



Mining Limited
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MEDUSA MINING LIMITED
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19 May 2004

The Manager
Australian Stock Exchange Limited
Level 4
20 Bridge St
Sydney, NSW.

Dear Sir/Madam,

COMPLETION OF PURCHASE OF KURNALPI PROJECT, WESTERN AUSTRALIA

The Company advises that it has completed the purchase of 100% of the Kurnalpi Project subsequently to the resolution of the plaint against the project in the favour of the vendors.

Purchase Details of the Kurnalpi Project, EL28/465

As detailed in the Company's prospectus issued in October 2003, the purchase of the Kurnalpi Project (Fig. 1) was conditional on the vendors successfully defeating the plaint lodged against the tenement in August 2002.

In the Sale and Purchase Agreement, the Company agreed to purchase the project which was divided into two parts, a northern section of which only 30% was available for purchase and a southern section of which 100% was available for purchase. The consideration for the purchase was reimbursement of expenses of \$30,000 and the issue of 400,000 vendor shares and 400,000 vendor options which are escrowed until 23 December 2004. Subsequently the Company agreed to issue a further 300,000 shares and 300,000 options which are free trading if the vendor was successful in obtaining the cancellation of pre-existing agreements on the northern portion of EL 28/465 such that the Company could purchase 100% of the entire tenement.

All conditions have been satisfied and the Company has now purchased 100% of the project.

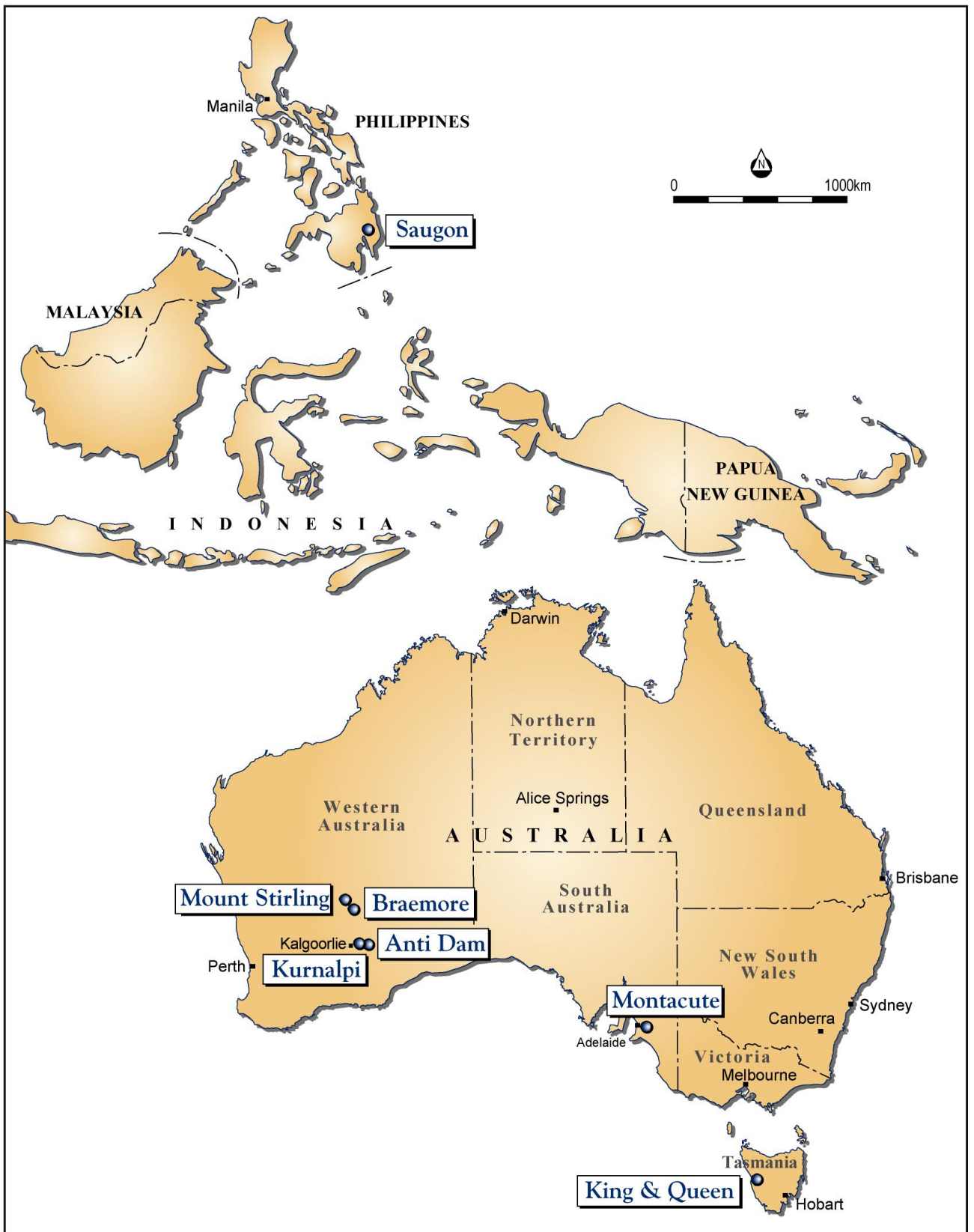
FURTHER INFORMATION

For further information contact the undersigned on 618-93670601 or by email to admin@medusamining.com.au Detailed descriptions of the Company's projects can be viewed in Medusa's Prospectus and subsequent releases on www.medusamining.com.au

Yours faithfully,

Geoff Davis.
Managing Director.

The information in the above announcement was compiled by G J Davis who is a member of the AIG with not less than 5 years experience in the relevant fields, and who consents to the report appearing in the form and context in which it appears.



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PROJECT LOCATIONS