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Figure 1. Project locations

Corporate Directory

BOARD OF DIRECTORS

Dr Jeffrey Schiller
B.Sc. (Hons), Ph.D.,
Member AusIMM
Non Executive Chairman

Mr Geoffrey John Davis
M.Sc, Mining and Exploration Geology
B. Sc (Hons), Geology.
Member, Aust Inst of Geoscientists
Managing Director

Mr Edward (Ted) S Mein
BEng (Mining), Member AuslMM.
Executive Director

Mr Simon Cato
B.A., MSDIA
Non Executive Director

COMPANY SECRETARY

Mr Bruce Acutt
B.Comm.

PRINCIPAL AND REGISTERED OFFICE

7/11 Preston Street
Como
Western Australia 6152

PO Box 860
Canning Bridge
Western Australia 6153

Telephone : +618 9367 0601
Facsimile : +618 9367 0602
Email : admin@medusamining.com.au
Web : www.medusamining.com.au

ASX CODE

MML
MMLO

AUDITORS

Mack & Co
Level 2
35 Havelock Street
West Perth
Western Australia 6005

Telephone : +618 9322 2798
Facsimile : +618 9481 2019

SHARE REGISTRY

Advanced Share Registry Services
Level 6
200 Adelaide Terrace
Perth
Western Australia 6000

Telephone : +618 9221 7288
Facsimile : +618 9221 7869

SOLICITORS

Fairweather & Lemonis
Level 9
172 St George's Terrace
Perth
Western Australia 6000

BANKERS

BankWest
108 St George's Terrace
Perth
Western Australia

HOME EXCHANGE

Australian Stock Exchange Limited
2 The Esplanade
Perth
Western Australia 6000

Chairman's Report

This is Medusa's inaugural annual report to its shareholders since its successful listing on the Australian Stock Exchange in December 2003. It is with much pleasure that I am able to report that the company has gotten off to an energetic start with a successful first nine months. Highlights during this period have been the development of our projects in the Philippines and strong investor support for the company.

At our flagship project in the Philippines, the Saugon gold-silver project, we have earned a 50% interest by sole funding the first A$1.2 million of expenditure. This money was directed to diamond drilling and underground development of the First Hit Vein with minimal administration or overhead costs. This work confirmed that the First Hit Vein system has sections with high gold grades. Further work is needed but the company anticipates from work done to date that vein material will be mined during the next twelve months. While the First Hit Vein is being evaluated, exploration on other gold targets in the Saugon area will continue. The gold potential of the broader Saugon project area has not been explored systematically. Initial surveying of this area suggests good potential for epithermal gold veins and promising results have been obtained from recent work on two gold prospects, Paradise Ridge and Mabas.

Work at Saugon is under the capable management of our joint venture partner, Philsaga Mining Corporation, which operates the nearby Co-O gold mine and CIL treatment plant. Any ore mined from Saugon will be treated at Philsaga's plant.

The Medusa Board believes that it is an opportune time to invest in the resources industry of the Philippines, and that the company has some competitive advantages in operating there. In particular, our Managing Director, Geoff Davis, has over 20 years of exploration and corporate experience in the Philippines during which time he has seen many project opportunities and developed a key network of associates. Already we have seen the benefit of Geoff's experience and associates in the form of two new joint ventures over former mining centres at Dizon and Marian, both on the island of Luzon. Another advantage is our close working relationship with our joint venture partner, Philsaga, with its experience in narrow vein mining, a mining method commonly required to make epithermal veins commercially viable. Additionally, Philsaga's CIL plant has abundant spare capacity to handle any ore from Saugon.

Medusa intends to expand its holdings in the region around Saugon because it lies in a belt of volcanic rocks that has produced two outstanding epithermal gold deposits (Co-O and Diwalwal). Surprisingly, this very prospective belt remains poorly explored. Wider afield in the Philippines, the company has been looking for mining opportunities or advanced exploration opportunities that could create early cash flows with minimal capital outlay.

On the corporate side, Medusa has enjoyed strong support from investors and shareholders, which has kept our share price at a considerable premium to the initial application price of 20 cents in the Prospectus. This support also allowed the company to raise $177,128 in March 2004 with a rights issue of options to shareholders and in June/July a further $961,875 was raised by a placement of shares with attaching options to investors.

Finally, I extend my thanks to my fellow board members. In particular, Geoff Davis' competent management of the company and his ability to secure attractive projects have played a key role in Medusa's success to date.

Jeff Schiller
Chairman

Figure 2. First Hit winze headframe.

PROJECT OVERVIEWS

The locations of the Company's projects are shown on Figure 1.

SAUGON GOLD-SILVER PROJECT (Medusa 50%)

Background

The Saugon Project is located in central eastern Mindanao in the Republic of the Philippines (Fig. 1) and is accessed by the national highway some 170 kilometres or approximately 2.5 hours of driving north from Davao City. Access from the highway to the project is via 6 kilometres of gravel roads. The Co-O milling facility owned by the Company's joint venture partner and operator of the joint venture, Philsaga Mining Corporation, is approximately 30 kilometres by road from the project.

At the end of July the Company had earned a 50% interest in the project through expending the first A$1.2 million, and is now sharing on-going costs on an equal basis with Philsaga. The joint venture area totals approximately 212 km comprising mineral tenements of several Small Scale Mining Permits and Exploration Permit Applications, as shown on Figure 3. Mining and Production Sharing Agreement applications to permit large scale mining will be lodged in the near future.

