

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

FORM 10-QSB

(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, 2007 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 or organisation)

233067904  
(IRS Employer  
Identification No.)

Level 8, 580 St. Kilda Road, Melbourne, Victoria, 3004 Australia  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 011 (613) 8532 2866

Indicate by check mark whether the Registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 is a shell company (as defined in Rule 126.2 of the Exchange Act).

Yes \_\_\_\_\_ No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. There were 152,735,625 outstanding shares of Common Stock as of May 14, 2007.

Transitional Small Business Disclosure Format (Check one) Yes \_\_\_\_\_ No

## Table Of Contents

	<b><u>PAGE NO</u></b>
<b>PART I. FINANCIAL INFORMATION</b>	
Item 1 Financial Statements	2
Item 2 Management's Discussion and Analysis or Plan of Operations	16
Item 3 Controls and Procedures	18
<b>PART II OTHER INFORMATION</b>	
Item 1 Legal Proceedings	19
Item 2 Changes in Securities and Use of Proceeds	19
Item 3 Defaults Upon Senior Securities	19
Item 4 Submission of Matters to a Vote of Security Holders	19
Item 5 Other Information	19
Item 6 Exhibits	19
<b>SIGNATURES</b>	20
<b>EXHIBIT INDEX</b>	21
Exh. 31.1 Certification	22
Exh. 31.2 Certification	24
Exh. 32.1 Certification	26
Exh. 32.2 Certification	27

## **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-KSB for the year ended December 31, 2006.

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 March 31, 2007, the results of its operations for the three month periods ended March 31, 2007 and March 31, 2006, and the changes in its cash flows for the three month periods ended March 31, 2007 and March 31, 2006, 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**

Prior to July 31, 2006, the Company's functional currency was the US dollar. However, as a result of the purchase of diamond mining tenements in Northern Australia in July 2006, the Company's 2007 revenue and expenses will be primarily denominated in Australian dollars (A\$). Statement of Financial Accounting Standards ("SFAS") No. 52, *Foreign Currency Translation*, states that the functional currency of an entity is the currency of the primary economic environment in which the entity operates. Accordingly the Company determined that from August 1, 2006 the functional currency of the Company is the Australian dollar. Assets, liabilities and equity were translated at the rate of exchange at July 31, 2006. Revenue and expenses were translated at actual rates. Translation gains and losses were included as part of accumulated other comprehensive gain.

Restatement of comparative numbers was made for the change in functional and reporting currency. The change was adopted prospectively beginning July 31, 2006 in accordance with SFAS No. 52.

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

**LEGEND INTERNATIONAL HOLDINGS, INC.**  
(An Exploration Stage Company)  
Balance Sheet  
March 31, 2007  
(Unaudited)

<b>ASSETS</b>	<u>A\$</u>
Current Assets:	
Cash	1,239,128
Receivables	277,298
Prepayments	<u>10,222</u>
Total Current Assets	<u>1,526,648</u>
Non-Current Assets:	
Property and Equipment, net	38,774
Deposits	<u>90,000</u>
Total Non-Current Assets	<u>128,774</u>
Total Assets	<u>1,655,422</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued expenses	796,732
Lease liability	11,980
Short-Term Advance Affiliate	<u>366,668</u>
Total Current Liabilities	<u>1,175,380</u>
Non Current Liabilities:	
Lease liability	<u>8,662</u>
Total Non Current Liabilities:	<u>8,662</u>
Total Liabilities	<u>1,184,042</u>
Commitments and Contingencies (Notes at 5 and 6)	
Stockholders' Equity	
Common Stock: US\$.001 par value, 200,000,000 shares authorized 134,265,625 issued	173,239
Additional Paid-in-Capital	6,851,268
Other Comprehensive Gain	38,490
Retained Deficit During Development period	(839,463)
Retained Deficit During Exploration period	<u>(5,752,154)</u>
Total Stockholders' Equity (Deficit)	<u>471,380</u>
Total Liabilities and Stockholders' Equity (Deficit)	<u>1,655,422</u>

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

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

	For the three months ended March 31		January 5, 2001 (Inception) to March 31, 2007
	2007 <u>A\$</u>	2006 <u>A\$</u>	2007 <u>A\$</u>
Revenues:			
Sales	-	-	6,353
less Cost of Sales	-	-	(1,362)
Gross Profit	-	-	4,991
Other Income			
Interest Income	946	-	4,821
	<u>946</u>	<u>-</u>	<u>9,812</u>
Costs and Expenses:			
Exploration Expenditure	749,388	-	4,560,773
Legal, accounting & professional	25,663	8,311	179,007
Stock Based compensation	99,785	-	870,942
Interest expense, net	26,229	1,773	76,164
Administration expenses	305,193	19,552	843,955
Total Expenses	<u>1,206,258</u>	<u>29,636</u>	<u>6,530,846</u>
(Loss) from operations	(1,205,312)	(29,636)	(6,521,029)
Foreign currency exchange gain/(loss)	<u>(30,571)</u>	<u>2,888</u>	<u>(70,588)</u>
(Loss) before income taxes	<u>(1,235,883)</u>	<u>(26,748)</u>	<u>(6,591,617)</u>
Provision for Income Tax	-	-	-
Net (Loss)	<u>(1,235,883)</u>	<u>(26,748)</u>	<u>(6,591,617)</u>
Basic and Diluted (Loss) Per Common Equivalent Shares	<u>A\$(0.01)</u>	<u>A\$(0.00)</u>	<u>A\$(0.21)</u>
Weighted Average Number of Common Equivalent Shares Outstanding	<u>127,945,366</u>	<u>40,652,438</u>	<u>31,343,211</u>

