stage Company)
Statements of Stockholders' Equity (Deficit)
for the period ended June 30, 2009
(continued)

	Common Stock						
	Shares	Par Value A$	Additional Paid-In Capital A$	Retained (Deficit) During the Exploration Period A$	Retained (Deficit) During the Development Period A$	Accumulated Other Comprehensive Income A$	Stockholders' Equity (Deficit) A$
Shares issued for cash	476,886,624	56,438	25,684,666	-	-	-	25,741,104
Cost of share issues	-	-	(1,675,111)	-	-	-	(1,675,111)
Shares issued for consulting fees	2,604,200	2,984	1,001,122	-	-	-	1,004,106
Shares issued on cashless exercise of options	75,000	85	(85)	-	-	-	-
Shares issued as a result of delay in lodgement of registration statement	200,000	230	364,575	-	-	-	364,805
Shares issued for part-settlement of the acquisition of rights to exploration licences under agreement	500,000	545	517,455	-	-	-	518,000
Amortization of options under stock option plan	-	-	375,740	-	-	-	375,740
Net Loss	-	-	-	(8,638,129)	-	-	(8,638,129)
Balance, December 31, 2007	176,868,825	222,787	30,691,933	(13,154,400)	(839,463)	38,490	16,959,347
Shares issued for cash	42,000,000	44,011	109,984,282	-	-	-	110,028,293
Cost of share issues		-	(5,964,346)	-	-	-	(5,964,346)
Shares issued on cashless exercise of options	1,522,358	1,701	(1,701)	-	-	-	-
Shares issued on exercise of options	5,435,600	5,999	13,717,586	-	-	-	13,723,585
Shares issued for consulting fees	30,800	33	147,555	-	-	-	147,588
Shares issued under registration rights agreement	457,809	545	899,950	-	-	-	900,495
Amortization of options under stock option plan	-	-	5,185,743	-	-	-	5,185,743
Net Loss	-	-	-	(14,221,560)	-	-	(14,221,560)
Balance, December 31, 2008	226,315,392	275,076	154,661,002	(27,375,960)	(839,463)	38,490	126,759,145
Shares issued on exercise of options	18,000	25	2,738	-	-	-	2,763
Amortization of options under stock option plan	-	-	2,420,363	-	-	-	2,420,363
Net Loss	-	-	-	(16,448,549)	-	-	(16,448,549)
Balance, June 30, 2009	226,333,392	275,101	157,084,103	(43,824,509)	(839,463)	38,490	(112,733,722)

The accompanying notes are integral part of the financial statements.

LEGEND INTERNATIONAL HOLDINGS, INC.
(An Exploration Stage Company)
Statement of Cash Flows

	For the six months ended June 30 2009 A$	2008 A$	January 5, 2001 (Inception) to June 30, 2009 A$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	(16,448,549)	(10,171,695)	(44,663,972)
Adjustments to reconcile net loss to net cash (used) by operating activities:			
Foreign exchange	2,962,778	1,884,175	(2,267,920)
Gain in sale of trading securities	(113,739)	-	184,613
Shares and Options issued for Stock Based Compensation			
- Employees	2,420,363	1,958,810	8,753,004
- Consultants	-	147,588	531,421
- Exploration Agreement	-	-	844,526
- Registration Payment Arrangements	-	900,494	1,265,299
Provision for reclamation and remediation	(114,973)	(57,290)	91,219
Loss on Unconsolidated Entity	141,798	-	141,798
Depreciation and amortisation	314,697	30,828	538,610
Interest receivable	(17,648)	-	(67,579)
Accrued interest added to principal	-	-	37,282
Net Change in:			
Receivables	(9,274)	238,590	(3,458,914)
Prepayments and deposits	(598,868)	(1,158,358)	(1,804,271)
Inventories	(18,747)	-	(110,941)
Accounts Payable and Accrued Expenses	483,866	17,191	2,735,119
Net Cash (Used) by Operating Activities	(10,998,296)	(5,883,141)	(37,619,932)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of Trading Securities	1,272,343	-	1,272,343
Investment in Trading Securities	(377,658)	-	(1,087,730)
Investment in Equity Securities	(6,961,816)	-	(6,961,816)
Acquisition of Subsidiary	-	(326,526)	(326,526)
Purchase of Property, Equipment and Motor Vehicle	(880,891)	(348,685)	(5,676,173)
Net Cash (Used) In Investing Activities	(6,948,022)	(675,211)	(12,779,902)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Advances Payable – Affiliates	-	-	(26,156)
Repayment of Convertible Debenture	-	-	(130,310)
Repayment of Shareholder Advance	-	-	(641)
Repayments under Financé Leases	(134,032)	-	(134,032)
Proceeds from Convertible Debenture Payable	-	-	130,310
Shareholder Advance	-	-	6,621
Proceeds from Issuance of Stock	2,763	110,040,837	153,391,479
Cost of share issues	-	(5,920,448)	(7,126,472)
Net Borrowing/Repayments from Affiliates	-	-	50,003
Net Cash Provided by Financing Activities	(131,269)	104,120,389	146,160,802
Effect of exchange rate changes on cash	(2,960,732)	(1,884,175)	2,478,249
Net Increase/(Decrease) in Cash	(21,038,319)	96,677,862	98,239,217
Cash at Beginning of Period	119,277,536	17,088,190	-
Cash at End of Period	98,239,217	112,766,052	98,239,217
Supplemental Disclosures:			
Cash paid for interest	9,869	-	104,780
Cash paid for income taxes	-	-	-
Stock and options issued for services	-	147,588	1,595,523
Accrued interest and stockholder advances charged to paid in capital	-	-	12,744
Stock issued for exploration agreement	-	-	518,000
Stock issued for registration payment arrangement	-	900,494	1,265,299
Equipment obtained through a capital lease	-	-	730,422
Capital lease obligation for exploration costs	-	-	-
Interest in relation to capital lease for exploration costs	-	-	42,313
Fair value of warrants in connection with issuance of capital stock	-	1,330,852	1,300,852

