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 September 30, 2011

or

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

For the transition period from ________________ to ________________

Commission File Number: 000-32551

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

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

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

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

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

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

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

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

There were 226,407,246 shares of common stock outstanding on November 7, 2011.

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PART I – FINANCIAL INFORMATION

Item 1. CONSOLIDATED FINANCIAL STATEMENTS

Introduction to Interim Consolidated Financial Statements.

The interim consolidated financial statements included herein have been prepared by Legend International Holdings, Inc. ("Legend" or the "Company") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "Commission"). Certain information and footnote disclosure normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These interim consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

In the opinion of management, all adjustments, consisting of normal recurring adjustments and consolidating entries, necessary to present fairly the consolidated financial position of the Company and subsidiaries as of September 30, 2011, the results of its consolidated operations for the three and nine month periods ended September 30, 2011 and September 30, 2010 and for the cumulative period January 5, 2001 (inception) through September, 2011, and the changes in its consolidated cash flows for the nine month periods ended September 30, 2011 and September 30, 2010 and for the cumulative period January 5, 2001 (inception) through September 30, 2011, have been included. The results of operations for the interim periods are not necessarily indicative of the results for the full year.

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

Foreign Currency Translation

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

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

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

	September 30, 2011 A$000s (unaudited)	December 31, 2010 A$000s
ASSETS		
Current Assets:		
Cash	4,098	25,166
Receivables	724	1,165
Prepayments	174	913
Inventories	110	110
Other investments (note 10)	2,457	2,784
Marketable securities (note 10)	-	264
Total Current Assets	7,563	30,402
Non-Current Assets:		
Property and equipment, net (note 3)	14,243	13,832
Investment in unconsolidated entities (note 13)	12,023	13,570
Other investments	200	200
Deposits (note 5)	1,148	1,176
Advances to affiliates (note 7)	6,803	3,039
Prepayments	30	37
Development costs (note 4)	1,652	-
Mineral Rights (note 15)	15,843	16,892
Goodwill (note 14)	1,093	1,093
Total Non-Current Assets	53,035	49,839
Total Assets	60,598	80,241
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expenses	2,239	2,134
Current portion of long-term debt (note 16)	302	224
Lease liability (note 9)	350	455
Total Current Liabilities	2,891	2,813
Non Current Liabilities:		
Reclamation and remediation provision (note 8)	951	926
Long-term debt (note 16)	2,738	2,611
Lease liability (note 9)	210	254
Total Non Current Liabilities	3,899	3,791
Total Liabilities	6,790	6,604
Commitments and Contingencies (Note 11)		
Stockholders' Equity		
Common stock: US$.001 par value, 400,000,000 shares authorised 226,407,246 and 226,399,674 shares issued and outstanding	275	275
Additional paid-in-capital	164,151	163,808
Accumulated other comprehensive loss	(1,402)	(1,926)
Retained (deficit) prior to exploration activities	(839)	(839)
Retained (deficit) during exploration period	(105,495)	(101,591)
Retained (deficit) during development period	(15,378)	-
Legend Stockholders' Equity	41,312	59,727
Non-controlling interests	12,496	13,910
Total Equity	53,808	73,637
Total Liabilities and Equity	60,598	80,241

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

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

	For the three months ended September 30		For the nine months ended September 30		January 5, 2001 (Inception) to September 30,
	2011 A$000s	2010 A$000s	2011 A$000s	2010 A$000s	2011 A$000s
Revenues:					
Sales		-		-	6
less cost of sales		-		-	(1)
Gross profit		-		-	5
Other income					
Interest income – related entity	41	45	93	118	398
Interest income – other	77	459	464	1,728	9,580
Other	575	364	587	495	1,679
Total other income	693	868	1,144	2,341	11,657
Costs and expenses:					
Legal, accounting and professional	160	245	468	618	3,303
Exploration expenditure	4,209	5,604	10,343	21,166	79,381
Aircraft maintenance	246	156	761	351	2,642
Stock based compensation	31	376	403	1,334	12,723
Interest expense	57	13	184	44	455
Impairment of investment	-	-	-	-	327
Amortization of mineral rights	350	350	1,049	1,049	3,030
Administration expenses	1,775	2,191	6,037	7,885	36,064
Total costs and expenses	(6,828)	(8,935)	(19,245)	(32,447)	(137,925)
(Loss) from operations	(6,135)	(8,067)	(18,101)	(30,106)	(126,263)
Foreign currency exchange gain/(loss)	(142)	(861)	(160)	(504)	(266)
Adjustment to fair value on stepped acquisition	-	-	-	-	2,201
Realized gain/(loss) on marketable securities	(5)	31	(66)	6	186
Loss on other investments	(62)	-	(62)	-	(62)
Loss from sale of property and equipment	(3)	-	(168)	-	(168)
Writeoff/writedown of assets	(25)	-	(30)	-	(275)
(Loss) before income taxes and equity in losses of unconsolidated entities	(6,372)	(8,897)	(18,587)	(30,604)	(124,647)
Provision for income taxes	-	-	-	-	-
(Loss) before equity in losses of unconsolidated entities	(6,372)	(8,897)	(18,587)	(30,604)	(124,647)
Equity in losses of unconsolidated entities (note 13)	(601)	(632)	(2,075)	(1,007)	(3,861)
Net (loss)	(6,973)	(9,529)	(20,662)	(31,611)	(128,508)
Net loss attributable to non-controlling interests	742	558	1,380	3,466	6,796
Net (loss) attributable to Legend stockholders	(6,231)	(8,971)	(19,282)	(28,145)	(121,712)
Basic and diluted loss per common shares	(0.03)	(0.04)	(0.08)	(0.12)	(1.15)
	Number (000s)	Number (000s)	Number (000s)	Number (000s)	Number (000s)
Weighted average number of common shares used in per share calculations	226,407	226,400	226,406	226,393	105,900

The accompanying notes are integral part of the consolidated financial statements

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended September 30, 2011
(Unaudited)

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

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended September 30, 2011
(Unaudited)
(continued)

	Common Stock								
	Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Accumulated Other Comprehensive Income (Loss) A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Shares issued on cashless exercise of options	17,086	22	(22)	-	-	-	-	-	-
Net Loss	-	-	-	-	(75)	-	-	-	(75)
Balance, December 31, 2005	40,652	53	639	-	(781)	-	-	-	(89)
Shares issued on cashless exercise of options	72,281	93	(93)	-	-	-	-	-	-
Shares and options issued under settlement agreement	113	0	35	-	-	-	-	-	35
Shares issued for cash	12,757	17	3,855	-	-	-	-	-	3,872
Cost of share issues	-	-	(128)	-	-	-	-	-	(128)
Amortisation of options under stock option plan	-	-	115	-	-	-	-	-	115
Net unrealized gain on foreign exchange translation	-	-	-	38	-	-	-	-	38
Net Loss	-	-	-	-	(58)	(4,516)	-	-	(4,574)
Balance, December 31, 2006	125,803	163	4,423	38	(839)	(4,516)	-	-	(731)
Shares issued for cash	47,687	56	25,686	-	-	-	-	-	25,742
Cost of share issues	-	-	(1,675)	-	-	-	-	-	(1,675)
Shares issued for consulting fees	2,604	3	1,001	-	-	-	-	-	1,004
Shares issued on cashless exercise of options	75	-	-	-	-	-	-	-	-
Shares issued as a result of delay in lodgement of registration statement	200	-	364	-	-	-	-	-	364
Shares issued for part-settlement of the acquisition of rights to exploration licences under agreement	500	1	517	-	-	-	-	-	518