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

**LEGEND INTERNATIONAL HOLDINGS, INC.**  
(An Exploration Stage Company)  
**Statements of Stockholders' Equity (Deficit)**  
for the period ended March 31, 2007

	Common Stock		Additional Paid-In Capital A\$	Retained		Other Comprehensive Gain A\$	Stockholders' Equity (Deficit) A\$
	Shares	Par Value A\$		(Deficit) During the Development Period A\$	(Deficit) During the Exploration Period A\$		
Balance, January 5, 2001	-	-	-	-	-	-	-
Shares issued to founder for organisation cost and services at US\$0.05 per shares	4,297,500	2,489	121,957	-	-	-	124,446
Shares Issued for services rendered at US\$0.05 per share	146,250	85	4,150	-	-	-	4,235
Shares Issued for Cash	616,500	357	17,495	-	-	-	17,852
Net Loss	-	-	-	(131,420)	-	-	(131,420)
Balance, December 31, 2001	5,060,250	2,931	143,603	(131,420)	-	-	15,113
Shares Issued for Cash	225,000	130	6,385	-	-	-	6,516
Shares Issued for Officer's Compensation	11,250,000	6,516	156,372	-	-	-	162,888
Net Loss	-	-	-	(182,635)	-	-	(182,635)
Balance, December 31, 2002	16,535,250	9,576	306,360	(314,055)	-	-	1,882
Shares Issued for services rendered at US\$0.05 per share	5,026,500	2,911	142,645	-	-	-	145,556
Net Loss	-	-	-	(156,966)	-	-	(156,966)
Balance, December 31, 2003	21,561,750	12,488	449,006	(471,022)	-	-	(9,528)
Shares Issued for services rendered at US\$0.05 per share	2,004,750	1,161	56,892	-	-	-	58,053
Options Issued for services	-	-	160,672	-	-	-	160,672
Loan forgiveness-former major shareholder	-	-	12,144	-	-	-	12,144
Net Loss	-	-	-	(234,610)	-	-	(234,610)
Balance, December 31, 2004	23,566,500	13,649	678,714	(705,632)	-	-	(13,269)
Shares issued on cashless exercise of options	17,085,938	9,896	(9,896)	-	-	-	-
Net Loss	-	-	-	(75,508)	-	-	(75,508)
Balance, December 31, 2005	40,652,438	23,544	668,818	(781,140)	-	-	(88,778)
Share issued on cashless exercise of options	72,281,329	93,336	(93,336)	-	-	-	-
Shares issued for cash	12,756,734	16,254	3,854,843	-	-	-	3,871,367
Shares and options issued under settlement agreement	112,500	144	35,272	-	-	-	35,416
Cost of share issues	-	-	(128,376)	-	-	-	(128,376)
Amortization of options under stock option plan	-	-	115,307	-	-	-	115,307
Net unrealized gain on foreign exchange translation	-	-	-	-	-	38,490	(38,490)
Net Loss	-	-	-	(58,323)	(4,516,271)	-	(4,574,594)
Balance, December 31, 2006	125,803,001	\$162,505	\$4,423,571	\$(839,463)	\$(4,516,271)	\$38,490	\$(731,168)

**LEGEND INTERNATIONAL HOLDINGS, INC.**  
 (An Exploration Stage Company)  
 Statements of Stockholders' Equity (Deficit)  
 for the period ended March 31, 2007  
 (continued)

	Common Stock		Additional Paid-In Capital A\$	Retained		Other Comprehensive Gain A\$	Stockholders' Equity (Deficit) A\$
	Shares	Par Value A\$		(Deficit) During the Development Period A\$	(Deficit) During the Exploration Period A\$		
Shares issued for cash	8,462,624	10,734	2,729,428	-	-	-	2,740,162
Cost of share issues	-	-	(401,516)	-	-	-	(401,516)
Amortization of options under stock option plan	-	-	99,785	-	-	-	99,785
Net Loss	-	-	-	-	(1,235,883)	-	(1,235,883)
Balance, March 31, 2007	134,265,625	\$173,239	\$6,851,268	\$(839,463)	\$(5,752,154)	\$38,490	\$471,380

