



Mining Limited
ACN: 099 377 849

MEDUSA MINING LIMITED
PO Box 860
Canning Bridge WA 6153
Phone: 618-93670601
Fax: 618-93670602

Email: admin@medusamining.com.au
Web: www.medusamining.com.au

26 May 2004

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

Dear Sir/Madam,

KURNALPI PROJECT, WESTERN AUSTRALIA.

The Company advises suspension of their work program for the Kurnalpi Project pending resolution of an appeal to the Minister for State Development.

Further to the Company's ASX announcement of 19th May 2004 to purchase 100% of the mining tenement EL28/465 following resolution of a plaint in favour of the vendors, the Department of Industry and Resources (DOIR) has advised that the Plaintiff to the case, Surrey Holdings Pty Ltd, has submitted an objection to the Warden's Court decision.

The defendants have been invited by the DOIR to also lodge a submission with the DOIR by 22 June 2004. Submissions by both parties will be considered by the Minister of State Development.

All activities associated with the tenement will be suspended until a decision is handed down by the Minister.

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.