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended September 30, 2011
(Unaudited)
(continued)

	Common Stock								
	Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Accumulated Other Comprehensive Income (Loss) A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Amortization of options under stock option plan	-	-	376	-	-	-	-	-	376
Net Loss	-	-	-	-	-	(8,638)	-	-	(8,638)
Balance, December 31, 2007	176,869	223	30,692	38	(839)	(13,154)	-	-	16,960
Shares issued for cash	42,000	44	109,984	-	-	-	-	-	110,028
Cost of share issues		-	(5,964)	-	-	-	-	-	(5,964)
Shares issued on cashless exercise of options	1,522	2	(2)	-	-	-	-	-	-
Shares issued on exercise of options	5,436	6	13,718	-	-	-	-	-	13,724
Shares issued for consulting fees	31	-	147	-	-	-	-	-	147
Shares issued under registration rights agreement	458	-	900	-	-	-	-	-	900
Amortization of options under stock option plan	-	-	5,186	-	-	-	-	-	5,186
Net Loss	-	-	-	-	-	(14,222)	-	-	(14,222)
Balance, December 31, 2008	226,316	275	154,661	38	(839)	(27,376)	-	-	126,759
Shares issued on exercise of options	18	-	3	-	-	-	-	-	3
Amortization of options under stock option plan	-	-	4,260	-	-	-	-	-	4,260
Net unrealized loss on foreign exchange translation	-	-	-	(427)	-	-	-	-	(427)
Net Loss attributable to Legend stockholders	-	-	-	-	-	(37,886)	-	-	(37,886)
Fair value of non-controlling interest	-	-	-	-	-	-	-	10,261	10,261

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended September 30, 2011
(Unaudited)
(continued)

	Common Stock								
	Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Accumulated Other Comprehensive Income (Loss) A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Net change in controlling/non-controlling interest	-	-	4,842	-	-	-	-	8,699	13,541
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	-	(1,612)	(1,612)
Balance, December 31, 2009	226,334	275	163,766	(389)	(839)	(65,262)	-	17,348	114,899
Shares issued on cashless exercise of options	66	-	-	-	-	-	-	-	-
Amortization of options under stock option plan	-	-	1,728	-	-	-	-	-	1,728
Options issued for consulting fees	-	-	247	-	-	-	-	-	247
Net unrealized loss on foreign exchange translation	-	-	-	(1,537)	-	-	-	-	(1,537)
Net loss attributable to Legend stockholders	-	-	-	-	-	(36,329)	-	-	(36,329)
Adjustment due to purchase of additional shares in subsidiary	-	-	(2,705)	-	-	-	-	(1,327)	(4,032)
Adjustment due to issue of shares by subsidiary	-	-	772	-	-	-	-	1,692	2,464
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	-	(3,803)	(3,803)
Balance, December 31, 2010	226,400	275	163,808	(1,926)	(839)	(101,591)	-	13,910	73,637

LEGEND INTERNATIONAL HOLDINGS, INC.
(A Development Stage Company)
Consolidated Statements of Stockholders' Equity (Deficit)
for the period ended September 30, 2011
(Unaudited)
(continued)

	Common Stock								
	Shares 000s	Par Value A$000s	Additional Paid-In Capital A$000s	Accumulated Other Comprehensive Income (Loss) A$000s	Retained (Deficit) Prior to Exploration Activities A$000s	Retained (Deficit) During Exploration Period A$000s	Retained (Deficit) During Development Period A$000s	Non-Controlling Interests A$000s	Stockholders' Equity (Deficit) A$000s
Shares issued on cashless exercise of options	7	-	-	-	-	-	-	-	-
Amortization of options under stock option plan	-	-	403	-	-	-	-	-	403
Net unrealized loss on foreign exchange translation	-	-	-	524	-	-	-	-	524
Net loss attributable to Legend stockholders	-	-	-	-	-	(3,904)	(15,378)	-	(19,282)
Adjustment due to purchase of additional shares in subsidiary	-	-	(35)	-	-	-	-	(113)	(148)
Adjustment due to issue of shares by subsidiary	-	-	(25)	-	-	-	-	79	54
Net loss attributable to non-controlling stockholders	-	-	-	-	-	-	-	(1,380)	(1,380)
Balance, September 30, 2011	226,407	275	164,151	(1,402)	(839)	(105,495)	(15,378)	12,496	53,808

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

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

	For the nine months ended September 30 2011 A$000s	2010 A$000s	January 5, 2001 (Inception) to September 30 2011 A$000s
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (Loss)	(20,662)	(31,611)	(128,508)
Adjustments to reconcile net loss to net cash(used) by operating activities:			
Foreign currency exchange loss	160	504	266
Gain(loss) on marketable securities/other investments	128	(6)	(124)
Shares and Options issued for Stock Based Compensation			
- Employees	403	1,334	12,723
- Consultants	-	-	778
- Exploration agreement	-	-	518
- Registration payment arrangements	-	-	1,265
Provision for reclamation and remediation	25	123	951
Loss on sale of property and equipment	168	-	151
Writedown/writeoff of assets	30	-	275
Depreciation and amortization	2,468	1,965	6,811
Adjustment to fair value on stepped acquisition	-	-	(2,201)
Equity accounting loss	2,075	1,007	3,861
Interest receivable	(93)	(118)	(363)
Accrued interest added to principal	-	-	37
Net Change in:			
Receivables	(2,474)	(2,330)	(2,304)
Prepayments and deposits	775	(465)	(3,273)
Inventories	-	127	(110)
Accounts payable and accrued expenses	105	(257)	1,712
Net Cash (Used) by Operating Activities	(16,892)	(29,727)	(107,535)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of marketable securities/other investments	503	-	1,775
Investment in marketable securities	-	(98)	(574)
Investment in equity accounted investments	-	(3,112)	(19,986)
Acquisition of subsidiary	-	-	(327)
Investment in consolidated entity	(148)	(4,033)	(13,379)
Additions to property and equipment	(1,992)	(1,242)	(16,570)
Additions to mine development costs	(1,652)	-	(1,652)
Proceeds from sale of property and equipment	215	-	325
Net Cash (Used) by Investing Activities	(3,074)	(8,485)	(50,388)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Advances to affiliates	(938)	-	(3,849)
Repayment of convertible debenture	-	-	(130)
Repayment of shareholder advance	-	-	(1)
Repayment under finance leases	(302)	(275)	(1,059)
Proceeds from convertible debenture payable	-	-	130
Proceeds from loans	301	-	3,240
Repayment under capital leases	(204)	-	(204)
Shareholder advance	-	-	6
Proceeds from issuance of stock	-	-	153,445
Proceeds from issuance of stock by controlled entity	54	2,607	16,149
Cost of share issues	-	(142)	(7,269)
Net Cash (Used)/Provided by Financing Activities	(1,089)	2,190	160,458
Effect of exchange rate changes on cash	(13)	574	1,563
Net increase (decrease) in cash	(21,068)	(35,448)	4,098
Cash at beginning of period	25,166	72,666	-
Cash at end of period	4,098	37,218	4,098
Supplemental Disclosures:			
Cash paid for interest	262	48	436
Cash paid for income taxes	-	-	-
Shares and options issued for services	-	-	1,843
Accrued interest and stockholder advances charged to paid in capital	-	-	13
Stock issued for exploration agreement	-	-	518
Stock issued for registration payment arrangement	-	-	1,265
Equipment obtained through a capital lease	138	466	1,341
Capital lease obligation for exploration costs	-	-	4,189
Interest in relation to capital lease for exploration costs	-	-	42
Fair value of warrants in connection with issuance of capital stock	-	-	1,331

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

1. ORGANISATION AND BUSINESS

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

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

During the economic downturn of 2008, Legend also decided that part of the Company's strategy should be to invest into undervalued mining projects should opportunities arise. This investment would not detract from Legend's primary goal of developing the Phosphate Project and had the aim of diversifying interests to dilute the effect of identified potential project risks. This was seen as necessary by the Company due to the obviously volatile and unpredictable nature of the commodity markets at the time. Some of these investments include taking a major stake in North Australian Diamonds Ltd (NADL) which controls the Merlin Diamond Mine and includes NADL's current 31.14% interest in Top End Uranium Ltd and an investment in Northern Capital Resources Corporation which controls gold and zinc assets in Nova Scotia, Canada. These are outlined in further detail below.