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

**LEGEND INTERNATIONAL HOLDINGS, INC.**  
(An Exploration Stage Company)  
**Statements of Cash Flows**  
(Unaudited)

	For the three months Ended March 31		January 5, 2001 (Inception) to March 31, 2007
	2007	2006	2007
	<u>A\$</u>	<u>A\$</u>	<u>A\$</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (Loss)	(1,235,883)	(26,748)	(6,591,617)
Adjustments to reconcile net (loss) to net cash provided (used) by operating activities:			
Foreign exchange	30,571	(4,015)	69,245
Shares and Options Issued for Stock Based Compensation	99,785	-	870,943
Depreciation	1,870	-	2,891
Accrued interest added to principal	8,401	1,773	45,683
Net Change in:			
Receivables	(108,027)	-	(277,298)
Prepayments and deposits	-	-	(104,559)
Accounts Payable and Accrued Expenses	165,218	(12,431)	564,812
Net Cash (Used) by Operating Activities	<u>(1,038,065)</u>	<u>-</u>	<u>(4,216,617)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property and Equipment	(4,000)	-	(4,000)
Net Cash (Used) in Investing Activities	<u>(4,000)</u>	<u>-</u>	<u>(4,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advances Payable – Affiliates	(897,250)	-	348,095
Repayment of Convertible Debenture	-	-	(130,310)
Repayment of Shareholder Advance	-	-	(641)
Proceeds from Convertible Debenture Payable	-	-	130,310
Shareholder Advance	-	-	6,621
Proceeds from Issuance of Stock	2,740,162	-	6,635,897
Cost of Share Issues	(401,516)	-	(529,892)
Net Borrowing/Repayments from Affiliates	-	41,421	50,003
Net Cash Provided by Financing Activities	<u>1,441,396</u>	<u>-</u>	<u>6,161,988</u>
Net Increase in Cash	399,331	-	891,033
Cash at Beginning of Period	839,797	-	-
Cash at End of Period	<u>1,239,128</u>	<u>-</u>	<u>891,033</u>
Supplemental Disclosures:			
Cash Paid for interest	16,774	-	16,774
Cash Paid for income taxes	-	-	-
Stock and Options Issued for Services	-	-	806,524
Equipment obtained through a capital lease	-	-	24,581
Accrued interest and stockholder	-	-	-
Advances charged to paid in capital	-	-	12,144

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



LEGEND INTERNATIONAL HOLDINGS, INC.  
Notes to Financial Statements March 31, 2007

1. ORGANISATION AND BUSINESS

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

The Company has never generated any significant revenues from operations and is still considered an exploration stage company. The Company was initially formed to engage in the business of selling compatible inkjet cartridges and refill kits on the Internet for the consumer printer market. In March 2003, management of the Company decided to engage in the business of building and acquiring controlling or other interests in one or more companies engaged in the contract sales and distribution of specialty medical products, and raise additional capital for this purpose. Neither business was successful and operations of both were eventually discontinued. During fiscal 2004, management of the Company developed a plan of operations to acquire income-producing real property. The Company did not acquire any properties pursuant to such plan.

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, in South America and other parts of the world, where it can obtain secure title to exploration, development and mining interests. The Company's preference is to identify large gold 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.

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 and has experienced liquidity problems that raise substantial doubt about its ability to continue as a going concern. The stockholders/officers and or directors have committed to advancing funds to cover operating costs of the Company to insure that the Company has enough operating capital over the next twelve months.

Exploration Stage Enterprise

The Company is a exploration stage enterprise. The Company is devoting all of its present efforts in securing and establishing its diamond exploration business through field sampling and drilling programs in the Northern Territory of Australia. Refer to footnote 8.

2. STOCKHOLDERS' EQUITY

Common Stock

In January 2001, 4,297,500 common shares were issued to the Company's founder for organization cost valued at A\$124,446 (US\$95,500), and 146,250 common shares were issued to a related party in exchange for consulting fee valued at A\$4,235 (US\$3,250).

In March 2002, 11,250,000 common shares were issued to the Company's founder in exchange for present and future services valued at A\$162,888 (US\$125,000).

LEGEND INTERNATIONAL HOLDINGS, INC.  
Notes to Financial Statements March 31, 2007

2. STOCKHOLDERS' EQUITY (Cont'd)

In April 2002, the Company closed its offering under its registration statement filed with the United States Securities and Exchange Commission to sell up to 4,500,000 shares of its common stock at US\$0.022 per share, which became effective on April 11, 2001. The Company sold 841,500 shares (616,500 shares in 2001 and a further 225,000 shares in 2002) of its common stock under the offering.

In 2003, a total of 5,026,500 common shares were issued to the Company's sole officer and director for services valued at A\$145,556 (US\$111,700) or A\$0.029 (US\$0.022) per share.

In 2004, a total of 2,004,750 common shares were issued to the Company's former sole officer and director for services valued at A\$58,053 (US\$44,550) or A\$0.029 (US\$0.022) per share.

In December 2004, the Company issued to Renika Pty Limited ("Renika"), a company associated with Mr J I Gutnick, 20,250,000 options to be converted into 20,250,000 shares of common stock, at an exercise price of US\$0.022 and a latest exercise date of December 2009 for services to be rendered to the Company. The Company undertook a Black Scholes valuation of these options using a A\$0.029 (US\$0.022) exercise price, US\$0.022 market price, 5 year life, risk free interest rate of 5.155% and a volatility of 16.7%. The 20,250,000 options were valued at A\$160,672 (US\$123,300) or A\$0.008 (US\$0.006) each. The stock options were issued for services rendered, to be rendered and for agreeing to provide financial assistance to the Company (not the actual provision of financial assistance). The issue of the stock options was not contingent upon any further services or events. The stock options are not forfeitable if the services or financial assistance are not provided. Accordingly, the value of the stock options were expensed during 2004. In September 2005, Renika exercised the 20,250,000 options using the cashless exercise feature and were issued 17,085,938 shares of common stock.