Exploration work by the joint venture commenced in mid 2003 on the **First Hit Vein** which has been followed at the surface for over 600m (and is open along strike). It is currently being drilled from surface and explored underground by a winze and development. Refer Figures 2 and 4. Potentially mineable vein material is currently being delineated in the vicinity of the winze.

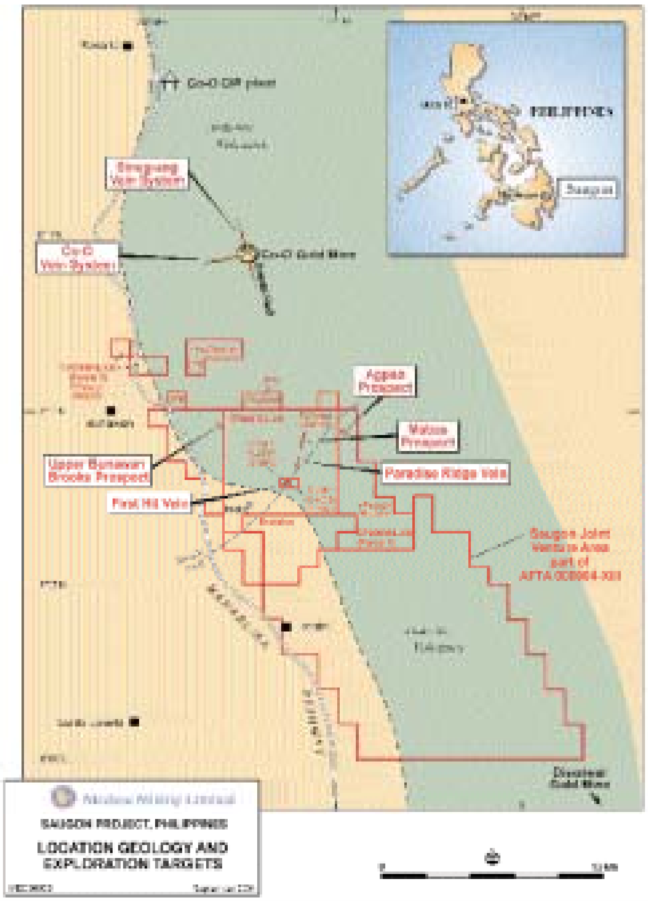

Figure 3.

Work has recently commenced on two new prospects, the **Mabas** and **Paradise Ridge** prospects as described in subsequent sections.

Up to three diamond drilling rigs have been working on the project with the aim of exploring the First Hit Veins

Figure 4. First Hit Adit layout.

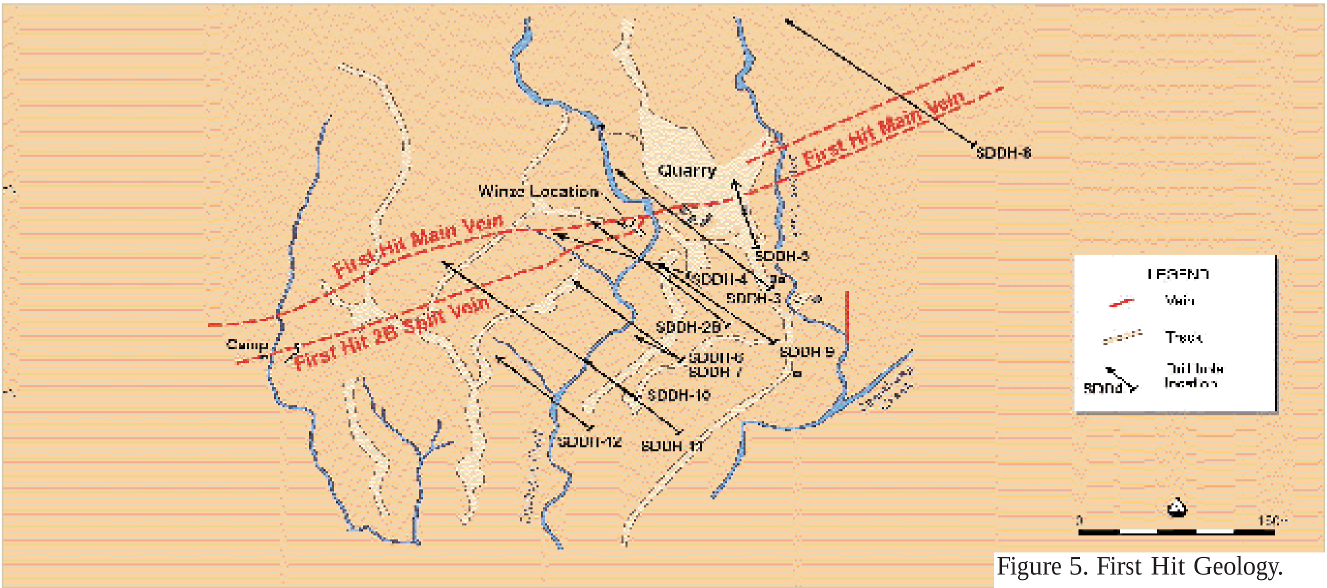

Figure 5. First Hit Geology.

along strike and more recently the Mabas and Paradise Ridge prospects.

First Hit Vein Drilling Progress and Geology

The drill holes and results to hand are listed in Table I and the collar positions of the holes are shown on Figure 5.

