



**MEDUSA MINING LIMITED**

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29 September 2005

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

Dear Sir/Madam,

**Updated Information following Rights Issue and Placement**

As a consequence of the Company's recent Rights Issue and Placement that raised gross proceeds of approximately \$7.5 million, please find updated information as follows:

**1. Pro-forma Statement of Financial Position as at 27 September 2005**

	Consolidated Actuals (audited) 30 June 2005	Rights Issue, Placement and Expenses	Pro-forma Consolidated 27 Sep 2005
<i>CURRENT ASSETS</i>			
Cash	330,585	4,089,070	4,419,655
Receivables	114,722	-	114,722
Other	26,227	-	26,227
Prepayment	-	1,000,000	1,000,000
<b>Total Current Assets</b>	<b>471,534</b>	<b>5,089,070</b>	<b>5,560,604</b>
<i>NON-CURRENT ASSETS</i>			
Investments accounted for using the equity method	473,395	-	473,395
Property, plant & equipment	61,821	-	61,821
Exploration, evaluation & development expenditure	2,631,394	-	2,631,394
Prepayment	-	2,000,000	2,000,000
<b>Total Non-Current Assets</b>	<b>3,166,610</b>	<b>2,000,000</b>	<b>5,166,610</b>
<b>TOTAL ASSETS</b>	<b>3,638,144</b>	<b>7,089,070</b>	<b>10,727,214</b>
<i>CURRENT LIABILITIES</i>			
Payables	213,013	-	213,013
Provisions	5,019	-	5,019
<b>Total Current Liabilities</b>	<b>218,032</b>	<b>-</b>	<b>218,032</b>
<b>TOTAL LIABILITIES</b>	<b>218,032</b>	<b>-</b>	<b>218,032</b>
<b>NET ASSETS</b>	<b>3,420,112</b>	<b>7,089,070</b>	<b>10,509,182</b>
<i>EQUITY</i>			
Contributed equity	5,419,244	7,089,070	12,508,314
Accumulated losses	(1,999,132)	-	(1,999,132)
<b>TOTAL EQUITY</b>	<b>3,420,112</b>	<b>7,089,070</b>	<b>10,509,182</b>

### Assumptions for Pro-forma Statement of Financial Position:

The pro-forma Statement of Financial Position has been prepared by adjusting the audited Statement of Financial of the Economic Entity at 30 June 2005 to reflect the financial effect of the following transactions as if they had occurred at 30 June 2005:

- The issue of 10,189,343 ordinary shares at 60 cents each and 2,547,402 listed 20 cent options expiring 31 January 2007 at no cost to raise gross proceeds of \$6,113,606 under a Rights Issue Prospectus lodged with ASIC and ASX on 12 August 2005;
- The issue of 2,342,440 ordinary shares at 60 cents each and 585,610 listed 20 cent options expiring 31 January 2007 at no cost to clients of State One Stockbroking to raise gross proceeds of \$1,405,464;
- Estimated costs of \$430,00 associated with the Issue and Placement have been written off against share capital in the pro-forma Statement of Financial Position;
- \$3,000,000 of the funds raised will be used to complete a settlement under the Plant Lease, Option and Ore Supply Agreement.

### **2. Capital structure of the Company post-completion of Rights Issue and Placement**

<i>Description</i>	<i>Shares</i>	<i>Options (listed)</i>	<i>Options (unlisted)</i>
Opening balance	40,907,372	19,578,263	3,825,000
Securities issued pursuant to Issue	10,189,343	2,547,402	-
Securities issued pursuant to Placement	2,342,440	585,610	-
Total securities on issue post-completion	53,439,155	22,711,275	3,825,000