Effective as of December 12, 2005, the Board of Directors of Company approved the distribution to all stockholders for no consideration of an aggregate of 36,135,500 non-transferable options, each of which is exercisable to purchase one share of common stock of the Company at an exercise price of US\$0.25 cents per share with a latest exercise date of December 31, 2012. The options were issued on a pro-rata basis to all stockholders of record on December 31, 2005 on the basis of two (2) options for every one (1) share of common stock owned by a stockholder on the record date. The options may not be exercised until the shares underlying the options are registered under federal and state securities laws.

At December 31, 2005 the Company had outstanding 36,135,500 options and as at December 31, 2006, the Company had outstanding 1,388,280 options, each of which is exercisable to purchase one share of common stock at US\$0.25 per share. The options cannot be exercised, other than using the cashless exercise feature, until the Company registers the shares of common stock to be issued upon exercise of the options in accordance with the Securities Act of 1933, as amended and any applicable state securities laws. The only exception is in the case of a cashless exercise.

Effective July 21, 2006, Legend issued 71,730,079 shares of common stock to Renika Pty Ltd ("Renika"), a company associated with Mr. J I Gutnick, President of Legend, following the cashless exercise of 34,778,220 options. The shares of common stock issued are restricted shares.

Effective September 19, 2006, Legend issued 5,349,728 shares of common stock at a placement price of US\$0.22 per share raising A\$1,530,291 (US\$1,188,828). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended ("The Act") under Section 4(2) of the Act.

LEGEND INTERNATIONAL HOLDINGS, INC.  
Notes to Financial Statements March 31, 2007

2. STOCKHOLDERS' EQUITY (Cont'd)

Effective October 6, 2006, Legend issued a further 2,250,000 shares of common stock at a placement price of US\$0.22 per share raising A\$670,413 (US\$500,000). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended ("The Act") under Section 4(2) of the Act.

Effective November 17, 2006, Legend issued a further 4,104,000 shares of common stock at a placement price of US\$0.22 raising A\$1,184,005 (US\$912,000). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended ("the Act") under Section 4 (2) of the Act.

Effective November 30, 2006, Legend issued a further 112,500 shares of common stock and 50,000 options with an exercise price of A\$0.25 per option and a latest exercise date of December 12, 2012 for no consideration to settle outstanding matters with an external party.

Effective December 31, 2006, Legend issued a further 1,053,000 shares of common stock at a placement price of US\$0.33 raising A\$445,705 (US\$351,000). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended ("the Act") under Section 4 (2) of the Act.

In December 2006, 19,000 options issued with no exercise price were exercised and the Company issued 24,750 shares of common stock.

In December 2006, 351,000 options were exercised using the cashless exercise feature and the Company issued 526,500 shares of common stock.

Effective February 19, 2007, Legend issued a further 1,025,000 shares of common stock raising A\$387,330 (US\$300,000). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933 as amended ("The Act") under Section 4(2) of the Act.

Effective February 23, 2007, Legend issued a further 2,500,000 shares of common stock at a placement price of US\$0.25 per share raising A\$793,669 (US\$625,000). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933 as amended ("The Act") under Section 4(2) of the Act.

Effective March 16, 2007, Legend issued a further 4,000,000 shares of common stock at a placement price of US\$0.25 per share raising A\$1,264,816 (US\$1,000,000). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933 as amended ("The Act") under Section 4(2) of the Act.

Effective March 28, 2007, Legend issued a further 437,624 shares of common stock at a placement price of US\$0.25 per share raising A\$139,835 (US\$109,406). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933 as amended ("The Act") under Section 4(2) of the Act.

Effective March 30, 2007, Legend issued a further 500,000 shares of common stock at a placement price of US\$0.25 per share raising A\$154,512 (US\$125,000). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933 as amended ("The Act") under Section 4(2) of the Act.

LEGEND INTERNATIONAL HOLDINGS, INC.  
Notes to Financial Statements March 31, 2007

2. STOCKHOLDERS' EQUITY (Cont'd)

Share Bonus Issue

Effective November 17, 2006, Legend issued one (1) new bonus share of common stock for every two (2) shares of common stock outstanding on the record at that date. The issue of the new bonus shares of common stock were on a pro-rata basis to all shareholders. As a result, the Company issued 27,599,722 shares of its common stock.

Effective December 31, 2006, Legend issued one (1) new bonus share of common stock for every two (2) shares of common stock outstanding on the record at that date. The issue of the new bonus shares of common stock were on a pro-rata basis to all shareholders. As a result, the Company issued 41,934,337 shares of its common stock.

The Company has accounted for these two bonus issues as a stock split and accordingly, all share and per share data has been retroactively restated.

Issue of Options under Equity Incentive Plan

Effective September 19, 2006, the Company issued 7,425,000 options over shares of common stock to Directors, Executives and Consultants under the 2006 Equity Incentive Plan that has been adopted by the Directors of the Company. The options will vest as follows: 1/3 after 12 months, 1/3 after 24 months and the balance of 1/3 after 36 months. The exercise price of the options is US\$1.00 for the President and Chief Executive Officer and one other participant; and for all other participants, US\$0.444 for 50% of the options and US\$1.00 for the balance of 50% of the options. The latest exercise date for the options is September 19, 2016.