Vein Setting

Geological compilation and interpretation show that the First Hit Vein is controlled by a major NE trending fault zone, locally named the Saugon Fault, that also appears to control the position on its north side of an extensive intrusive diorite body. This body has now been intersected in most drill holes below or in the footwall of the vein, and below a sequence of volcanic breccias in the hanging wall of the veins (south side) which are in turn overlain by a sequence of shales and siltstones capped by a massive limestone horizon. At surface the First Hit Vein is hosted by volcanic breccias indicating the diorite contact is at depth in the footwall to the veins. Reconnaissance has shown the diorite body extends in outcrop for at least several kilometres to the north and one kilometre to the northwest. In all drill holes the diorite contains ubiquitous propylitic (pyrite and chlorite) alteration, suggesting it may have potential to host porphyry copper-gold mineralisation elsewhere in the district.

TABLE 1 First Hit Vein: Summary of diamond drill hole results >1g/t Au

Hole	North	East	Dip	Azi-muth	From (m)	To (m)	Width (m)	Au g/t	Ag g/t	Intersection name
SDDH-2B	899,267	616,944	55°	316°	108.5	109.5	1.00	35.95	541.2	2B Split
SDDH-3	899,305	616,977	55°	316°	106.55	106.75	0.20	0.09	4.0	Main Vein
					222.15	222.65	0.50	1.42	27.6	Un-named
SDDH-4	899,318	616,912	59.6°	290°	64.55	65.55	1.0	1.37	19.8	2B Split
					89.50	89.70	0.20	9.74	143.2	Main Vein
SDDH-5	899,344	616,964	54.3°	345°	71.80	72.75	0.95	3.20	31.8	Main Vein
SDDH-6	899,233	616,907	51.9°	317°	119.55	119.90	0.35	1.84	24.24	2B Split
					144.10	144.20	0.10	14.88	200.00	Main Vein
SDDH-7	899,232	616,908	81°	327°				NS		Main Vein
SDDH-9	899,250	616,979	67°	319°	170.50	171.15	0.65	2.31	34.5	2B Split
					176.20	176.40	0.20	5.00	75.0	Main Vein?
SDDH-10	899,198	616,872	49°	319°	152.47	152.65	0.18	4.14	65.00	Main Vein

Notes: Collar co-ordinates represent the national grid adopted at Saugon Holes SDDH-8, 11 and 12 are completed with results awaited. NS = no values >1g/t Au

The difference in physical characteristics between the diorite on the north side of the Saugon Fault and the volcanics and sediments on the south side is considered to be very favourable for developing structural traps into which vein mineralisation could be deposited.

(a) Vein Geology and Mineralisation

A combination of drilling results and the plat development at the 40m down winze depth has demonstrated that the winze was sunk at the junction of a split in the First Hit Vein (previously interpreted in the winze to be a cross fault), where the vein splits into two to the west of the winze but continues to the east of the winze as one vein. The split from the **Main Vein** has been named the **2B Split Vein** (the hanging wall or upper vein). At present the Main Vein is characterised by white vuggy quartz with clots and patches of lead and zinc sulphides and the 2B Split Vein is characterised by mottled greyish-white quartz and high base metal sulphide contents, and is brecciated in places.

The **Main Vein** encountered in both walls of the winze during sinking was white quartz, commonly intensely hyrothermally brecciated in the west wall, but more regular in the east wall and containing erratic high grade narrow 3 - 5cm wide "black leaders" containing up to 354g/t Au and 5,660g/t Ag. The Main Vein has been intersected in holes SDDH-4, 5 & 6, and whilst narrow to the west of the winze, contains good gold and silver grades with the potential to redevelop into a mineable width.

Figure 6 shows the cross-section through the winze and three diamond drill holes, and summarizes the relevant assay data. Potentially mineable vein material has been intersected in drilling and the "in-progress" underground work around the winze. This material will be further delineated by the underground development and if feasible, prepared for mining, as below:

- A high grade shoot in the 2B Split Vein is in the process of being defined by the cross-cuts at the adit level (0.6m @ 3.8g/t Au), the west heading at the 40m level where the last face sample returned 0.9m @ 13.16g/t Ag after drive sample values along a strike of 10m including 0.8m @ 14.76g/t Au, 1.15m @ 6.96 g/t Au and 0.5m @ 16.33 g/t Au, in hole SDDH-2B (1m @ 35.95g/t Au & 541.2g/t Ag), and in hole SDDH-9 (0.65m @ 2.31g/t Au and 34.5g/t Ag. Three individual samples of the broken mineralisation at the face ranged from 21 to 51g/t Au and 300 to 1700g/t Ag. The mineralisation in all cases is lead-zinc rich with lesser copper, and is commonly brecciated. Hole SDDH-4, which also intersects the 2B Split Vein but approximately 15 metres west of the winze and 35 metres below it, appears to have located low grade mineralisation (1 metre @ 1.37 g/t Au & 19.8g/t Ag) despite intersecting veining and strong silicification, and possibly highlights the difficulty of obtaining a realistic assessment of vein grades by drilling.