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

1. ORGANISATION AND BUSINESS

Legend International Holdings, Inc, ("the Company"), 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 current 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. The Company is prepared to consider the exploration, development and mining of profitable base metal interests. At the beginning of 2006, the Company expanded its areas of interest to include diamond exploration activities and 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 and February 2008, the Company acquired mining tenements prospective for phosphate in the State of Queensland, Australia.

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has incurred net losses since its inception.

Exploration Stage Enterprise

The Company complies with FASB Statement No. 7 its characterization of the company as an exploration stage enterprise. The Company is devoting all of its present efforts in securing and establishing its exploration business through field sampling and drilling programs in the State of Queensland and the Northern Territory of Australia.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In December 2007, the FASB issued SFAS No. 141(R), “Business Combinations” (“SFAS 141(R)”), which replaces SFAS 141. SFAS 141(R) requires assets and liabilities acquired in a business combination, contingent consideration, and certain acquired contingencies to be measured at their fair values as of the date of acquisition. SFAS 141(R) also requires that acquisition-related costs and restructuring costs be recognized separately from the business combination. SFAS 141(R) is effective for the Company’s fiscal year beginning January 1, 2009 and will be applied prospectively. SFAS 141(R) will have an impact on our accounting for any future business combinations.

In April 2008, the FASB issued FASB staff position (“FSP”) FAS 142-3, Determination of the Useful Life of Intangible Assets (“FSP 142-3”). FSP FAS 142-3 amends the factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under FASB Statement No. 142, “Goodwill and Other Intangible Assets”. This new guidance applies prospectively to intangible assets that are acquired individually or with a group of other assets in business combinations and asset acquisitions. FSP FAS 142-3 is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2008. The adoption of FSP FAS 142-3 has had no impact on the Company’s financial position, results of operations, or cash flows.