The Company has accounted for all options issued based upon their fair market value using the Binomial pricing model.

An external consultant has calculated the fair value of the 7,425,000 options using the Binomial valuation method using the following inputs:

Grant date	Sept 19, 2006	Sept 19, 2006	Sept 19, 2006	Sept 19, 2006	Sept 19, 2006	Sept 19, 2006
Grant date share price	US\$0.222	US\$0.222	US\$0.222	US\$0.222	US\$0.222	US\$0.222
Vesting date	Sept 19, 2007	Sept 19, 2007	Sept 19, 2008	Sept 19, 2008	Sept 19, 2009	Sept 19, 2009
Expected life in years	5.50	5.50	6.00	6.00	6.50	6.50
Risk-free rate	4.69%	4.69%	4.69%	4.69%	4.69%	4.69%
Volatility	60%	60%	60%	60%	60%	60%
Exercise price	US\$0.444	US\$1.00	US\$0.444	US\$1.00	US\$0.444	US\$1.00
Call option value	US\$0.09	US\$0.05	US\$0.10	US\$0.06	US\$0.10	US\$0.06

The total value of the options equates to A\$683,628 (US\$514,635) and is being amortised over the vesting periods.

For the three months ended March 31, 2007, the amortization amounted to A\$99,785 (US\$80,626).

The Company adopted revised SFAS No.123, Share-Based payment, which addresses the accounting for share-based payment transactions in which a company receives employee services in

LEGEND INTERNATIONAL HOLDINGS, INC.  
Notes to Financial Statements March 31, 2007

2. STOCKHOLDERS' EQUITY (Cont'd)

exchange for (a) equity instruments of that company or (b) liabilities that are based on the fair value of the company's equity instruments or that may be settled by the issuance of such equity instruments.

	<u>Options</u>	Option Price Per Share <u>US\$</u>	Weighted Average Exercise Price <u>US\$</u>
Outstanding at January 1, 2006	-	-	-
Granted	7,425,000	0.444-1.00	0.69
Forfeited	-	-	-
Outstanding at December 31, 2006	7,425,000	0.444-1.00	0.69
Granted	-	-	-
Forfeited	-	-	-
Outstanding at March 31, 2007	7,425,000	0.444-1.00	0.69

The range of exercise price is US\$0.444 to US\$1.00 per option. The weighted average per option fair value of options granted during 2006 was US\$0.07 and the weighted average remaining contractual life of those options is 9½ years. No options are currently exercisable.

3. SHORT-TERM ADVANCE – AFFILIATE

	<u>A\$</u> <u>2007</u>
Amount owing to AXIS Consultants Pty Ltd, a corporation affiliated with the President of the Company. Interest accrued at the rate of 10.10% per annum being the "Reference Rate" of the ANZ Banking Group Ltd.	366,668

4. AFFILIATE TRANSACTIONS

In December 2004, the Company issued to Renika, a company associated with Mr J I Gutnick, 20,250,000 options to be converted into 20,250,000 shares of common stock, at an exercise price of 5 cents and a latest exercise date of December 2009 for services to be rendered to the Company. The Company undertook a Black and Scholes valuation of these options using a 2.22 cent exercise price, 2.22 cent market price, 5 year life, risk free interest rate of 5.155% and a volatility of 16.7%. The Company valued the 20,250,000 options at A\$160,672 (US\$123,300) or A\$0.0178 (US\$0.0137) each. In September 2005, Renika exercised the 20,250,000 options using the cashless exercise feature and were issued 17,085,937 shares of common stock.

In December 2004, the Company entered into an agreement with AXIS Consultants Pty Ltd to provide geological, management and administration services to the Company. AXIS is affiliated through common management. The Company is one of five affiliated companies of which three are Australian public companies listed on Australian Stock Exchange. Each of the companies has some common Directors, officers and shareholders. In addition, each of the companies is substantially dependent upon AXIS for its senior management and certain mining and exploration staff. A number of arrangements and transactions have been entered into from time to time between such companies. It has been the intention of the affiliated companies and respective Boards of Directors that each of such arrangements or transactions should accommodate the respective interest of the relevant affiliated companies in a manner which is fair to all parties and equitable to the shareholders of each. Currently, there are no material

LEGEND INTERNATIONAL HOLDINGS, INC.  
Notes to Financial Statements March 31, 2007

4. AFFILIATE TRANSACTIONS (Cont'd)

arrangements or planned transactions between the Company and any of the other affiliated companies other than AXIS.

AXIS is paid by each company for the costs incurred by it in carrying out the administration function for each such company. Pursuant to the Service Agreement, AXIS performs such functions as payroll, maintaining employee records required by law and by usual accounting procedures, providing insurance, legal, human resources, company secretarial, land management, certain exploration and mining support, financial, accounting advice and services. AXIS procures items of equipment necessary in the conduct of the business of the Company. AXIS also provides for the Company various services, including but not limited to the making available of office supplies, office facilities and any other services as may be required from time to time by the Company as and when requested by the Company.