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

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

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

A brief description of each phosphate project is described below:

Beneficiation Project involves development of a beneficiation plant at Paradise South to upgrade low concentration rock phosphate for direct sale (or use) in fertilizer manufacture. The rock phosphate concentrate will be transported to Mount Isa via slurry pipeline before being dewatered and transported to Port of Townsville by rail for market. The Paradise South and D-Tree deposits are Legend's largest deposits with relatively low concentrations and best suitable for this project.

Fertilizer Complex Project involves development of a fertilizer manufacturing facility in Mount Isa. The fertilizer will be transported from Mount Isa to the Port of Townsville via rail for market. High grade rock phosphate from the Paradise North deposit and beneficiated rock phosphate concentrate from Paradise South and D-Tree deposits are best suitable for this project. Paradise North rock will be transported to the Mount Isa Fertilizer Complex by road train whereas the beneficiation plant rock phosphate concentrate will arrive via slurry pipeline.

The Company has historically funded its activities from funds provided by capital raising through the issuance of its shares and from advances from affiliated entities. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements and its exploration and development plans. Based on this process and the amount of the Company's cash and other current assets as of September 30, 2011, management believes that the Company has sufficient operating liquidity to sustain its activities through 2011. However, as the Company has not yet generated income producing activities, it will continue to seek opportunities to raise additional funds from capital raising efforts through the issuance of its shares, funding from affiliated entities as may be available, debt facilities and other financing arrangements until such time as the Company can commence revenue producing activities.

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

The financial statements presented herein have been prepared on a consolidated basis to include the accounts of Legend, its majority owned subsidiary NADL and its wholly owned subsidiaries Teutonic Minerals Pty Ltd and Alexya Pty Ltd. All intercompany balances and transactions have been eliminated in consolidation.

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

2. RECENT ACCOUNTING PRONOUNCEMENTS

In January 2010, the FASB issued ASU No. 2010-06, Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements, under ASC No. 820-10. The update requires new disclosures about significant transfers in and out of Level 1 and Level 2 fair value measurements. ASU No. 2010-06 also clarifies disclosures required about inputs, valuation techniques and the level of disaggregation applied to each class of assets and liabilities. These updates are effective for interim and annual reporting periods beginning after December 15, 2009. These amendments have no material impact on the Company’s financial results given that they relate to disclosure and presentation only.

In December 2010, the FASB issued ASU 2010-28 which amends “Intangibles- Goodwill and Other” (Topic 350). The ASU modifies Step 1 of the goodwill impairment test for reporting units with zero or negative carrying amounts. For those reporting entities, they are required to perform Step 2 of the goodwill impairment test if it is more likely than not that a goodwill impairment exists. An entity should consider whether there are any adverse qualitative factors indicating that impairment may exist. The qualitative factors are consistent with the existing guidance in Topic 350, which requires that goodwill of a reporting unit be tested for impairment between annual tests if an event occurs or circumstances changes that would more likely than not reduce the fair value of a reporting unit below its carrying amount. ASU 2010-28 is effective for fiscal years, and interim periods within those years beginning after December 15, 2010. The adoption of this ASU requires management to further analyze and evaluate goodwill for impairment on a periodic basis.

In December 2010, the FASB issued ASU 2010-29 which addresses diversity in practice about the interpretation of the pro forma revenue and earnings disclosure requirements for business combinations (Topic 805). This ASU specifies that if a public entity presents comparative financial statements, the entity should disclose revenue and earnings of the combined entity as though the business combination(s) that occurred during the current year had occurred as of the beginning of the comparable prior annual reporting period only. This ASU also expands the supplemental pro forma disclosures under Topic 805 to include a description of the nature and amount of material, nonrecurring pro-forma adjustments directly attributable to the business combination included in the reported pro forma revenue and earnings. ASU 2010-29 is effective prospectively for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2010. The adoption of this ASU did not have a material impact on the Company’s consolidated financial statements.

In May 2011, the Financial Accounting Standards Board (FASB) issued ASU No. 2011-04, “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs.” The amendments in this Update generally represent clarifications of Topic 820, but also include some instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. This Update results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and IFRSs. The amendments in this Update are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011. Early application by public entities is not permitted. The Company does not expect this guidance to have a significant impact on our consolidated financial position, results of operations or cash flows.

In June 2011, the FASB issued Accounting Standards Update (“ASU”) 2011-05, Presentation of Comprehensive Income. This ASU is intended to increase the prominence of other comprehensive income in financial statements by presenting the components of net income and other comprehensive income in one continuous statement, referred to as the statement of comprehensive income, or in two separate, but consecutive statements. The new guidance eliminates the current option to report other comprehensive income and its components in the statement of changes in stockholders' equity. This new guidance is effective for fiscal years and interim periods beginning after December 15, 2011. While the new guidance changes the presentation of comprehensive income, there are no changes to the components that are recognized in net income or other comprehensive income under current accounting guidance; therefore, adoption of the new guidance in the first quarter of fiscal 2012 will not have any impact on the Company's consolidated financial position, results of operations or cash flows.

In September 2011, FASB issued Accounting Standards Update ("ASU") No. 2011-08, "Testing Goodwill for Impairment". This ASU is intended to simplify how entities test goodwill for impairment. ASU 2011-08 permits an entity to first assess qualitative factors to determine whether it is "more likely than not" that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350, Intangibles-Goodwill and Other. The more-likely-than-not threshold is defined as having a likelihood of more than 50%. This new guidance is effective for fiscal years and interim periods beginning after December 15, 2011. The Company does not expect this guidance to have a significant impact on our consolidated financial position, results of operations or cash flows.

3. PROPERTY AND EQUIPMENT

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

		At September 30, 2011			At December 31, 2010		
	Depreciable Life (in years)	Cost A$000s	Accumulated Depreciation A$000s	Net Book Value A$000s	Cost A$000s	Accumulated Depreciation A$000s	Net Book Value A$000s
Land		1,101	-	1,101	1,101	-	1,101
Buildings	40	2,978	(176)	2,802	2,978	(119)	2,859
Leasehold Improvements	1-2	267	(91)	176	325	(81)	244
Motor Vehicles	5	1,614	(724)	890	1,476	(492)	984
Equipment	1-10	4,343	(1,290)	3,053	3,230	(690)	2,540
Aircraft	5	4,237	(242)	3,995	4,671	(606)	4,065
Construction in Progress		2,226	-	2,226	2,039	-	2,039
		16,766	(2,523)	14,243	15,820	(1,988)	13,832

The depreciation expense for the nine months ended September 30, 2011 amounted to A$1,304,000 and for the nine months ended September 30, 2010 amounted to A$916,000 and accumulated depreciation on assets written off and/or disposed of for the nine months ended September 30, 2011 was A$769,000. Net book value of assets written off and/or disposed of for the nine months ended September 30, 2011 amounted to A$447,000.