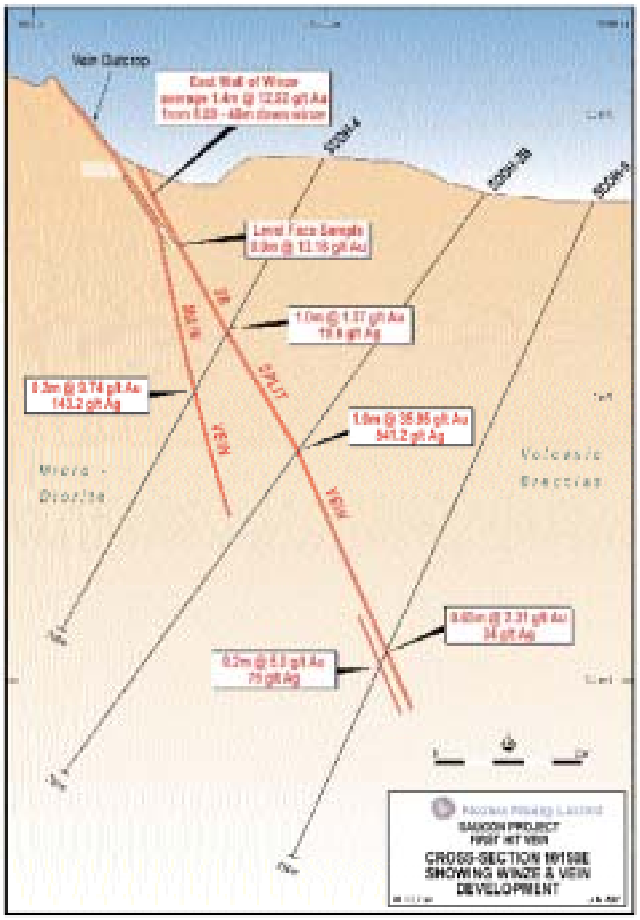

Figure 6.

- A high grade shoot in the Main Vein to the east of the winze and above the 40 metre level (and possibly below) is anticipated from current geological interpretations as indicated in the east wall of the winze where the average of the channel samples commencing from 6.50m to 38.20m down winze is 12.92 g/t Au over an average sample width of 1.4 metres (excluding the "black leader" specific assays). Drill hole SDDH-4 intersected 0.95 metres @ 3.20g/t Au and 31.8 g/t Ag of brecciated vein (with base metal rich grey quartz fragments in white silica matrix) approximately 60 metres to the east of the winze, indicating the potential for mineable vein in this area, and above SDDH-3 which intersected narrow, low grade, crushed and overprinted vein material at approximately 125m below surface.

Brecciation and overprinting of sections of the First Hit Vein by carbonate and some barren white quartz has diluted the grade of the quartz vein intersected in some drill holes in the area away from the winze (but not the sections of potentially mineable vein material described above) hence the drilling is stepping out in both directions at 100m intervals to locate additional sections of the First Hit Vein system where the overprinting has not occurred.

The results from the drill holes completed to date are shown in Table I.

(b) Microscopic Examination of the Gold Mineralisation

Microscope examination was undertaken by Perth consultants of drill core samples from the SDDH-2B high grade intersection and from black leader mineralisation from the winze.

The black leader sample chosen was that from the east wall at 19.10m inclined depth (354g/t Au, 5661g/t Ag, 3.38% Cu, 19.09% Pb and 8.44% Zn) that recorded the highest gold assay value to date in order to increase the chance to observe as many grains of gold as possible.

The gold occurs as free sub-microscopic grains, commonly smaller than 10 microns in size, and many containing up to 17% Ag forming a gold-silver alloy called electrum. The grains examined to date occur in close association with the silver telluride, hessite, and with the lead and zinc sulphides, galena and sphalerite, and to a lesser extent with rarer grains of chalcopyrite (copper sulphide). Other tellurides called coloradoite and altaite are also present. Minor gold occurs enclosed in quartz.

Examination of the samples from hole SDDH-2B showed similar associations as those exhibited in the winze samples.

The observed free gold particles support earlier preliminary metallurgical test work conducted on samples from the stock pile whereby +90% recovery was achieved in laboratory scale cyanide leach testwork.

Drill Core Analysis

Following geological logging and photography, all drill core selected for assay was split in half by diamond saw and half core was sent to McPhar Geoservices (Phils) Inc (McPhar) in Manila, a NATA registered laboratory. Medusa personnel were present when the samples from SDDH-3 and 4 were bagged and boxed for despatch. Core for these drill holes was BQ size.

Gold is assayed by fire assay of a 30 gram charge with Atomic Absorption Spectrometry (AAS) finish. Copper, lead, zinc and silver were assayed by AAS following a hot acid leach. Arsenic was assayed by Vapor Generation/AAS from the acid leach.

Exploration Winze

The winze has reached a depth of 40 metres down winze where it was stopped because the vein had steepened and the winze was entering the hanging wall rocks to the vein. Development of the Level 1 plat at the 40m level is well advanced with a water a pump station and dam completed to receive water from the bottom of the winze. Initial plat development has confirmed the direction of the driving on the veins to enable the rail set up to be completed.
A projection of all the wall assays obtained from the winze is shown on Figure 7 (see below).

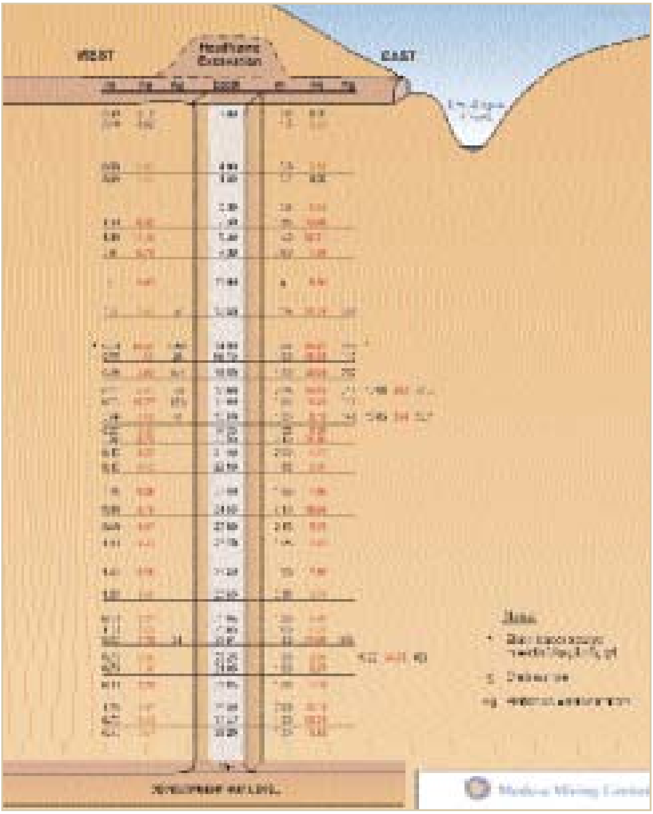

Figure 8. Mabas surface panorama.