The Company is required to reimburse AXIS for any direct costs incurred by AXIS for the Company. In addition, the Company is required to pay a proportion of AXIS's overhead cost based on AXIS's management estimate of our utilisation of the facilities and activities of AXIS plus a service fee of not more than 15% of the direct and overhead costs. AXIS has not charged the 15% service fee to us. Amounts invoiced by AXIS are required to be paid by us. The Company is also not permitted to obtain from sources other than AXIS, and we are not permitted to perform or provide ourselves, the services contemplated by the Service Agreement, unless we first requests AXIS to provide the service and AXIS fails to provide the service within one month.

The Service Agreement may be terminated by AXIS or us upon 60 days prior notice. If the Service Agreement is terminated by AXIS, the Company would be required to independently provide, or to seek an alternative source of providing, the services currently provided by AXIS. There can be no assurance that the Company could independently provide or find a third party to provide these services on a cost-effective basis or that any transition from receiving services under the Service Agreement will not have a material adverse effect on us. The Company's inability to provide such services or to find a third party to provide such services may have a material adverse effect on our operations.

In accordance with the Service Agreement AXIS provides the Company with the services of the Company's Chief Executive Officer, Chief Financial Officer, geologists and clerical employees, as well as office facilities, equipment, administrative and clerical services. We pay AXIS for the actual costs of such facilities plus a maximum service fee of 15%.

During the three months ending March 31, 2006, AXIS charged the Company A\$6,000 for management fees, A\$13,759 for salaries incurred in relation to AXIS staff that provided services to the Company and charged interest of A\$1,491 on the outstanding balance. AXIS charged interest at a rate of 9.35%. AXIS did not charge a service fee for fiscal 2006.

During the three months ending March 31, 2007, AXIS charged the Company A\$165,698 for management and administration services, and A\$195,715 for exploration services and charged interest of A\$8,401 on the outstanding balance and the Company repaid A\$315,400. AXIS charged interest at a rate of 10.10% for the three months ended March 31, 2007. The amount owed to AXIS at March 31, 2007 was A\$366,368.

Wilzed Pty Ltd, a company associated with President and CEO of the Company, Joseph Gutnick, has paid expenses on behalf of the Company and has provided loan funds to enable the Company to meet its liabilities. During the three months to March 31, 2006, Wilzed loaned the Company A\$19,251 and charged interest of A\$304 on the outstanding balance. At March 31, 2006, the Company owed Wilzed A\$27,097. Wilzed charged interest at a rate of 9.35%. The amount owing at March 31, 2007 is A\$nil.

LEGEND INTERNATIONAL HOLDINGS, INC.  
Notes to Financial Statements March 31, 2007

4. AFFILIATE TRANSACTIONS (Cont'd)

Mr Joseph Gutnick, the President of the Company advanced the Company the initial deposit on opening a US Dollar bank account. During the three months ended March 31, 2007, the balance of A\$831, owing of the initial advance of A\$1,303 (US\$1,000) less expenses incurred of A\$472, was repaid.

Effective as of March 3, 2006, Legend entered into a Contract for the Sale of Mining Tenements ("Contract") with Astro Diamond Mines N.L. ("Astro") an Australian company pursuant to which the Company acquired certain diamond mining tenements in Northern Australia from Astro. The consideration payable by Legend to Astro was A\$1.5 million and Legend was also required to pay to Astro any costs incurred on the tenements after February 1, 2006. Astro provided commercial warranties which are usual for a transaction of this nature in favour of Legend. Under Australian law, Astro was required to provide an independent experts report to shareholders for this transaction. In order to prepare the independent experts report, a mineral valuation was prepared on behalf of Astro which indicated that the preferred value for the tenements that are the subject of the transaction was A\$1.5 million. This formed the basis of the consideration agreed by the parties. The President and Chief Executive Officer of the Company, Mr. J. I. Gutnick, is Chairman and Managing Director of Astro and Dr DS Tyrwhitt, an independent Director of the Company is also a Director of Astro. The tenements are located in the Northern Territory of Australia and are prospective for diamonds. Astro incurred costs on the mining tenements from February 1, 2006 which at settlement Legend was required to pay. However, Astro had not quantified the amount at the date of settlement and it was only finally quantified in November 2006. At December 31, 2006, the Company owed Astro A\$942,433 for these costs including interest of A\$21,302. During the three months ended March 31, 2007, the amount was repaid including the interest charge for the three months ended March 31, 2007 of A\$16,774. Astro charged interest at a rate of 10.10%.

5. COMMITMENTS

During December 2006, the Company entered into a capital lease agreement for a motor vehicle which expires in 2008. The lease agreement has a monthly repayment amount of A\$1,123. The future minimum lease repayments under a non-cancellable lease at March 31, 2007 are A\$8,984 for 2007 and A\$12,353 for 2008.