4. DEVELOPMENT COSTS

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

During the nine months ended September 30, 2011, A$1,652,000 of costs incurred on the Paradise South phosphate project in the process of preparing the mineral deposit for extraction were capitalized and included in development costs.

5. DEPOSITS

Deposits held by the Company as at September 30, 2011 and December 31, 2010 consist of:

	September 30, 2011 A$000s	December 31, 2010 A$000s
Term deposit as security for a Banker's Undertaking	293	258
Cash deposits provided to Government Departments for the purpose of guaranteeing the Company's performance in accordance with mining law	707	230
Other	148	688
	1,148	1,176

6. STOCKHOLDERS EQUITY

Share Option Plan

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

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

A summary of option activity under the Plan as of September 30, 2011, and changes during the nine months then ended is presented below:

Options	Shares 000s	Weighted-Average Exercise Price
Balance, December 31, 2010	22,875	$1.32
Granted	-	-
Exercised	-	-
Forfeited and expired	300	$1.00
Balance, September 30, 2011	22,575	$1.33
Options exercisable at September 30, 2011	21,142	$1.35

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

For the nine months ended September 30, 2011, stock-based compensation expense relating to stock options was A$403,000. No income tax benefit was recognized in the nine months ended September 30, 2011 for stock-based compensation arrangements. As at September 30, 2011, there was A$93,000 of unrecognized compensation cost, before income taxes, related to unvested stock options.

	Options Outstanding			Options Exercisable		
Exercise Price US$	Number Outstanding 000s	Weighted Average Remaining Contractual Life (In Years)	Weighted-Average Exercise Price	Number Exercisable 000s	Weighted Average Remaining Contractual Life (In Years)	Weighted-Average Exercise Price
$0.444	1,856	5.11		1,856	5.11	
$1.000	13,819	6.16		12,386	5.98	
$2.000	5,900	6.43		5,900	6.43	
$3.480	1,000	6.78		1,000	6.78	
	22,575	6.17	$1.33	21,142	6.07	$1.35

The aggregate intrinsic value of outstanding stock options at September 30, 2011 was A$nil and the aggregate intrinsic value of exercisable stock options was A$nil.

North Australian Diamonds Limited ("NADL")

Options

The number of NADL options outstanding over unissued ordinary shares at September 30, 2011 is 3,656,000. The unlisted options are exercisable by payment of A$0.16 each on or before February 10, 2012. Option holders are not entitled to participate in any share issue of the Company or any other body corporate and have no voting rights at shareholder meetings. For the nine months ended September 30, 2011, 344,000 options were exercised at A$0.16 and NADL issued 344,000 shares for net consideration of A$53,302. In February 2011, NADL consolidated its outstanding common shares on the basis of one post-consolidated share for every twenty pre-consolidated shares as approved by NADL shareholders.

Directors, Officers and other Permitted Persons NADL Option Plan

On July 23, 2004, the shareholders of NADL approved the establishment of the North Australian Diamonds Limited Directors, Officers and other Permitted Persons Option Plan. All eligible directors, officers and employees, and consultants of NADL who have been continuously employed by NADL are eligible to participate in the Plan. The Plan allows NADL to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price calculated in accordance with the Plan. Options granted under the Plan carry no voting rights. At September 30, 2011, no options in respect of this plan are on issue.

7. AFFILIATE TRANSACTIONS

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

During the nine months ended September 30, 2010, AXIS charged the Company A$5,589,000 for management and administration services and A$5,910,000 for exploration services. The Company paid A$13,030,261 for 2010 charges and advanced AXIS A$398,000. For the nine months ended September 30, 2010, the Company charged AXIS interest of A$118,000 at a rate between 10.05% and 10.80%. The amount owed by AXIS at December 31, 2010 under current assets – receivables was A$2,818,000.

During the nine months ended September 30, 2011, AXIS charged the Company A$4,506,000 for management and administration services and A$5,314,000 for exploration and development services. The Company paid A$12,553,000 for 2011 charges and advanced AXIS A$1,096,000. The amount owed by AXIS at September 30, 2011 under non-current assets – advances to affiliates was A$6,740,000. For the nine months ended September 30, 2011, the Company charged AXIS interest of A$93,000 at a rate of 11.19%.

During the 2009 year, the Company invested in North Australian Diamonds Ltd ("NADL") through on-market purchases on ASX and through a takeover offer. The Company has consolidated the operations of NADL since August 2009. The Company's President and Chief Executive Officer, Executive General Manager and one of its independent Directors are Executive Chairman and Managing Director, and Directors respectively of NADL.

At December 31, 2010, the Company's holding in NADL was 50.40%.

During the nine months ended September 30, 2011, the Company acquired 495,088 additional shares in NADL at a cost of A$148,000, and NADL issued 344,000 shares for net consideration of A$53,302 due to the exercise of 344,000 options. As a result of these transactions, Legend increased its holding to 50.69% at September 30, 2011.

During the 2009 and 2010 years, the Company took a private placement of shares of common stock in Northern Capital Resources Corp ("NCRC"). At December 31, 2010 and September 30, 2011, the Company held 31.46% of the shares of NCRC. The Company's President and Chief Executive Officer and one of its independent Directors are President and Chief Executive Officer and Director respectively of NCRC and certain companies with which the Company's President is affiliated own 38.08% of the outstanding common stock of NCRC. The amount owed by NCRC at September 30, 2011 included under non-current assets – advances to affiliates was A$63,000.

Since the end of the quarter, a company associated with Mr JI Gutnick has provided a short term loan of $2,250,000 to the Company and the Company has provided certain residential properties it holds as security.

8. RECLAMATION AND REMEDIATION

	A$000s
Balance January 1, 2011	926
Increase as a result of rehabilitation requirement on exploration undertaken during the period	127
Decrease as a result of rehabilitation performed during the year	(102)
Closing balance September 30, 2011	951

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.

9. LEASE LIABILITY

	A$000s
The Company entered into capital finance lease agreements for motor vehicles. The leases are non-cancellable and require total monthly repayments of A$39,000 and expire at various dates from 2011 to 2014. Future minimum payments due for the remaining term of the leases as of September 30, 2011 are as follows:	
2011	188
2012	258
2013	114
2014	45
	605
Less amounts representing interest	45
	560
Current liability	350
Non-current liability	210
	560
At September 30, 2011, the net book value of the motor vehicles under capital finance leases amounts to:	772

10. MARKETABLE SECURITIES/OTHER INVESTMENTS

Management determines the appropriate classification of its investments in marketable securities at the time of purchase and re-evaluates such determinations at each reporting date. The Company accounts for its marketable securities in accordance with FASB issued guidance now codified as ASC Topic 320, "Investments – Debt and Equity Securities" ("ASC 320").

Marketable Securities

During the nine months ended September 30, 2011, the Company sold the marketable securities held in companies in the phosphate industry that were listed on a US stock exchange and Australian Securities Exchange. The cost of the investments was A$237,000 and the net realized loss was A$66,000.

Other Investments

During December 2009, the Company invested A$2,784,000 in exchange for shares in a Fund that purchases shares in companies quoted on international stock exchanges. The fair value of the equity security is not readily determinable from published information. The Company accounts for these investments at cost and reviews the carrying amount for impairment at each balance sheet date. The Company has assessed the current net asset value of the investment from information provided by the Fund Manager and determined that no impairment is necessary at September 30, 2011 and December 31, 2010.

Under the rules of the fund, the redemption of any part of the investment requires notice to be given to the Fund's manager at least three months prior to redemption. The Company has provided such notice.