In April 2009, the FASB issued FSP FAS 107-1 and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments” (“FSP FAS 107-1 and APB 28-1”). FSP FAS 107-1 and APB 28-1 amends SFAS No. 107, “Disclosures About Fair Value of Financial Instruments”), to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. FSP FAS 107-1 and APB 28-1 also amends APB Opinion No. 28, “Interim Financial Reporting”, to require those disclosures in summarized financial information at interim reporting periods. FSP FAS 107-1 and APB 28-1 are effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. FSP FAS 107-1 and APB 28-1 does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, FSP FAS 107-1 and APB 28-1 requires comparative disclosures only for periods ending after initial adoption. The adoption of FSP FAS 107-1 and APB 28-1 has had no impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" ("FSP FAS 115-2 and FAS 124-2"). FSP FAS 115-2 and FAS 124-2 amends the other-than-temporary impairment guidance for debt securities to make the guidance more operational and to improve the presentation and disclosure of other-than-temporary impairments on debt and equity securities in the financial statements. FSP FAS 115-2 and FAS 124-2 does not amend existing recognition and measurement guidance related to other-than-temporary impairments of equity securities. FSP FAS 115-2 and FAS 124-2 is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. FSP FAS 115-2 and FAS 124-2 does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, FSP FAS 115-2 and FAS 124-2 requires comparative disclosures only for periods ending after initial adoption. The adoption of FSP FAS 115-2 and FAS 124-2 has had no impact on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP FAS 157-4"). FSP FAS 157-4 provides additional guidance for estimating fair value in accordance with SFAS No. 157, "Fair Value Measurements", when the volume and level of activity for the asset or liability have significantly decreased. FSP FAS 157-4 also includes guidance on identifying circumstances that indicate a transaction is not orderly. FSP FAS 157-4 is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. FSP FAS 157-4 does not require disclosures for earlier periods presented for comparative purposes at initial adoption. In periods after initial adoption, FSP FAS 157-4 requires comparative disclosures only for periods ending after initial adoption. The adoption of FSP FAS 157-4 has had no impact on the Company's financial position, results of operations or cash flows.

In May 2009, the Financial Accounting Standards Board ("FASB"), issued SFAS No. 165, Subsequent Events ("SFAS No. 165"). SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or available to be issued. SFAS No. 165 requires an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet. For unrecognized subsequent events that must be disclosed to keep the financial statements from being misleading, an entity will be required to disclose the nature of the event as well as an estimate of its financial effect, or a statement that such an estimate cannot be made. In addition, SFAS No. 165 requires an entity to disclose the date through which subsequent events have been evaluated. SFAS No. 165 is effective for the interim or annual financial periods ending after June 15, 2009. The Company adopted SFAS 165 effective for the quarter ended June 30, 2009. The adoption of this statement did not have a material effect on our financial condition or results of operations.

In June 2009, the FASB issued SFAS No. 168, "The 'FASB Accounting Standards Codification' and the Hierarchy of Generally Accepted Accounting Principles" ("SFAS 168"). SFAS 168 establishes the "FASB Accounting Standards Codification" ("Codification"), which officially launched July 1, 2009, to become the source of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by the FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. The subsequent issuances of new standards will be in the form of Accounting Standards Updates that will be included in the Codification. Generally, the Codification is not expected to change U.S. GAAP. All other accounting literature excluded from the Codification will be considered nonauthoritative. SFAS 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. We will adopt SFAS 168 for our quarter ending September 30, 2009. We are currently evaluating the effect on our financial statement disclosures as all future references to authoritative accounting literature will be references in accordance with the Codification.

3. INVENTORIES

Materials and Supplies

Materials and supplies are valued at the lower of average cost or net realizable value. The carrying value of inventory as at June 30, 2009 was A$110,941.

4. 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 June 30, 2009			At December 31, 2008		
	Depreciable Life (in years)	Cost A$	Accumulated Depreciation A$	Net Book Value A$	Cost A$	Accumulated Depreciation A$	Net Book Value A$
Land		1,101,358	-	1,101,358	1,101,358	-	1,101,358
Buildings	40	1,435,249	(21,808)	1,413,441	1,435,249	(3,828)	1,431,421
Leasehold Improvements	1-2	254,699	(22,789)	231,910	178,944	(6,385)	172,559
Motor Vehicles	5	982,114	(158,104)	824,010	897,482	(64,970)	832,512
Equipment	1-10	933,059	(111,696)	821,362	435,340	(50,559)	384,781
Lear Jet	5	1,270,869	(224,213)	1,046,656	1,270,869	(98,171)	1,172,698
Construction in Progress		449,205	-	449,205	225,296	-	225,296
		6,426,553	(538,610)	5,887,942	5,544,538	(223,913)	5,320,625

The depreciation expense for the six months ended June 30, 2009 amounted to A$314,697 and the six months ended June 30, 2008 amounted to A$30,828. Assets written off for the six months ended June 30, 2009 amounted to A$359.

5. DEPOSITS

Deposits held by the Company as at June 30, 2009:

	A$
Term Deposit as security for a Banker's Undertaking	656,157
Cash deposits provided to Government Departments for the purpose of guaranteeing the Company's performance in accordance with mining law	155,000
Other	1,603
	812,760

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 behavior 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 behavior. 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.