The head frame and skip were installed in August and driving in two directions on the 40m level is in progress.

Assaying of winze samples is conducted in the fully equipped assay laboratory located at Philsaga's Co-O treatment plant site where gold assaying is by fire assay with AAS finish on 25g charges. Some winze samples were submitted to McPhar for check assaying with results exhibiting good correspondence.

Exploration of the Mabas and Paradise Ridge Prospects

(a) Mabas

The Mabas prospect is located approximately 3 km northeast of the First Hit Vein. Work has commenced by the joint venture on the Mabas prospect which consists of prospector winze and workings and a 9m shaft on two north trending, parallel quartz veins hosted by altered diorite. Approximately 300 tonnes of waste material are on surface from previous prospector activities. Refer Figure 8.

The workings are being dewatered and sampled and are a total of 14m deep with an internal drive at the 6m level. The first two samples from the dewatered 6m level have returned 1.2m wide each at 6g/t Au and 1.2g/t Au. Previous samples of vein material from the dumps returned up to 13 g/t Au in early 2003. Dewatering to the 14m level is in progress.

The orientation of the Mabas prospect is similar to the Oriental Fault which truncates mineralisation on the east end of the Co-O vein system to the north, and which hosts the Sinug-ang mineralisation to the north of Co-O.

(b) Paradise Ridge

The Paradise Ridge prospect is located approximately 1.5 km north of the First Hit Vein. Examination of the Paradise Ridge prospect identified a prominent NNE trending ridge at least 500 metres long and consisting of intensely silicified diorite over estimated widths to 20-30 metres. Some of the silicification also contains narrow quartz veining, common iron oxides after sulphides and disseminated barite. Barite is an exotic mineral commonly associated with epithermal gold mineralisation, as is the case at the First Hit Vein and Co-O. The surface expressions suggest that the outcrops are representative of a high level or uneroded epithermal system. The outcrops are at a higher topographic level than the First Hit Vein.

A program of outcrop sampling has commenced and will be completed as soon as possible. Results from the first 8 samples have been received returning up to 0.52g/t Au. Continuing encouraging gold results will lead immediately to deep diamond drilling. Refer Figure 9. The topography is very favourable for access by adits with the possibility of significant ore blocks being available above adit level once mineralisation is established.

Figure 9: Drilling at Paradise Ridge.

Figure 10. Dizon tailings panorama.

DIZON PROJECT (Option to Joint Venture 60%)

Terms of the Agreement

Medusa has signed a Memorandum of Understanding (MOU) with Dizon Copper & Silver Mines Inc. (DCSMI) under which the Medusa has six months or longer, depending on satisfaction of certain conditions precedent, in which to obtain sufficient representative samples from the mill tailings on which to undertake preliminary metallurgical test work to determine the viability of treating the mill tailings to recover primarily the gold and possibly silver and copper. This initial phase of work will be funded solely by Medusa.

Upon positive results from the test work, DCSMI and Medusa will replace the MOU with a Mines Operating Agreement (MOA) under which DCSMI and Medusa will form a joint venture with the initial equities being DCSMI 40% and Medusa 60%. Under the terms of the joint venture, should DCSMI elect to only partly contribute to the following expenditures then its equity will reduce on a pro-rata basis. If DCSMI elect not to contribute or their contribution results in an equity of less than 10% then DCSMI will reduce to a 3% Net Smelter Return royalty.

Project Background

The Dizon Project is located approximately 200 kilometres by road northwest of Manila and approximately 28 kilometres by all weather gravel road from Olongapo City at Subic Bay Freeport Business area, formerly the USA Naval Base and deep water port.

The Dizon Porphyry Copper-Gold Mine operated as a 50:50 joint venture between DCSMI and Benguet Consolidated Inc (Benguet) between late 1979 and 1997 with Benguet as the operator.

The initial mining reserve can be found in Malihan, 1987.

The open pit mine finally closed in 1997 after mining 110,032,754 tonnes of ore and recovering 749,755,457 pounds (341,388 tonnes) of copper and 1,906,754 ounces of gold (Benguet Consolidated Inc website). Closure was premature with ore remaining in the pit floor due to wall collapse on the southeastern portion of the pit. Benguet subsequently withdrew from the joint venture.

It should be noted that the Dizon porphyry copper-gold mine was the richest in gold that has been mined in the Philippines to date.

Mill Tailings

The mill tailings are impounded behind a large earthwall dam within a steeply walled valley approximately 1 kilometre from the open pit. The tailings are estimated to be approximately 100 to 125m deep at their deepest point.