During the nine months ended September 30, 2011, the Company received A$265,000 (€200,000) from the fund and recognized a loss of A$62,000 primarily related to foreign exchange loss. Since September, the Company has received a further US$449,000 (€334,000) from the fund. The Company does not expect any further losses as funds are received from the redemption.

11. COMMITMENTS AND CONTINGENCIES

The Company is a party to claims that arose in the normal course of business. Management of the Company believes that the ultimate outcome of these claims will not have a material effect on the consolidated financial statements.

The Company has entered into lease agreements for the rental of office premises and equipment which expire between 2011 and 2013. The lease agreements have a monthly payment as adjusted by the increase in the consumer price index in Australia annually, and the future commitment amounts to A$383,000.

	A$000s
Future minimum lease payments under the Company's non-cancellable operating leases are as follows:	
2012	299
2013	84
	383

Exploration

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

	A$000s
Not later than one year	2,560
Later than one year but not later than five years	5,416
Later than five years but not later than twenty one years	1,449
	9,425

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB issued ASC Topic 825 "Financial Instruments" which requires the Company to disclose, when reasonably attainable, the fair market values of its assets and liabilities which are deemed to be financial instruments. The Company's financial instruments include cash, marketable securities, other investments and advances due from affiliates (included in receivables, see note 7). The carrying amounts of cash approximate their respective fair values due to the short term maturities of these instruments. The fair value of advances due from affiliates are not practicable to estimate as no similar market exists for these instruments and as it does not have a specified date of repayment. The carrying amounts of marketable securities comprised of shares are measured at fair value based on quoted market prices that are available in active markets as of the reporting date. The fair value of the other investments is not readily determinable from published information. The Company accounts for these investments at cost and reviews the carrying amount for impairment at each balance sheet date.

The Company's other financial instruments consists of long-term debt, including current portion. The carrying values of this obligation, for each period presented, approximate fair value.

13. INVESTMENTS/SUBSIDARIES

<u>Consolidated Entities</u>

North Australian Diamonds Limited ("NADL")

At December 31, 2010, the Company's holding in NADL was 50.40%. During the nine months ended September 30, 2011, the Company purchased an additional 495,088 shares at a cost to the Company of A$148,000, increasing its holding in NADL to 50.69% at September 30, 2011. The amount of other income of NADL for the nine months ended September 30, 2011 and 2010 included in the Consolidated Statement of Operations amounts to A$787,000 and A$924,000 respectively, and the amount of loss is A$3,580,000 and A$7,784,000 respectively.

Teutonic Minerals Pty Ltd ("Teutonic")

The Company holds 100% of the shares of Teutonic. At September 30, 2011 and December 31, 2010 and for the nine months ended September 30, 2011 and 2010, the financial position and results of operations of Teutonic were not material.

Alexya Pty Ltd ("Alexya")

On October 22, 2010, the Company incorporated a wholly owned Australian subsidiary, Alexya to hold a certain asset and liability which has been consolidated in the accompanying consolidated financial statements. For the nine months ended September 30, 2011, the amount of revenue of Alexya included in the Consolidated Statement of Operations is A$nil and the amount of the loss is A$1,090,000.

Other Subsidiaries

The Company also has the following wholly owned inactive subsidiaries:

- Legend International Holdings Limited
- Legend Diamonds Pty Ltd.

Equity Investments

Northern Capital Resources Corp ("NCRC")

At September 30, 2011 and December 31, 2010, the Company's holding in NCRC was 31.46%. At September 30, 2011, the carrying value of the investment was A$11,266,000. For the nine months ended September 30, 2011 and 2010, the Company recorded an equity loss in NCRC of A$1,758,000 and A$853,000 respectively. At September 30, 2011, the investment in the unconsolidated subsidiary is accounted for under the equity method.

The following table presents summary unaudited financial information for NCRC. Such summary financial information has been provided herein based upon the individual significance of this unconsolidated equity investment to the consolidated financial information of the Company:

	September 2011 A$	September 2010 A$
Current assets	2,264	1,841
Non- current assets	40,193	51,471
Total assets	42,457	53,312
Current liabilities	1,179	5,284
Non-current liabilities	7,360	7,416
Total liabilities	8,539	12,700
Total shareholders' equity	39,565	44,487
Revenue	-	-
Net profit/(loss)	(5,587)	(3,875)

The excess of the carrying value of this equity investment to the Company's share of underlying equity in the net assets of the investee at September 30, 2011 approximates A$595,000.

Top End Uranium Ltd ("TEU")

The Company through its investment in NADL holds a 31.14% interest in TEU which has a carrying value of A$757,000 at September 30, 2011. For the nine months ended September 30, 2011 and 2010, the Company recorded an equity loss in TEU of A$317,000 and A$154,000 respectively. At September 30, 2011, the investment in the unconsolidated subsidiary is accounted for under the equity method.

The following table presents summary unaudited financial information for TEU. Such summary financial information has been provided herein based upon the individual significance of this unconsolidated equity investment to the consolidated financial information of the Company:

	September 2011 A$000s	September 2010 A$000s
Current assets	3,824	5,005
Non- current assets	9	12
Total assets	3,833	5,017

Current liabilities	243	225
Total liabilities	243	225
Total shareholders’ equity	4,611	5,342
Revenue	-	-
Net profit/(loss)	(1,021)	(550)

The Company’s share of the underlying equity in the net assets of the investee at September 30, 2011 approximates A$361,000 in excess of its carrying value.

14. GOODWILL

Goodwill was recorded as part of the acquisition of NADL. The goodwill amount of A$1,093,000 was calculated as the difference between the fair value of the NADL net assets acquired of A$12,541,000 (net of non-controlling interest) and total consideration of A$13,633,000. In accordance with Topic 350, Intangibles – “Goodwill and Other”, the Company completed an impairment test and determined that the goodwill recorded at the acquisition date was not impaired.

15. MINERAL RIGHTS

Mineral rights were recorded upon the acquisition of NADL during 2009 based upon an independent expert’s report prepared for NADL as part of its Target’s Statement to respond to the on market takeover offer by the Company, which included a valuation of Mineral Rights of the mineral properties of NADL with mineralized material which were valued at A$18,873,000. The underlying mineral property licenses have a set term and the Mineral Rights are being amortized over the term of the licenses. The amortization charge for the nine months ended September 30, 2011 is A$1,049,000 (2010: A$1,049,000) and the net carrying value of Mineral Rights at September 30, 2011 is A$15,843,000.

16. LONG TERM DEBT

During November 2010, the Company entered into a loan facility agreement with a third party lender, which provides for a US$3.2 million credit facility and has a term of five years. Interest on borrowings under the agreement is fixed at 6.70% per annum.

Borrowings under this agreement amounted to A$3.04 million (US$2.98 million) at September 30, 2011 and is secured by certain equipment purchased by the Company. This debt matures in 2015 with the aggregate amount of payment obligations after September 30, 2011 as follows:

Year	A$000s
2011	74
2012	307
2013	329
2014	352
2015	1,978
Total	$3,040

17. COMPREHENSIVE INCOME (LOSS)

The Company follows ASC Topic 220 “Comprehensive Income” (“ASC 220”). ASC 220 requires a company to report comprehensive profit (loss) and its components in a full set of financial statements. Comprehensive income profit/(loss) is the change in equity during a period from transactions and other events and circumstances from non-owner sources such as unrealized gains (losses) on foreign currency translation adjustments. Changes in unrealized foreign currency translation adjustments during the nine months ended September 30, 2011 and 2010 amounted to A$524,000 and A$(1,854,000) respectively. Accordingly, the comprehensive (loss) attributable to Legend’s stockholders for the nine months ended September 30, 2011 and 2010 amounted to A$(18,758,000) and A$(29,997,000) respectively.