### **3. Twenty largest shareholders of the Company post-completion of Rights Issue and Placement**

<i>Name of shareholders</i>	<i>Number of shares held</i>	<i>% held</i>
1. Forty Traders Limited	4,251,368	7.955
2. Geoffrey Davis & Susan Davis	2,166,000	4.053
3. Mr Edward Stuart Mackey Mein	1,815,000	3.396
4. Yarandi Investments Pty Ltd (Griffith Family No 2 A/C)	1,809,583	3.386
5. Skiptan Pty Ltd (P & M Meurs Family A/C)	1,666,667	3.118
6. Platinum Investment Corporation Pty Limited	1,650,000	3.087
7. Mr William Douglas Goodfellow	1,218,750	2.280
8. Harvest Services Aust Pty Ltd	1,090,000	2.039
9. Jeffrey Schiller & Karen Schiller	1,080,000	2.020
10. Rosemont Asset Pty Ltd	1,040,000	1.946
11. Mr Peter Bowman	1,000,000	1.962
12. Mr William Henry Hernstadt	901,000	1.686
13. Bruce Birnie Pty Ltd	818,750	1.532
14. Yellowrock Pty Ltd	771,720	1.444
15. Zelman Pty Ltd	760,640	1.423
16. Tasco Development Limited	640,000	1.197
17. Forbar Custodians Limited (Forsyth Barr Ltd-Nominee A/C)	631,875	1.182
18. Mr Roderick Claude Mcillree	630,000	1.178
19. Mr Patrick Butler	625,000	1.169
20. Miss Yee Chin Tan	600,000	1.122
Total	25,166,353	47.084

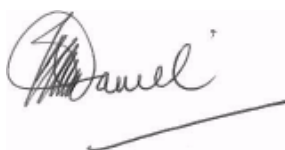
4. **Twenty largest listed optionholders of the Company post-completion of Rights Issue and Placement**

<i>Name of optionholders</i>	<i>Number of options held</i>	<i>% held</i>
1. Forty Traders Limited	1,355,342	5.967
2. Geoffrey Davis & Susan Davis	1,079,000	4.750
3. Platinum Investment Corporation Pty Limited	825,000	3.632
4. Yarandi Investments Pty Ltd (Griffith Family No 2 A/C)	791,147	3.483
5. Mr Edward Stuart Mackey Mein	772,500	3.401
6. Mr Cameron John French	658,778	2.900
7. Mr William Douglas Goodfellow	548,438	2.414
8. Yellowrock Pty Ltd	545,000	2.399
9. Mr Peter Bowman	530,000	2.333
10. Finance Associates Pty Ltd (Gregory Family A/C)	523,127	2.303
11. Jeffrey Schiller & Karen Schiller	520,000	2.289
12. Horseshoe Holdings Pty Ltd (Horseshoe Super Fund A/C)	435,270	1.916
13. Rosemont Asset Pty Ltd	420,000	1.849
14. Harvest Services Aust Pty Ltd	417,500	1.838
15. Skiptan Pty Ltd (P & M Meurs Family A/C)	416,667	1.834
16. Mr Roderick McIlree (McIlree Super Fund A/C)	391,099	1.722
17. Mr Mick Hearl	375,000	1.651
18. Mrs Abigail Fry	271,287	1.194
19. Beneficial Investment Corporation Pty Limited	250,000	1.100
20. KHH (Aus) Holdings Pty Ltd	238,353	1.049
<b>Total</b>	<b>11,098,507</b>	<b>50.024</b>

5. **Application of funds raised from Rights Issue and Placement**

<i>Item description</i>	<i>Amount (\$)</i>
<b><u>Funds available:</u></b>	
Cash at bank	330,585
Funds from Issue and Placement	7,519,070
<b>Total funds available</b>	<b>7,849,655</b>
<b><u>Application of funds:</u></b>	
Payment to settle Lease/Option Agreement	3,000,000
Cost of Issue and Placement	430,000
Exploration Programmes	2,000,000
Outstanding liabilities	400,000
General working capital	2,019,655
<b>Total</b>	<b>7,849,655</b>

Yours faithfully



**ROY DANIEL**  
Company Secretary