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:

	2007 A\$
Not later than one year	1,405,000
Later than one year but not later than five years	<u>1,525,000</u>
	<u>2,930,000</u>

LEGEND INTERNATIONAL HOLDINGS, INC.  
Notes to Financial Statements March 31, 2007

6. CONTINGENCIES

	2007
	A\$
Deposits	
Cash deposits have been provided to the Department of Business, Industry and Resource Development of Northern Territory for the purpose of guaranteeing the Company's performance in accordance with Northern Territory mining law.	
The performance relates to the requirement that the Company adheres to the terms and conditions of its exploration licences, which inter alia requires site restoration. However, the Directors do not anticipate the Department of Business, Industry and Resource Development of Northern Territory will exercise these guarantees as the Company adheres to all conditions of its exploration licences.	<u>90,000</u>

7. RECENT ACCOUNTING PRONOUNCEMENTS

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109 (FIN 48), which provides clarification related to the process associated with accounting for uncertain tax positions recognized in consolidated financial statements. FIN 48 prescribes a more-likely-than-not threshold for financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FIN 48 also provides guidance related to, among other things, classification, accounting for interest and penalties associated with tax positions, and disclosure requirements. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this statement did not have a material effect on the Company's future reported financial position or results of operations.

In February 2007 the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities— Including an Amendment of FASB Statement No. 115", which permits companies to choose to measure many financial instruments and certain other items at fair value. SFAS 159 is effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The Company does not expect SFAS 159 to have a material impact on its results of operations or financial position.

8. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Since March 31, 2007 and up to May 11, 2007, Legend has issued 6,530,000 shares of common stock at a placement price of US\$0.25 per share raising A\$1,960,000 (US\$1,632,500). The securities were issued pursuant to a private placement and are issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933 as amended ("The Act") under Section 4(2) of the Act.

On May 13, 2007, the Company announced that it intends to spin off its uranium exploration interests to a new public company to be traded on the over the counter market in the USA. The Company intends to distribute to existing shareholders of the Company, as a dividend, shares in the new company, on a pro-rata basis to their holdings in Legend. A record date for the transaction will be announced. The shares of the new company will not be distributed to the shareholders of Legend until a registration statement covering such shares has been filed with and declared effective by the Securities and Exchange Commission. This communication does not constitute an offer of any securities for sale.



## Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

### FUND COSTS CONVERSION

The consolidated statements of operations and other financial and operating data contained elsewhere here in and the consolidated 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, 2006	A\$1.00 = US\$.7110
3 months ended March 31, 2007	A\$1.00 = US\$.8080

Prior to July 31, 2006, the Company's functional currency was the US dollar. However, as a result of the purchase of diamond mining tenements in Northern Australia in July 2006, the Company's 2007 revenue and expenses will be primarily denominated in Australian dollars (A\$). Statement of Financial Accounting Standards ("SFAS") No. 52, *Foreign Currency Translation*, states that the functional currency of an entity is the currency of the primary economic environment in which the entity operates. Accordingly the Company determined that from August 1, 2006 the functional currency of the Company is the Australian dollar. Assets, liabilities and equity were translated at the rate of exchange at July 31, 2006. Revenue and expenses were translated at actual rates. Translation gains and losses were included as part of accumulated other comprehensive gain. Restatement of comparative numbers was made for the change in functional and reporting currency. The change was adopted prospectively beginning July 31, 2006 in accordance with SFAS No. 52.

### RESULTS OF OPERATION

#### Three Months Ended March 31, 2007 vs. Three Months Ended March 31, 2006.

Costs and expenses increased from A\$29,636 in the three months ended March 31, 2006 to A\$1,206,258 in the three months ended March 31, 2007. The increase in expenses is a net result of:

- a) exploration expenditure written off for the three months ended March 31, 2007 of A\$749,388. In July 2006, we acquired diamond exploration tenements and commenced exploration activities for the first time. The exploration costs included drilling, geological/geophysical contractors, salaries for contract field staff, travel costs, accommodation, meals and tenement holding costs. There was no comparable exploration in the three months ended March 31, 2006.
- b) an increase in legal, accounting and professional expense from A\$8,311 for the three months ended March 31, 2006 to A\$25,663 for the three months ended March 31, 2007 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 Form 10-QSB's. All fees have increased in the three months to March 31, 2007 as a result of increased activity by the Company as a consequence of the acquisition of mining tenements and capital raising activities.
- c) an increase in administrative costs including salaries from A\$19,552 in the three months ended March 31, 2006 to A\$305,193 in the three months ended March 31, 2007 as a result of an increase in direct costs, including salaries, indirect costs and service fees, charged to the Company by AXIS Consultants Pty Ltd. The increase related to the increase in activity by the Company as a consequence of the acquisition of mining tenements, preparation of regulatory filings and capital raising activities.

## **Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION (Cont'd)**

### **Three Months Ended March 31, 2007 vs. Three Months Ended March 31, 2006. (Cont'd)**

- d) an increase in interest expense from A\$1,773 for the three months ended March 31, 2006 to A\$26,229 for the three months ended March 31, 2007 due to the increase in interest bearing debt of the Company. For the three months ended March 31, 2006, the Company was charged interest on short term loan funds used to maintain the Company's activities. For the three months ended March 31, 2007, AXIS charged interest of A\$8,401, Astro charged interest of A\$ 16,774, general interest was charged on outstanding accounts payable liabilities of A\$479 and motor vehicle finance interest was charged of A\$575.
- e) an increase in stock based compensation from A\$nil in the three months ended March 31, 2006 to A\$99,785 in the three months ended March 31, 2007 as a result of the issue of options under the 2006 Incentive Option Plan for the first time in September 2006. See note 2 for further details on the options issued.