18. INCOME TAXES

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

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

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

At September 30, 2011, the net deferred tax asset consisted of the following:

	USA 2011 A$000s	Australia 2011 A$000s	Total 2011 A$000s
Deferred tax assets			
Net operating loss carry-forward	13,265	23,280	36,545
Exploration expenditure	20,198	-	20,198
Less valuation allowance	(33,463)	(23,280)	(56,743)
Net deferred taxes	-	-	-

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

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

As a result of the ownership change that occurred in November 2004 (see note 1), Internal Revenue Code Section 382 limits the use of available operating loss carryforwards for losses incurred prior to the ownership change. Carry-forward net operating losses will be available to offset future taxable income. Total available net operating loss carryforwards in the United States, which are subject to limitations, amount to approximately A$33,700,000 at December 31, 2010 and expire in years 2023 through 2030. Net operating loss carryforwards in Australia do not have a definite expiration date and amounted to A$77,600,000.

The Company’s tax years for all years since December 31, 2007 remain open to most taxing authorities.

19. SUBSEQUENT EVENTS

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

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:

9 months ended September 30, 2010	A$1.00 = US$0.9701
9 months ended September 30, 2011	A$1.00 = US$0.9792
9 months ended September 30, 2010	A$1.00 = CDN$0.8982
9 months ended September 30, 2011	A$1.00 = CDN$1.0111

RESULTS OF OPERATION

Three Months Ended September 30, 2011 vs. Three Months Ended September 30, 2010.

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 September 30, 2011 to the three months ended September 30, 2010 does not always present a true comparison.

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

Other income decreased from A$868,000 for the three months ended September 30, 2010 to A$693,000 for the three months ended September 30, 2011, which primarily represents interest on funds in the bank of A$77,000 (2010: A$459,000), as a result of the reducing cash at bank balances as funds have been used for operational purposes; interest income from a related entity of A$41,000 (2010: A$45,000) due to lower amounts owed to the Company; reduction of NADL's fuel rebate of A$13,000 (2010: A$100,000) for fuel usage on the Merlin project; and A$547,000 (2010:A$nil) being a refund from the government for research and development and for the three months ended September 30, 2010, A$226,000 refund of legal costs for which there is no comparable amount in the three months ended September 30, 2011.

Costs and expenses decreased from A$8,935,000 in the three months ended September 30, 2010 to A$6,828,000 in the three months ended September 30, 2011. The decrease in expenses is a net result of:

a) a decrease in legal, accounting and professional expense from A$245,000 for the three months ended September 30, 2010 to A$160,000 for the three months ended September 30, 2011 as a result of a decrease in legal fees for general legal work including stock transfer matters, regulatory filings, stock transfer agent fees, and fees for professional services in relation to the Form 10-Q. Included in legal fees for the three months ending September 30, 2010 are professional fees paid to attorneys for proposed diamond spin out of A$50,000 and professional fees paid to attorneys for defending a legal action of NADL, commenced prior to the Company's acquisition of NADL, of A$27,000.

b) a decrease in exploration expenditure written off from A$5,604,000 in the three months ended September 30, 2010 to A$4,209,000 in the three months ended September 30, 2011. The exploration costs include drilling/geological/geophysical/mineral analysis contractors, salaries for contract field staff, travel costs, accommodation and tenement costs. On our phosphate activities, we continued to advance the current feasibility test work during the current quarter although reduced drilling occurred during the quarter which has reduced the cost of our exploration program. In addition, as a result of establishing the Company's phosphate mineral reserve estimates in February 2011, certain costs that were previously expended are now being capitalized and included in development costs. For the three months ended September 30, 2010, phosphate field activities included drilling investigations into mining operations and the chemical and beneficiation plant. In relation to our diamond activities, included within exploration expenditure for the three months ending September 30, 2011 was A$1,266,000 for further studies confirming the scale and viability of the Merlin project and surrounding areas and costs of the plant and camp. For the three months ended September 30, 2010, our diamond activities at Merlin and surrounding areas included drilling and trial testing amounting to A$1,564,000.

c) an increase in aircraft maintenance costs from A$156,000 in the three months ended September 30, 2010 to A$246,000 in the three months ended September 30, 2011, as the current year includes a provision for the engine maintenance program.

d) a decrease in stock based compensation from A$376,000 in the three months ended September 30, 2010 to A$31,000 in the three months ended September 30, 2011. The Company has issued options under the 2006 Incentive Option Plan throughout 2006 to 2010. The decrease is a result of options being fully vested in prior periods.

e) an increase in interest expense from A$13,000 for the three months ended September 30, 2010 to A$57,000 for the three months ended September 30, 2011 due to an increase in finance leases that bear interest and interest bearing long term debt.

f) amortization of mineral rights of A$350,000 for the three months ended September 30, 2010 and A$350,000 for the three months ended September 30, 2011. On the acquisition date of the business combination of NADL (August 6, 2009), the Company recognized mineral rights of A$18,873,000. The underlying mineral property licenses have a set term and the mineral rights are being amortized over the term of the licenses.

g) a decrease in administration expense from A$2,191,000 in the three months ended September 30, 2010 to A$1,775,000 in the three months ended September 30, 2011 is a net result of: (i) a decrease in direct costs, indirect costs and service fees charged to the Company by AXIS which decreased from A$1,577,000 to A$1,517,000 primarily as a result of a decrease in direct costs incurred on our behalf by AXIS; (ii) a decrease in the cost of travel and accommodation relating to the business activities of the Company from A$182,000 to A$94,000 as there have been less travel for business and marketing purposes in the current quarter; (iii) a decrease in investor relations and other consultants costs from A$535,000 to A$162,000 as a result of decrease in business activity; (iv) a decrease in property rentals and associated costs from A$145,000 to A$50,000 as a result of the relocation NADL's Perth office to new premises with significantly lower rental.

As a result of the foregoing, the loss from operations decreased from A$8,067,000 for the three months ended September 30, 2010 to A$6,135,000 for the three months ended September 30, 2011.

A decrease in the foreign currency exchange loss from A$861,000 for the three months ended September 30, 2010 to a foreign exchange loss of A$142,000 for the three months ended September 30, 2011 was recorded as a result of the movement in the Australian dollar versus the US dollar.

A net realised loss of A$5,000 (2010: gain A$31,000) was recorded on sale of certain marketable securities, being the difference between cost and sale price, was incurred in the three months ended September 30, 2011.

A loss on disposal of other investments of A$62,000 (2010: $nil), primarily relating to foreign exchange loss, was incurred in the three months ended September 30, 2011.

A net realised loss of A$3,000 (2010: A$nil) was recorded on sale of assets, being the difference between cost and sale price, was incurred in the three months ended September 30, 2011.

The loss before income taxes and equity in losses of unconsolidated entities was A$8,897,000 for the three months ended September 30, 2010 compared to A$6,372,000 for the three months ended September 30, 2011.

There was no provision for income taxes in either the three months ended September 30, 2011 or 2010.

The equity losses in unconsolidated entities for the three months ended September 30, 2011 amounted to A$601,000 (2010: A$632,000) The Company holds a 31.46% interest in Northern Capital Resources Corp and the Company through its investment in NADL holds a 31.14% investment in Top End Uranium Ltd at September 30, 2011. The Company accounts for both of these investments using the equity method of accounting. The Company held a 26.08% investment in Northern Capital Resources Corp and NADL held 28.07% interest in Top End Uranium Ltd at September 30, 2010.