Discussions with former metallurgists who worked at the mine have highlighted the fact that Benguet conducted preliminary work on the tailings to investigate the recovery of additional gold. Using gravity methods, Benguet produced pyritic concentrates that contained approximately 15-25g/t Au, 15-25g/t Ag and 2-3% Cu, along with magnetite. Roasting and pressure oxidation methods were then applied to recover the metals but were considered unfeasible at the time, partly due to the intent to transport the concentrate to Germany.

The Company is investigating alternative methods of treating sulphide concentrates should it be successful in producing concentrates at economic grades.

A program of approximately 500 metres of drilling using 3 rigs and Dennison sampling tubes commenced in late July to obtain sufficient tailings material with which to conduct initial metallurgical test work. The drill samples will be shipped to Perth for a specifically designed metallurgical test work program.

Malihan, Tomas, D., 1987:

The Geology Alteration and Mineralisation of the Gold-rich Porphyry Copper Mine in Western Central Luzon with Notes on its Regional Geological and Tectonic Setting. Presented in "Gold 87 in the Philippines Setting" Seminar held in Manila in December, 1987.

MARIAN GOLD MINE (Option to Joint Venture 50%)

Terms of the Agreement

Medusa has signed a Memorandum of Understanding (MOU) with Vulcan Industrial and Mining Corporation (Vulcan) that provides Medusa with a 6 month Option Period or longer, depending on the satisfaction of certain conditions precedent, in which to undertake data compilation, JORC code compliant resource calculations and general assessment of the viability of the project. Medusa will pay US$10,000 upon receipt of a satisfactory tenement due diligence report. This phase of the work will be sole funded by Medusa.

Upon positive results from the above work, Vulcan and Medusa will replace the MOU with a Mines Operating Agreement (MOA) under which Vulcan and Medusa will form a joint venture with the initial equities being 50:50. Under the terms of the joint venture, should Vulcan elect to only partly contribute to the following expenditures, then its equity will reduce on a pro-rata basis. If Vulcan elect to not contribute or their contribution results in an equity of less than 10% then Vulcan with reduce to a 3% Net Smelter Return royalty.

The joint venture has 2 years in which to determine whether it is economic to re-open the mine. Work to be undertaken during the MOA will likely include mine dewatering, underground sampling and drilling, mine planning and ancillary studies resulting in completion of feasibility studies.

Project Background

The Marian Gold Mine is located in the Isabella Province northeast of Manila and adjacent to the City of Santiago. Road access to the project from Manila is by approximately 300 kilometres of national highway, thence by 5-6 kilometres of all weather gravel road to the minesite, totalling 6-7 hours of driving.

The mine is contained within a Mining and Production Sharing Agreement application totalling 6,350 hectares and numbered APSA II-000021 (APSA).

The Marian Gold Mine was discovered in the 1970s during a regional exploration program for porphyry copper mineralisation. Exploration success resulted with the discovery of the small and well drilled monzonite hosted Marian porphyry copper deposit and a separate gold-rich quartz vein system approximately 500 metres to the northwest of the porphyry deposit.

The main veins discovered and mined to date include the Annabelle, Diana and Brown Veins, all of which are hosted by syenite and tinguaite intrusive rocks.

The veins form a northeast-trending, parallel vein system over a strike length of over one kilometre, with the vein system appearing to be open along strike, particularly to the north. The mesothermal-epithermal style veins pinch and swell with widths ranging from 0.5 m to approximately 3 metres and with high gold grades generally correlating with high surface lead values.

Previous exploration within the immediate area has located numerous adjacent veins on which follow-up exploration appears justified.

Mining Summary

After operating for six years, the mine closed in 1984 due to the lack of capital to replace the shaft winding gear due part to a reduced gold price. Since 1984 and after sale of the mine equipment and facilities, Vulcan has kept the project on a care and maintenance basis.

During the period of operation, Vulcan's records show the mine to have treated 264,000 tonnes containing 63,600 ounces of gold at an average mine head grade of 7.5 g/t Au.

Medusa's discussions with former employees and examination of plans have indicated that ore dilution resulted from the less than selective mining practices applied to the narrow gold rich quartz veins and have identified the following practices and parameters:

- The total strike length of the workings on veins is approximately 1.2km on which approximately 7km of underground development on seven levels has been completed with the bottom level at 241m below surface;

- Main access is a three compartment vertical shaft to 241m that is concrete lined to the first level at 41m and a smaller inclined shaft from surface that was used for secondary access;
- All mining was undertaken to minimum mining width of 1m resulting in considerable dilution where the gold-rich quartz veins were less than 1m wide, although some in-stope hand sorting was undertaken with the waste rock used for stope fill;
- Where there was alteration peripheral to the quartz veins, in most cases the alteration was mined despite no there having been no separate sampling undertaken of the veins and alteration material;
- Higher grade gold values were generally found within shoots between 60 and 100m long with most of the higher grade shoots appearing to be open at depth and below the current working levels;
- Sampling was commonly conducted over a minimum sample width of 1m in keeping with the designated mining width, irrespective of the vein width and the veins were rarely selectively sampled;
- A significant proportion of the ore treated through the mill was development ore and the minimum mined grade for processing was 4 g/t Au;
- Minimal underground drilling appears to have been undertaken to explore for new parallel veins and at depth.

Drilling to date has not closed off the Marian veins along strike or to depth and the potential exists to apply selective sampling and mining practices to achieve the mining of higher grades of gold ore and the recovery of gold at lower unit costs.

As previous milling facilities have been removed, sufficient ore will need to outlined to justify the construction of a new mill and associated facilities.

Medusa has access to selective narrow vein mining expertise within the Philippines through its joint venture partner at Saugon, and together with Medusa's project management expertise, these two factors are perceived as being the keys to successful exploitation of the Marian Project.