	For the six months ended June 30, 2009	For the year ended December 31, 2008
Weighted Average Volatility	70%	63%
Dividend Yield	-	-
Expected term (years)	5.5 – 6.5	5.5 – 6.5
Risk-free rate	2.48% - 3.54%	2.55% - 4.42%

A summary of option activity under the Plan as of June 30, 2009, and changes during the six months then ended is presented below:

Options	Shares	Weighted-Average Exercise Price
Balance, December 31, 2006	8,100,000	$0.83
Granted	6,250,000	$0.93
Exercised	-	-
Forfeited and expired	(1,762,500)	$0.72
Balance, December 31, 2007	12,587,500	$0.79
Granted	11,000,000	$1.79
Exercised	-	-
Forfeited and expired	(1,125,000)	$0.98
Balance, December 31, 2008	22,462,500	$1.19
Granted	1,900,000	$1.00
Exercised	-	-
Forfeited and expired	(250,000)	$1.00
Balance, June 30, 2009	24,112,500	$1.31
Options exercisable at June 30, 2009	7,979,167	$1.12

For the six months ended June 30, 2009 stock-based compensation expense relating to stock options was A$2,420,363 (US$1,947,908). No income tax benefit was recognized in the six months ended June 30, 2009 for stock-based compensation arrangements because of the valuation allowance. As at June 30, 2009, there was A$4,128,436 (US$3,557,867) of unrecognized compensation cost, before income taxes, related to unvested stock options.

For the six months ended June 30, 2009, the Company issued 1,900,000 stock options. The options will vest 1/3 after 12 months, 1/3 after 24 months and the balance 1/3 after 36 months. The exercise price of the options is US$1.00 and the weighted-average grant-date fair value of options granted was US$0.297. The latest exercise date for the options is June 25, 2019.

Exercise Prices US$	Options Outstanding: Number Outstanding	Options Outstanding: Weighted Average Remaining Contractual Life (In Years)	Options Outstanding: Weighted-Average Exercise Price	Options Exercisable: Number Exercisable	Options Exercisable: Weighted Average Remaining Contractual Life (In Years)	Options Exercisable: Weighted-Average Exercise Price
$0.444	2,006,250	7.45		1,237,500	7.38	
$1.000	15,093,750	8.42		5,075,000	7.70	
$2.000	6,012,500	8.69		1,666,667	8.61	
$3.480	1,000,000	9.03		-	-	
	24,112,500	8.43	$1.31	7,979,167	7.84	$1.12

The aggregate intrinsic value of outstanding stock options at June 30, 2009 was A$573,788 and the aggregate intrinsic value of exercisable stock options was A$353,925

7. AFFILIATE TRANSACTIONS

During the six months ended June 30, 2008, AXIS charged the Company A$2,396,508 for management and administration services, and A$696,744 for exploration services. The Company paid A$4,247,950 including an advance for July 2008 charges and ongoing operations. The Company charged AXIS interest of A$27,766 at a rate between 10.80% and 11.60% for the six months ending June 30, 2008. The amount owed by AXIS at June 30, 2008 was A$1,175,522.

During the six months ended June 30, 2009, AXIS charged the Company A$2,756,525 for management and administration services, and A$3,571,398 for exploration services. The Company paid A$5,917,000 for 2009 charges. The amount owed by AXIS at June 30, 2009 under current assets – receivables was A$495,577. For the six months ended June 30, 2009, the Company charged AXIS interest of A$31,306 at a rate between 9.25% and 10.35%. The amount owed by AXIS at June 30, 2009 included under non-current assets – receivables was A$924,975.

During the three months ended June 30, 2009, NADL (North Australian Diamonds Limited) charged the Company A$602,400 for the cost of upgrade of camp and access facilities at its shared site in the Northern Territory. The amount owed to NADL is included in accounts payable and accrued expenses.

8. RECLAMATION AND REMEDIATION

	June 30, 2009 A$
The Company's exploration activities are subject to various federal and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect the environment and believes its operations are in compliance with applicable laws and regulations in all material respects. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures. Estimated future reclamation costs are based principally on legal and regulatory requirements.	91,219

9. LEASE LIABILITY

	A$
The Company entered into capital finance lease agreements for motor vehicles, predominantly for use in exploration and development activities. The leases are non-cancellable and require total monthly repayments of A$20,916 and expire at various dates from 2009 to 2013. Future minimum payments due for the remaining term of the leases as of June 30, 2009 are as follows:	
2010	250,998
2011	250,998
2012	203,608
	705,604
Less amounts representing interest	81,274
	624,330
Current liability	204,228
Non-current liability	420,102
	624,330
At June 30, 2009 the net book value of the motor vehicles under capital leases amounts to:	
Cost	705,841
Accumulated depreciation	(97,093)
	608,748

10. TRADING SECURITIES

Management determines the appropriate classification of its investments in marketable equity securities at the time of purchase and re-evaluates such determinations at each reporting date. The Company accounts for its equity security investments as trading securities in accordance with Financial Accounting Standards Board Statement ("FAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities."