The net loss was A$6,973,000 for the three months ended September 30, 2011 compared to a net loss of A$9,529,000 for the three months ended September 30, 2010.

The share of the loss attributable to the non-controlling interests of NADL for the three months ended September 30, 2011 amounted to A$742,000, compared to a loss of A$558,000 for the three months ended September 30, 2010. At September 30, 2010 the Company's interest in NADL was 49.31% and at September 30, 2011 its interest was 50.69%. During the three months ended September 30, 2011 the Company purchased a further 162,642 shares in NADL at a cost of A$40,000 which resulted in a decrease in non-controlling interest of A$36,000.

The net loss attributable to Legend stockholders amounted to A$6,231,000 for the three months ended September 30, 2011 compared to A$8,971,000 for the three months ended September 30, 2010.

Nine Months Ended September 30, 2011 vs. Nine Months Ended September 30, 2010.

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 nine months ended September 30, 2011 to the nine months ended September 30, 2010 does not always present a true comparison.

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

Other income decreased from A$2,341,000 for the nine months ended September 30, 2010 to A$1,144,000 for the nine months ended September 30, 2011, which primarily represents interest on funds in the bank of A$464,000 (2010: A$1,728,000), as a result of the reducing cash at bank balances as funds have been used for operational purposes; interest income from a related entity of A$93,000 (2010: A$118,000) due to lower amounts owed to the Company; reduction of NADL's fuel rebate of A$25,000 (2010: A$231,000) for fuel usage on the Merlin project, and A$547,000 (2010:A$nil) being a refund from the government for research and development and for the nine months ended September 30, 2010, A$226,000 refund of legal costs, and sundry income A$38,000 for which there are no comparative amounts in the nine months ended September 30, 2011.

Costs and expenses decreased from A$32,447,000 in the nine months ended September 30, 2010 to A$19,245,000 in the nine months ended September 30, 2011. The decrease in expenses is a net result of:

a) a decrease in legal, accounting and professional expense from A$618,000 for the nine months ended September 30, 2010 to A$468,000 for the nine months ended September 30, 2011 as a result of a decrease in legal fees for general legal work including stock transfer matters, regulatory filings, stock transfer agent fees, and fees for professional services in relation to the Form 10-Q. Included in legal fees for the nine months ending September 30, 2010 are professional fees paid to attorneys for proposed diamond spin out of A$80,000 and exploration tenement purchase agreement of A$8,000 and for NADL, professional fees paid to attorneys for defending a legal action of NADL, commenced prior to the Company's acquisition of NADL, of A$42,000.

b) a decrease in exploration expenditure written off from A$21,166,000 in the nine months ended September 30, 2010 to A$10,343,000 in the nine months ended September 30, 2011. The exploration costs include drilling/geological/geophysical/mineral analysis contractors, salaries for contract field staff, travel costs, accommodation and tenement costs. On our phosphate activities, we continued to advance the current feasibility test work during the nine month period although reduced drilling occurred during the nine month period which reduced the cost of our exploration program. In addition, during the nine months ended September 30, 2011, A$1,652,000 of costs were incurred on the Paradise South phosphate project in preparing the mineral deposit for extraction were capitalized and included in development costs. For the nine months ended September 30, 2010, phosphate field activities included drilling investigations into mining operations and the chemical and beneficiation plant. In relation to our diamond activities, included within exploration expenditure for the nine months ending September 30, 2011 was A$2,145,000 for further studies confirming the scale and viability of the Merlin project and surrounding areas and costs of the plant and camp. For the nine months ended September 30, 2010, diamond activities at Merlin and surrounding areas included drilling and trial testing amounting to A$7,181,000.

c) an increase in aircraft maintenance costs from A$351,000 in the nine months ended September 30, 2010 to A$761,000 in the nine months ended September 30, 2011, as the current year includes a provision for the engine maintenance program.

d) a decrease in stock based compensation from A$1,334,000 in the nine months ended September 30, 2010 to A$403,000 in the nine months ended September 30, 2011. The Company has issued options under the 2006 Incentive Option Plan throughout 2006 to 2010. The decrease is a result of options being fully vested in prior periods.

e) an increase in interest expense from A$44,000 for the nine months ended September 30, 2010 to A$184,000 for the nine months ended September 30, 2011 due to an increase in finance leases that bear interest and interest bearing long term debt.

f) amortization of mineral rights of A$1,049,000 for the nine months ended September 30, 2010 and A$1,049,000 for the nine months ended September 30, 2011. On the acquisition date of the business combination of NADL (August 6, 2009), the Company recognized mineral rights of A$18,873,000. The underlying mineral property licenses have a set term and the mineral rights are being amortized over the term of the licenses.

g) a decrease in administration expense from A$7,885,000 in the nine months ended September 30, 2010 to A$6,037,000 in the nine months ended September 30, 2011 is a net result of: (i) an increase in direct costs, indirect costs and service fees charged to the Company by AXIS which decreased from A$5,589,000 to A$4,507,000 primarily as a result of reduction in direct costs incurred on our behalf by AXIS; (ii) a decrease in the cost of travel and accommodation relating to the business activities of the Company from A$732,000 to A$523,000 as there have been less travel for business and marketing purposes; (iii) a decrease in investor relations and other consultants costs from A$1,147,000 to A$532,000 as a result of decrease in business activity and (iv) an decrease in property rentals and associated costs from A$598,000 to A$222,000 as a result of the relocation NADL's Perth office to new premises with significantly lower rental.

As a result of the foregoing, the loss from operations decreased from A$30,106,000 for the nine months ended September 30, 2010 to A$18,101,000 for the nine months ended September 30, 2011.

A decrease in foreign currency exchange loss from A$504,000 for the nine months ended September 30, 2010 to foreign exchange loss of A$160,000 for the nine months ended September 30, 2011 was recorded as a result of the movement in the Australian dollar versus the US dollar.

A net realised loss of A$66,000 (2010: gain A$6,000) was recorded on sale of certain marketable securities, being the difference between cost and sale price, was incurred in the nine months ended September 30, 2011.

A loss on disposal of other investments of A$62,000 (2010: $nil), primarily relating to foreign exchange loss, was incurred in the nine months ended September 30, 2011.

A net realised loss of A$168,000 (2010: A$nil) was recorded on sale of assets, being the difference between cost and sale price, was incurred in the nine months ended September 30, 2011.

The loss before income taxes and equity in losses of unconsolidated entities was A$30,604,000 for the nine months ended September 30, 2010 compared to A$18,587,000 for the nine months ended September 30, 2011.

There was no provision for income taxes in either the nine months ended September 30, 2011 or 2010.

The equity losses in unconsolidated entities for the nine months ended September 30, 2011 amounted to A$2,075,000 (2010: A$1,007,000) The Company holds a 31.46% interest in Northern Capital Resources Corp and the Company through its investment in NADL holds a 31.14% investment in Top End Uranium Ltd at September 30, 2011. The Company accounts for both of these investments using the equity method of accounting. The Company held a 26.08% investment in Northern Capital Resources Corp and NADL held 28.07% interest in Top End Uranium Ltd at September 30, 2010.

The net loss was A$20,662,000 for the nine months ended September 30, 2011 compared to a net loss of A$31,611,000 for the nine months ended September 30, 2010.