BRAEMORE PROJECT (Option to sell)

The Company has reached agreement with Teck Cominco Australia Pty Ltd (Teck) whereby Teck has acquired an Option to Purchase the Braemore Project on the following terms:

- The exercise date of the Option is 1st February 2005
- Payment of a $10,000 option fee to Medusa
- Teck will undertake a program with a minimum of 2000m of RAB drilling
- Teck will purchase the project for $150,000 cash should they exercise the Option
- On production of more than 500,000 ounces, Medusa will be paid a 1% gross royalty to a maximum payout of A$1,000,000.

Field work is expected to commence in the third quarter of 2004.

KURNALPI PROJECT (Awaiting Ministerial decision)

As advised in the ASX release of 26 May 2004, the Company is awaiting the outcome of a submission to the Minister for Trade and Development by the plaintiff objecting to the Warden's decision in favour of the vendor. Submissions from both parties were required to be submitted to the Minister by June 22, 2004. A decision by the Minister is expected about the end of August 2004.

ANTI DAM PROJECT (Medusa 90%)

Detailed photo mapping was carried out on the project in conjunction with the purchase of multi client aeromagnetic data and interpretation. The work has identified a major north-trending structure and northeast-trending mineralising splay structures which appear to be the controls for an extensive envelope of carbonate (sericite) alteration. The Colour Dam open pit and resource (inferred resources of 121,000 tonnes containing 3.3g/t Au) is located at the southern end of the extensive alteration zone.

The known mineralisation is hosted by a wedge shaped belt of doleritic and basaltic mafic rocks which are terminated south of the Colour Dam open pit and which increases in width to the north. Both the eastern and western sides of the mafics are underlain by felsic rocks, commonly quartz eye tuffs, with minor possible intrusive felsic rocks. Thin mafic horizons occur in the felsic rocks.

Subsequent to the end of June, the Company completed the purchase PLs 28/993 and 994 which extend the strike length to the north of the structural and alteration zone identified in the Anti Dam mapping. The purchase price was $20,000 and they are now included in the Anti Dam project under the same terms and conditions as were detailed in Medusa's prospectus for the purchase of the Anti Dam Project.

OTHER PROJECTS

As advised in the ASX announcement of 11 June 2004, the Company elected not to exercise an Option to Purchase the King and Queen River projects after undertaking detailed metallurgical test work and resource estimation on the Queen River sediments.

During this program, Medusa compiled aerial photography of the area to map the river sediments and estimate their volume from field measurements and observations.

The testwork identified several different forms of gold available within the Queen River system for which bench metallurgical tests were conducted to extract the gold by gravity concentration and amalgamation, amongst other means. Whilst anticipated prior to entering into the Agreement, the deleterious impact on recovery of free gold of the high content of sulphide grains and slag particles in the sediments was greater than that expected by Medusa and considerable effort was expended to address this issue.

A probable means of processing the river sediments to extract free gold and the sulphide grains, also containing gold, was developed with an expectation of reasonable recovery. However, the evaluation by Medusa of the volume of available material for treatment, the nominal head grade, the recovery rates, the anticipated costs and the return on investment to conduct the proposed operations lead to the conclusion that the project was not suitable for Medusa.

The Montacute Project is located east of Adelaide and was held as Mining Lease 5889 (ML) over the old Montacute Copper Mine and Exploration Licence 3061 (EL).

Since commencing work in the area in 2004, an increasingly larger group of residents has objected to Medusa's exploration activities, including lodging plaints against the right of entry to sections of the EL. Transfer of the ML to Medusa has still not occurred since lodging transfer documents in late December 2003. In addition, other projects in the region which Medusa was investigating to form a group of projects have subsequently become unavailable.

Consequently, the Company has relinquished the EL and has returned the ML to the vendor.

The Company is still awaiting the granting of the Mt Stirling prospecting licences in order to complete the acquisition of the project, but has been informed by the vendors, that due to a dispute between the state and native title parties, that this is unlikely to occur before the end of 2004.

Directors' Report

The Directors present their report together with the financial report of Medusa Mining Limited ("the Company") and the consolidated financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2004, and the auditors' report thereon.

1. DIRECTORS

The Directors of the Company at any time during or since the financial year are:

Dr Jeffrey C Schiller	Chairman	- appointed	03	July 2003
Mr Geoffrey J Davis	Managing Director	- appointed	05	July 2002
Mr Edward S Mein	Director	- appointed	13	September 2002
Mr Simon K Cato	Director	- appointed	30	June 2003
Mr Richard H M Oh		- resigned	01	July 2003

2. DIRECTORS' MEETINGS

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year were:

Director	**No. of Meetings Attended**	**No. of Meetings Held While in Office**
Jeffrey Schiller	12	12
Geoffrey John Davis	12	13
Edward (Ted) S Mein	11	13
Simon Kenneth Cato	13	13

The Company does not have a separate audit committee. The Directors believe that the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of a separate audit committee. Accordingly, all matters capable of delegation to an audit committee are considered by the full Board of Directors.

3. PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity during the course of the financial year was mineral exploration and development. There was no significant change in the nature of the activity of the consolidated entity during the year.

4. OPERATING RESULTS

The net consolidated loss for the financial year attributable to members of Medusa Mining Limited after income tax was $473,498 (2003: loss $224,218).

5. REVIEW OF OPERATIONS

During the period the economic entity concentrated on its operations in the exploration and evaluation of mineral interest, principally for gold and gold-copper. The main activities were conducted in the Philippines. The economic entity also undertook a review of a number of additional exploration properties.