On January 1, 2008, the Company partially adopted SFAS No. 157, which, among other things, defines fair value, establishes a consistent framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. The Company did not adopt the SFAS No. 157 fair value framework for nonfinancial assets and liabilities, except for items that are recognized or disclosed at fair value in the financial statements at least annually. SFAS 157 clarifies that fair value is an exit price, representing the amount that would either be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, SFAS No. 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets for identical assets or liabilities;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company did not hold any trading securities at June 30, 2009.

For the six months ended June 30, 2009, the Company sold certain trading securities with a carrying value of A$1,158,604 for a consideration of A$1,272,343 and a net gain of A$113,739.

11. COMMITMENTS

The Company entered into an agreement for drilling on its Queensland phosphate project whereby the Company guaranteed to drill a set number of metres. If those metres were not drilled, the Company was required to make a payment for the metres that had not been drilled. At June 30, 2009, the value of the commitment was A$3,705,084.

Exploration

The Company has to perform minimum exploration work and expend minimum amounts of money on its tenements. 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:

	2009 A$
Not later than one year	1,411,514
Later than one year but not later than five years	2,918,023
Later than five years but not later than twenty one years	32,736
	4,362,273

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued expenses. The carrying amounts of cash, accounts receivable, accounts payable and accrued expenses approximate their respective fair values because of the short maturities of those instruments.

13. RECLASSIFICATIONS

Certain amounts in the 2008 financial statements are reclassified to conform to the 2009 presentation with no effects on operations.

14. ACQUISITIONS/INVESTMENTS

The Company is increasing its diamond exploration activity in the proximity of the Merlin diamond mine in the Northern territory and is continually sourcing new ground in this region which is one of the most diamond prospective areas in Australia. As part of this strategy, the Company acquired a 14.9% interest in North Australian Diamonds Ltd ("NADL"), an Australian corporation, at a cost of A$2,368,000 in February 2009. NADL owns the Merlin diamond mine and surrounding tenements. Mr JI Gutnick is Executive Chairman of NADL.

On May 12, 2009, the Company made an on market takeover offer for all of the shares in NADL, an Australian corporation that it did not already own. The takeover offer concluded on August 6, 2009. As at June 30, 2009, the Company had acquired an additional 483,992,817 NADL shares at a cost of A$4,593,816 for a total holding of 779,992,817 (39.38%) NADL shares at a cost of A$6,961,816. As at June 30, 2009, the equity losses were A$141,798 and the carrying value of the NADL investment was A$6,820,018.

15. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through August 7, 2009 and has determined that there were no subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements, other than noted herein.

As described in note 14, the Company has a current takeover offer for NADL. Since balance date, the Company has continued to receive acceptances to its takeover offer and at August 6, 2009 (close of offer), held 55% of the issued and outstanding shares of NADL for a total cost of A$11.6 million (approx. US$9.3 million). As a result, NADL became a subsidiary of the Company post June 30, 2009 and will be consolidated into the financial statements of the Company during the quarter ended September 30, 2009.

In July 2009, the Company took a private placement from Northern Capital Resources Corporation ("NCRC"), a Nevada Corporation. NCRC holds a substantial interest in Golden River Resources Corporation ("GRR") and GRR holds a 52% interest (increasing to 68.7%) in TSX listed Acadian Mining Corporation, which has significant gold and base metal interests in Canada. The Company acquired 19,441,925 issued and outstanding shares in NCRC at a cost of US$3.9 million.

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

FUND COSTS CONVERSION

The statements of operations 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:

6 months ended June 30, 2008	A$1.00 = US$.9615
6 months ended June 30, 2009	A$1.00 = US$.8048

RESULTS OF OPERATION

Three Months Ended June 30, 2009 vs. Three Months Ended June 30, 2008.

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 June 30, 2009 to the three months ended June 30, 2008 does not always present a true comparison.

Other income increased from A$224,963 for the three months ended June 30, 2008 to A$825,064 for the three months ended June 30, 2009 which primarily represents interest on funds in the bank of A$806,296 and A$17,648 from affiliate companies.

