

## **MEDUSA MINING LIMITED**

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05 October 2005

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

Dear Sir/Madam

## MEDUSA RECEIVES BACTECH TECHNOLOGY LICENCE

Medusa Mining Limited ("Medusa") advises that it has agreed with BacTech Mining Corporation ("BacTech") of Canada to receive the rights to one BacTech Technology Licence, free of licence fees and royalties, in exchange for Medusa forgiving all unpaid amounts due from metallurgical testwork carried out on the Dizon tailings project.

The licence will be shared 50:50 with Independent Metallurgical Laboratories Pty Ltd of Perth, Western Australia who carried out the metallurgical testwork. The licence can be used in any country where BacTech does not have an exclusive licencing arrangement with a third party.

The settlement also involves cancellation of the Exclusive Joint Venture between Medusa and BacTech for use of the BacTech technology in the Philippines.

Yours faithfully

GEOFF DAVIS

**Managing Director**