As a result of the foregoing, the loss from operations increased from A\$29,636 for the three months ended March 31, 2006 to A\$1,205,312 for the three months ended March 31, 2007. A foreign currency exchange loss of \$30,571 was recorded for the three months ended March 31, 2007 as a result of the movement in the Australian dollar versus the US dollar (three months ended March 31, 2006: gain \$2,888). The net loss was A\$26,748 for the three months ended March 31, 2006 compared to a net loss of A\$1,235,883 for the three months ended March 31, 2007.

### **Liquidity and Capital Resources**

For the three months ending March 31, 2007, net cash used in operating activities was A\$1,038,065 primarily consisting of the net loss of A\$1,235,883, increase in accounts receivable of A\$108,027 and partially offset by increase in accounts payable and accrued expenses of A\$165,218; net cash provided by financing activities was A\$1,441,396 being net proceeds from share issue A\$2,338,646 and net repayments to affiliates of A\$897,250.

As at March 31, 2007 the Company had A\$1,239,128 in cash and A\$277,298 in receivables and short-term obligations of A\$1,175,380 comprising accounts payable including affiliates and accrued expenses.

Subsequent to March 31, 2007, Legend has announced capital raising of 6,530,000 shares of common stock at an issue price of US\$0.25 for a total of US\$1,632,500. The shares issued are restricted shares. The funds will be used to fund the exploration on the Northern Australian diamond interests and for working capital. The securities that are being issued pursuant to the Private Placement are being issued in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Act) under Section 4(2) of the Act.

The Company has continued with its exploration plan to drill targets on the North Australian tenements and anticipates that the drilling will cease for calendar 2007 in November when the wet season commences which restricts access. Exploration activities will then be limited to assessment of the drilling through to the end of the wet season in approximately late March 2008 when access to field sites becomes available. At that time exploration activities in the field will re-commence.

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 and has experienced liquidity problems that raise substantial doubt about its ability to continue as a going

## **Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION (Cont'd)**

concern. Certain stockholders/officers and or directors have committed to advancing operating costs of the Company to insure that the Company has enough operating capital over the next twelve months.

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. 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-QSB'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-QSB 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 risks of exploration and development stage projects, political risks of development in foreign countries, risks associated with environmental and other regulatory matters, mining risks and competition and the volatility of diamond, gold and copper prices, movements in the foreign exchange rate and the availability of additional financing for the Company. Additional information which could affect the Company's financial results is included in the Company's Form 10-KSB on file with the Securities and Exchange Commission.

## **Item 3. 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. Such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the appropriate management, including the principal executive and financial officers, on a basis that permits timely decisions regarding timely disclosure. Based on that evaluation, such principal executive officer and principal financial officer concluded that, the Company's disclosure control and procedure as of the end of the period covered by this report have been designed and are functioning effectively to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

### **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.

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, 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.

**PART II**  
**OTHER INFORMATION**

**Item 1. LEGAL PROCEEDINGS**

Not Applicable

**Item 2. CHANGES IN 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**

(a)	<u>Exhibit No.</u>	<u>Description</u>
	31.1	Certification of Chief Executive Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act
	31.2	Certification of Chief Financial Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act
	32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley act of 2002
	32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley act of 2002

(FORM 10-QSB)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LEGEND INTERNATIONAL HOLDINGS, INC.

By:

Handwritten signature of Joseph I. Gutnick in black ink, followed by a vertical red line.

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

By:

Handwritten signature of Peter Lee in black ink.

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

Dated May 14, 2007

## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
31.1	Certification of Chief Executive Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act
31.2	Certification of Chief Financial Officer required by Rule 13a-14(a)/15d-14(a) under the Exchange Act
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes-Oxley act of 2002

**CERTIFICATION PURSUANT TO  
SECURITIES EXCHANGE ACT RULE 13A-14(a)**

I, Joseph Gutnick, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Legend International Holdings, Inc. ("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 13a-15(e) and 15d-15(e)) 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 their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986]
  - (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 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 the Registrant's board of directors:

- (a) all significant deficiencies and material weaknesses 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 14, 2007

Handwritten signature of J. I. Gutnick in black ink, followed by a vertical red line.

---

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



**CERTIFICATION PURSUANT TO  
SECURITIES EXCHANGE ACT RULE 13A-14(a)**

I, Peter Lee, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Legend International Holdings, Inc. ("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 13a-15(e) and 15d-15(e)) 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 their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986]
  - (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
  - (c) 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 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 the Registrant's board of directors:

- (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 14, 2007

A handwritten signature in black ink, appearing to read 'Peter Lee', with a stylized, cursive script.

---

Name: Peter Lee  
Title: Secretary and Chief Financial Officer

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-QSB of Legend International Holdings, Inc. (the "Company") for the three months ended March 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "report"), the undersigned, Joseph 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 14, 2007

Handwritten signature of J. I. Gutnick in black ink, followed by a vertical red line.

---

Joseph I. Gutnick  
Chairman of the Board, President and  
Chief Executive Officer

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-QSB of Legend International Holdings, Inc. (the "Company") for the three months ended March 31, 2007 as filed with the Securities and Exchange Commission on the date hereof (the "report"), the undersigned, Peter 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 14, 2007



---

Peter Lee  
Director, Secretary and  
Chief Financial Officer