Costs and expenses increased from A$4,949,706 in the three months ended June 30, 2008 to A$8,124,014 in the three months ended June 30, 2009. The increase in expenses is a net result of:

a) a decrease in legal, accounting and professional expense from A$162,649 for the three months ended June 30, 2008 to A$141,462 for the three months ended June 30, 2009 as a result of a decrease in legal fees for general legal work including stock transfer matters, regulatory filings, stock transfer agent fees, and audit fees for professional services in relation to the Form 10-Q.

b) an increase in exploration expenditure written off from A$1,381,335 in the three months ended June 30, 2008 to A$4,587,790 in the three months ended June 30, 2009. The exploration costs include geological/geophysical/mineral analysis contractors, salaries for contract field staff, travel costs, accommodation and tenement holding costs. Drilling on our phosphate project in Queensland and a detailed sampling program in Northern Territory recommenced in March 2009 after the end of the wet season in Northern Australian. On our Queensland phosphate project, work continued on investigations into a mining operation. As a result of the increase in the Company's exploration activities, additional staff costs were incurred via service arrangements with AXIS, as AXIS provided additional staff to undertake the Company's activities.

c) an increase in aircraft maintenance costs from A$nil in the three months ended June 30, 2008 to A$136,655 in the three months ended June 30, 2009. The Company purchased a lear jet in August 2008 to utilize in its field operations. There was no comparable cost in 2008.

d) an increase in stock based compensation from A$1,085,725 in the three months ended June 30, 2008 to A$1,198,265 in the three months ended June 30, 2009. The Company has issued options under the 2006 Incentive Option Plan throughout 2006, 2007, 2008 and 2009. The increase is a result of additional options issued.

e) an increase in interest expense from A$8,836 for the three months ended June 30, 2008 to A$17,873 for the three months ended June 30, 2009 due to the increase in interest bearing debt of the Company. For the three months ended June 30, 2009, interest was incurred on motor vehicle finance lease.

f) a decrease in administrative costs from A$2,311,161 in the three months ended June 30, 2008 to A$2,041,969 in the three months ended June 30, 2009 as a result of a decrease in direct costs, indirect costs and service fees, charged to the Company by AXIS from A$1,603,912 to A$1,311,522; the cost of travel and accommodation in the marketing of the Company of A$378,630 and investor relations and other consultants of A$75,281; the cost of property rentals of A$140,621; and the cost of insurance of A$130,564 including the Federal Government of Australia insurance policy on cash at bank in Australia in excess of A$1,000,000, which was introduced by Federal Governments around the world to counter the global economic downturn.

As a result of the foregoing, the loss from operations increased from A$4,724,743 for the three months ended June 30, 2008 to A$7,298,950 for the three months ended June 30, 2009. An increase in foreign currency exchange loss for the three months ended June 30, 2008 from A$1,256,118 to A$3,172,261 in the three months ended June 30, 2009 was recorded as a result of the movement in the Australian dollar versus the US dollar. A net gain of A$55,309 on revaluation and sale of certain trading securities was incurred in the three months ended June 30, 2009, being the difference between the cost price, sale price and market value. There were no trading securities held in the comparable periods. The loss before income taxes and losses of unconsolidated entity was A$5,980,861 for the three months ended June 30, 2008 compared to a net loss of A$10,415,902 for the three months ended June 30, 2009.

On May 12, 2009, the Company made an on-market takeover offer for all of the shares in North Australian Diamonds Limited (“NADL”). The Company held 34.61% of the issued and outstanding shares at May 31, 2009 and as a result, since that time has accounted for its interest in NADL as an unconsolidated entity. During the three months ended June 30, 2009, the Company’s share of the losses of the unconsolidated entity amounted to A$141,798 (2008: $nil).

The net loss was A$10,557,700 for the three months ended June 30, 2009 compared to a net loss of A$5,980,861 for the three months ended June 30, 2008.

Six Months Ended June 30, 2009 vs. Six Months Ended June 30, 2008.

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 six months ended June 30, 2009 to the six months ended June 30, 2008 does not always present a true comparison.

Other income increased from A$349,972 for the six months ended June 30, 2008 to A$1,998,418 for the six months ended June 30, 2009 which primarily represents interest on funds in the bank of A$1,964,841 and A$31,307 from affiliate companies.