The share of the loss attributable to the non-controlling interests of NADL for the nine months ended September 30, 2011 amounted to A$1,380,000, compared to a loss of A$3,466,000 for the nine months ended September 30, 2010. At January 1, 2010, the Company held a 47.83% interest in NADL. Since February 6, 2010, the Company has purchased further shares in NADL and at September 30, 2010 its interest was 49.31% and at September 30, 2011 its interest was 50.69%. During the nine months ended September 30, 2011 the Company purchased a further 495,000 shares in NADL at a cost of A$148,000 which resulted in a decrease in non-controlling interest of A$113,000.

The net loss attributable to Legend stockholders amounted to A$19,282,000 for the nine months ended September 30, 2011 compared to A$28,145,000 for the nine months ended September 30, 2010.

Liquidity and Capital Resources

For the nine months ended September 30, 2011, net cash used in operating activities was A$16,891,000 (2010: A$29,727,000) primarily consisting of the net loss of A$20,662,000 (2010: A$31,611,000), depreciation and amortization of A$2,468,000 (2010: A$1,965,000), increase in accounts receivable of A$2,473,000 (2010: A$2,330,000); decrease in prepayments and deposits of A$775,000 (2010: increase A$465,000); no movement in inventories (2010: decrease A$127,000) and an increase in accounts payable and accrued expenses of A$105,000 (2010: decrease A$257,000).

Net cash used in investing activities was A$3,074,000 (2010: A$8,485,000), consisting of the proceeds form the sale of marketing securities and other investments of A$503,000 (2010:A$nil), purchase of an additional 495,000 shares in NADL at a cost of A$148,000 (2010: A$4,033,000) which increased the Company's holding in NADL to 50.69% at September 30, 2011; purchase of plant, some equipment including plant upgrade at Merlin of A$1,992,000 (2010: A$1,242,000), additions to mine development of A$1,652,000 (2010: A$nil) and proceeds from the sale of equipment of A$215,000 (2010: A$nil). For the nine months ending September 30, 2010, the Company purchased shares in NCRC at a cost of A$3,112,000 and investments in marketable securities of A$98,000 for which there was no comparable transactions for the nine months ending September 30, 2011.

Net cash used by financing activities was A$1,089,000 (2010: provided by A$2,190,000) being primarily net repayments under finance leases of A$302,000 (2010: A$275,000), advances to affiliates of A$938,000 (2010: A$nil), proceeds from capital lease agreements of A$301,000 (2010: A$nil) and repayments under capital leases of A$204,000 (2010: A$nil) and in NADL exercise of 344,000 options for A$54,000 (2010: A$nil). For the nine months ended September 30, 2010, the proceeds of private placements offering of shares of common stock of NADL of

A$2,607,000, less costs of A$142,000, for which there was no comparable transaction for the nine months ended September 30, 2011.

At September 30, 2011, the Company held US$119,000 in US accounts which when converted to Australian dollars results in an unrealized foreign exchange loss of A$13,000.

As at September 30, 2011, the Company had A$4,098,000 in cash.

We plan to continue our exploration program throughout the remainder of 2011 and anticipate spending A$2.3 million on development and exploration and A$3.5 million on administrative costs.

The Company has historically funded its activities from funds provided by capital raising through the issuance of its shares and from advances from affiliated entities. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's operating requirements and its exploration and development plans. Based on this process and the amount of the Company's cash and other current assets, management believes that the Company has sufficient operating liquidity to sustain its activities through 2011. However, as the Company has not yet generated income producing activities, it will continue to seek opportunities to raise additional funds from capital raising efforts through the issuance of its shares, funding from affiliated entities as may be available, debt facilities and other financing arrangements until which time as the Company can commence revenue producing activities.

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

Information Concerning Forward Looking Statements

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

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

- The risk factors set forth in Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010,
- The possibility that the phosphates we find are not commercially economical to mine,
- The possibility that we do not find diamonds or other minerals or that the diamonds or other minerals we find are not commercially economical to mine,
- The risks and hazards inherent in the mineral exploration and development business (including environmental hazards, industrial accidents, weather or geologically related conditions),
- Changes in the market price of phosphate, base metals and diamonds,
- The uncertainties inherent in our exploratory activities, including risks relating to permitting and regulatory delays,
- The effects of environmental and other governmental regulations, and
- Uncertainty as to whether financing will be available to enable further exploration and development.
- Estimates of proven and probable reserves are subject to considerable uncertainty,

- Movements in foreign exchange rates,
- Increased competition, governmental regulation,
- Performance of information systems,
- Ability of the Company to hire, train and retain qualified employees,
- The availability of sufficient, transportation, power and water resources, and
- Our ability to enter into key exploration and supply agreements and the performance of contract counterparties.

In addition, other risks, uncertainties, assumptions, and factors that could affect the Company's results and prospects are described in this Quarterly Report on Form 10-Q and in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, including under the heading "Risk Factors" and elsewhere herein and therein and may further be described in the Company's prior and future filings with the Securities and Exchange Commission and other written and oral statements made or released by the Company.

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

At September 30, 2011, the Company had long-term debt of A$3,040,000 (US$2,977,000). As the Loan Facility is in US dollars, a change in the exchange rate between the A$ and the US$ will have an effect on the amounts reported in the Company's consolidated financial statements, and create a foreign exchange gain or loss. A movement of 1% in the A$ versus the US$ exchange rate will have an A$29,000 effect on the consolidated balance sheet and statement of operations.

The Company reports in A$ and holds cash denominated in US dollars. At September 30, 2011, this amounted to US$119,000 (A$122,000). A change in the exchange rate between the A$ and the US$ will have an effect on the amounts reported in the Company's consolidated financial statements, and create a foreign exchange gain or loss. A movement of 1% in the A$ versus the US$ exchange rate will have an A$1,000 effect on the consolidated balance sheet and statement of operations.

The Company holds an investment in a Fund denominated in Euros. At September 30, 2011, this amounted to €1,500,000 (A$2,457,000). A change in the exchange rate between the A$ and the € will have an effect on the amounts reported in the Company's consolidated financial statements, and create a foreign exchange gain or loss. A movement of 1% in the A$ versus the € exchange rate will have an A$25,000 effect on the consolidated balance sheet and statement of operations.

Item 4. Controls and Procedures.

(a) Disclosure Controls and Procedures

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

(b) Changes in Internal Control Over Financial Reporting

(c) Other

There were no changes in our internal control over financial reporting during the third quarter of 2011 that materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

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

September 30, 2011, 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, 2010 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. Removed and Reserved.

Not Applicable

Item 5. Other Information.

Not Applicable

Item 6. Exhibits.

Exhibit No.	Description
3.1	Certificate of Amendment of Certificate of Incorporation of Legend International Holdings, Inc. (under Section 242 of the General Corporation Law)
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)
101	The following materials from the Legend International Holdings, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Statements of Operations, (ii) the Consolidated Balance Sheets, (iii) the Consolidated Statements of Cash Flows and (iv) related notes.

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

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

FORM 10-Q

SIGNATURES

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

LEGEND INTERNATIONAL HOLDINGS, INC.

(Registrant)

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

Dated: November 7, 2011

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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: November 7, 2011

/s/ Joseph I Gutnick

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

Exhibit 31.2

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

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

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

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13(a)-15(e) and 15(d)-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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: November 7, 2011

/s/ Peter J Lee

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

Exhibit 32.1

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

In connection with the quarterly report on Form 10-Q of Legend International Holdings, Inc. (the "Company") for the quarter ended September 30, 2011 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: November 7, 2011

/s/ Joseph I Gutnick

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

Exhibit 32.2

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

In connection with the quarterly report on Form 10-Q of Legend International Holdings, Inc. (the “Company”) for the quarter ended September 30, 2011 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: November 7, 2011

/s/ Peter J Lee

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