



**MEDUSA MINING LIMITED**

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20 September 2005

The Manager  
Australian Stock Exchange Limited  
Level 4  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

**RIGHTS ISSUE - COMPLETION**

Medusa Mining Limited wish to advise that the Prospectus lodged with ASIC and ASX on 12 August 2005, seeking to raise approximately \$6 million via a non-renounceable Rights Issue ("Issue") closed last Friday, 16 September 2005, following the allocation of **all** remaining shortfall shares (after the closing of acceptances on 8 September 2005).

The Board is extremely pleased with the outcome of the Issue which raised gross proceeds of \$6,113,606 (being the maximum allowed under the Issue) and would once again, like to thank all shareholders (existing and new) and the shortfall participants in the Issue for their commitment.

Holding statements for the new securities from the Issue, will be issued and despatched to shareholders on Wednesday, 21 September 2005.

*The capital structure of the Company post-completion of the Issue will be as follows:*

Description	Shares	Options (listed)	Options (unlisted)
Securities on issue pre Issue	40,757,372	19,528,263	3,825,000
Securities issued pursuant to Issue	10,189,343	2,547,336	-
Total securities on issue post-completion	50,946,715	22,075,599	3,825,000

As previously advised, \$3 million of the funds raised under the Issue will be used to provide the cash consideration required to complete the Lease and Option Agreement with Philsaga Mining Corporation and also to provide working capital for the Company's other exploration projects and general overhead expenditures.

Settlement of the Lease and Option Agreement is scheduled for 27 September 2005 and the Company's securities are expected to be reinstated to quotation the following day.

Yours faithfully

**GEOFF DAVIS**  
Managing Director