Costs and expenses increased from A$8,637,492 in the six months ended June 30, 2008 to A$15,456,130 in the six months ended June 30, 2009. The increase in expenses is a net result of:

a) an increase in legal, accounting and professional expense from A$306,324 for the six months ended June 30, 2008 to A$357,580 for the six months ended June 30, 2009 as a result of the increase in legal fees for general legal work including stock transfer matters, regulatory filings, stock transfer agent fees, and audit fees for professional services in relation to the statutory filings.

b) an increase in exploration expenditure written off from A$2,575,968 in the six months ended June 30, 2008 to A$8,625,094 in the six months ended June 30, 2009. The exploration costs include geological/geophysical/mineral analysis contractors, salaries for contract field staff, travel costs, accommodation and tenement holding costs. Drilling on our phosphate project in Queensland and a detailed sampling program in Northern Territory recommenced in March 2009 after the end of the wet season in Northern Australian. On our Queensland phosphate project, work continued on investigations into a mining operation. As a result of the increase in the Company’s exploration activities, additional staff costs were incurred via service arrangements with AXIS, as AXIS provided additional staff to undertake the Company’s activities.

c) an increase in aircraft maintenance costs from A$nil in the six months ended June 30, 2008 to A$245,988 in the six months ended June 30, 2009. The Company purchased a lear jet in August 2008 to utilize in its field operations. There was no comparable cost in 2008.

d) an increase in stock based compensation from A$1,958,810 in the six months ended June 30, 2008 to A$2,420,363 in the six months ended June 30, 2009. The Company has issued options under the 2006 Incentive Option Plan throughout 2006, 2007, 2008 and 2009. The increase is a result of additional options issued. See note 6 for further details on the options issued.

e) an increase in interest expense from A$18,705 for the six months ended June 30, 2008 to A$34,681 for the six months ended June 30, 2009 due to the decrease in interest bearing debt of the Company. For the six months ended June 30, 2009, interest was incurred on motor vehicle finance lease.

f) a decrease in administrative costs from A$3,777,685 in the six months ended June 30, 2008 to A$3,772,424 in the six months ended June 30, 2009 as a net result of (i) an increase in direct costs, indirect costs and service fees, charged to the Company by AXIS from $2,202,412 to A$2,638,224, as a result in the level of activity of the Company; (ii) a decrease in the cost of travel and accommodation in the marketing of the Company of A$344,373 (2008: A$420,379) as the number of international trips has reduced given current economic circumstances, (iii) investor relations, tenement and other consultants of A$153,924 (2008: A$537,890) which have also been reduced following the effect of current economic circumstances; (iv) the cost of property rentals of A$292,504 (2008: A$155,495) as the Company has been required to increase its office requirements as it develops its projects; and (v) the cost of insurance of A$164,625 (2008: A$nil) including the Federal Government of Australia insurance policy on cash at bank in Australia in excess of A$1,000,000, which was introduced by Federal Governments around the world to counter the global economic downturn. The increases are as a result of the increase in activity by the Company as a consequence of providing support to the field exploration program. In the six months ended June 30, 2008, the cost of the shares issued under a registration rights agreement amounted to A$660,494 for which there was no comparable amount in the six months ended June 30, 2009.

As a result of the foregoing, the loss from operations increased from A$8,287,520 for the six months ended June 30, 2008 to A$13,457,712 for the six months ended June 30, 2009. An increase in foreign currency exchange loss for the six months ended June 30, 2008 from A$1,884,175 to A$2,962,778 in the six months ended June 30, 2009 was recorded as a result of the movement in the Australian dollar versus the US dollar. A net gain of A$113,739 on revaluation and sale of certain trading securities was incurred in the six months ended June 30, 2009, being the difference between the cost price, sale price and market value. There were no trading securities held in the comparable period. The loss before income taxes and equity in losses of unconsolidated entity was A$10,171,695 for the six months ended June 30, 2008 compared to a net loss of A$16,306,751 for the six months ended June 30, 2009.

On May 12, 2009, the Company made an on-market takeover offer for all of the shares in North Australian Diamonds Limited (“NADL”). The Company held 34.61% of the issued and outstanding shares at May 31, 2009 and as a result, since that time has accounted for its interest in NADL as an unconsolidated entity. During the six months ended June 30, 2009, the Company’s share of the losses of the unconsolidated entity amounted to A$141,798 (2008: $nil).

The net loss was A$16,448,549 for the six months ended June 30, 2009 compared to a net loss of A$10,171,695 for the six months ended June 30, 2008.

Liquidity and Capital Resources

For the six months ending June 30, 2009, net cash used in operating activities was A$10,998,296 (2008: A$5,883,141) primarily consisting of the net loss of A$16,448,549 (2008: A$10,171,695), increase in accounts receivable of A$9,274 (2008: A$238,590); prepayments and deposits of A$598,868 (2008: A$1,158,358) and offset by an decrease in accounts payable and accrued expenses of A$483,866 (2008: A$17,191); net cash used in investing activities was A$6,948,022 (2008:

A$675,211), being for the purchase of an investment for A$6,961,816, trading securities A$377,658; property, equipment and motor vehicles for A$880,891 and net of proceeds from the sale of trading securities of A$1,272,343; net repayments under financing activities was A$134,032 being for lease payments for the purchase of motor vehicles under finance leases (2008: A$nil); and net proceeds from shares issued upon exercise of options of A$2,763 (2008: A$nil). At June 30, 2009, the Company held US$14,330,395 in US accounts which when converted to Australian dollars results in a foreign exchange gain.

As at June 30, 2009, the Company had A$98,239,217 in cash.

We plan to continue our exploration and pre-development program throughout 2009 and anticipate spending A$11.5 million on exploration and pre-development (including A$1.0 million for capital items for exploration and pre-development), A$4 million on investments and A$3.7 million on administrative costs. The Company also concluded its on-market bid for North Australian Diamonds Ltd purchasing an additional 320.8 million shares for A$4.8 million.

The Company is considered to be an exploration stage company, with no significant revenue, and is dependent upon the raising of capital through placement of its common stock, preferred stock or debentures to fund its operations. In the event the Company is unsuccessful in raising such additional capital, it may not be able to continue active operations.

Cautionary Safe Harbor Statement under the United States Private Securities Litigation Reform Act of 1995.

Certain information contained in this Form 10-Q's forward looking information within the meaning of the Private Securities Litigation Act of 1995 (the "Act") which became law in December 1995. In order to obtain the benefits of the "safe harbor" provisions of the act for any such forwarding looking statements, the Company wishes to caution investors and prospective investors about significant factors which among others have affected the Company's actual results and are in the future likely to affect the Company's actual results and cause them to differ materially from those expressed in any such forward looking statements. This Form 10-Q report contains forward looking statements relating to future financial results. Actual results may differ as a result of factors over which the Company has no control including, without limitation:

- 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, 2008,
- The possibility that the phosphates we find are not commercially economical to mine,
- The possibility that we do not find other minerals or that the other minerals we find are not commercially economical to mine,
- The risks and hazards inherent in the mining 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 production, exploratory and developmental activities, including risks relating to permitting and regulatory delays,
- The uncertainties inherent in the estimation of ore reserves,
- The effects of environmental and other governmental regulations, and
- Uncertainty as to whether financing will be available to enable further exploration and mining operations.

Investors are cautioned not to put undue reliance on forward-looking statements. We disclaim any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

Additional information which could affect the Company's financial results is included in the Company's Form 10-K on file with the Securities and Exchange Commission.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

At June 30, 2009, the Company had no outstanding loan facilities. At June 30, 2009, assuming no change in the cash at bank, a 10% change in the A$ versus US$ exchange rate would have a A$1.6 million effect on the Company's cash position.

Item 4. Controls and Procedures.

(a) Evaluation of 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) Change in Internal Control over Financial Reporting.

No change in our internal control over financial reporting occurred during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

(c) We believe that a controls system, no matter how well designed and operated, can not 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 assurances of achieving our desired control objectives, and our principal executive officer and principal financial officer have concluded, as of June 30, 2009, that our disclosure controls and procedures were effective in achieving that level of reasonable assurance.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

There are no pending legal proceedings to which the Company is a party, or to which any of its property is the subject, which the Company considers material.

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, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing the Company. Other unknown or unpredictable factors could also have material adverse effects on future results.

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

Not Applicable

Item 3. Defaults Upon Senior Securities.

Not Applicable

Item 4. Submission of Matters to a Vote of Security Holders.

Not Applicable

Item 5. Other Information.

Not Applicable

Item 6. Exhibits.

Exhibit No.	Description
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 (6)
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 (6)
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 (6)
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 (6)

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)

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

Dated: August 7, 2009

EXHIBIT INDEX

Exhibit No.	Description
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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)) 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 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: August 7, 2009

J. 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)) 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 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: August 7, 2009

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 June 30, 2009 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: August 7, 2009

J. 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 June 30, 2009 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: August 7, 2009

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