6. DIVIDENDS PAID AND RECOMMENDED

There were no dividends paid or declared by the Company since the previous financial year.

7. SIGNIFICANT CHANGE IN STATE OF AFFAIRS

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:
The Company listed on the ASX on 23 December 2003 and raised $3,436,310 through the issue of 22,478,000 ordinary shares, 17,809,793 listed options and 1,600,000 unlisted options through seed capital raisings, the initial public offering, a placement and a rights issue of listed options to shareholders.

8. AFTER BALANCE DATE EVENTS

During July 2004 the Company placed 1,175,000 ordinary shares at 40 cents each and 587,500 listed options at 1 cent each to raise $475,875 before expenses.

Subsequently, to 30 June 2004, the company attained its expenditure requirement to earn its 50% equity in the Saugon gold project in the Philippines.

Other than the matters described above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and/or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

9. FUTURE DEVELOPMENTS

The consolidated entity will continue to pursue its policy of acquiring and testing attractive mineral properties with a view to developing properties capable of economic mineral production. Joint venture partners will be sought where appropriate.

10. DIRECTORS' INFORMATION

Jeffrey Schiller B.Sc. (Hons), Ph.D., Member AusIMM.
Non Executive Chairman

Dr Schiller is a geologist with 30 years experience in the Australian mineral exploration and mining industry. During his career Dr Schiller has held a number of senior technical and corporate management positions in exploration and mining companies. His professional background covers the full spectrum from grass roots exploration to project evaluation, feasibility studies and mining operations. Dr Schiller was a founding director of Independence Gold NL, a mineral exploration company that was listed on the ASX in 2002 and has since become a profitable nickel miner. Prior to that he was Chief Executive Officer and a director of Geographe Resources Limited, an Australian listed exploration and gold mining company. Dr Schiller has made key contributions to a number of Western Australian exploration successes, including the discovery of gold at the Jupiter and Hannan South deposits, and a platinoid discovery at Weld Range.

Mr Geoffrey J Davis M.Sc, Mining and Exploration Geology, B. Sc (Hons), Geology,
Member, Australian Institute of Geoscientists. Managing Director

Mr Geoff Davis worked initially for BHP 10 years following graduation in 1972 before becoming a consultant to a wide range of mining and exploration companies in Australia, Asia and South America. This work specialised in epithermal precious metal and porphyry copper-gold opportunities, and included project acquisition, assessment and exploration. Since 1990, most of his work has been with junior explorers where he has been Exploration Manager to a number of these companies. In this role he has also been extensively involved in company presentations and numerous capital raisings. He has established working relationships within both the technical and share market sectors of the business. In more recent times he has held directorships and senior executive positions in a number of listed and unlisted Australian, Asian and London based exploration and mining companies. Mr Davis is chairman of ReLode Ltd.

Geoff Davis' Filipino Experience

Geoff first started work in the Philippines in 1980 until late 1981 as the Regional Manager for an international mining house based in Manila. This work concentrated on exploring for epithermal gold deposits under the guidance of an internationally recognised consultant who specialised in the field of epithermal gold deposits. During this period he had the opportunity to visit major gold and gold-copper deposits. During the 1980s and 1990s he was involved in consulting to companies in the Philippines as well as assisting companies to source projects and personnel. During the period 1999-2000 he managed the restructure and recovery of a group of companies to the point of financial stability. As part of the restructuring of this group, he managed the sale of the Co-O Gold Project to Philsaga in August 2000. Over the 23 years of experience in the Philippines, he has developed a network of contacts in the mining, exploration, legal and tenement management sectors of the industry which will be important for furthering the Company's business interests in the Philippines.

Mr Simon Cato BA, MSDIA.

Non Executive Director

Mr Simon Cato has had more than 20 years capital markets experience in both broking and regulatory roles. He has been employed by the ASX in Sydney and in Perth in the Companies Department, which oversees the activities of listed companies. Over the last twelve years he has been an executive director of two stockbroking firms and in these roles he has been involved in many aspects of broking, including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker he has also been involved in the underwriting of a number of floats and has been through the process of an initial listing in a dual role of broker and director. Mr Cato is a director of Altera Capital Limited, Sofcom Limited and Bentley International Limited
Board of Directors and Corporate Governance.

Mr Edward (Ted) S Mein BEng (Mining), Member AusIMM.

Non Executive Director

Mr Ted Mein is a mining engineer having had more than 25 years of resource industry experience culminating as resident operations manager and since 1990 practicing as an independent consulting engineer. Ted's expertise ranges from conceptual planning, project feasibility and due diligence studies through to commissioning, operation and decommissioning of numerous projects for copper, zinc and nickel sulphides, nickel and cobalt laterite, gold, bauxite, kaolin, salt, magnesium, vanadium and platinum group metals. As an independent consulting engineer he has predominantly worked as a project manager for both exploration and producing resource companies to conduct feasibility study on prospects and/or develop resource projects into viable operations, or has been commissioned to review prospective projects for financing. As a professional engineer and project manager he provides operations experience to the board's evaluation and development of your Company's projects.

11. DIRECTORS' INTERESTS

The relevant interest of each Director in the share capital of the companies within the consolidated entity, as notified by the Directors to the Australian Stock Exchange in accordance with Section 205G(1) of the Corporations Act 2001 at the date of this report, is as follows:

	Fully Paid Ordinary Shares		Options	
	Number Directly Held	**Number Beneficially Held**	**Number Directly Held**	**Number Beneficially Held**
Jeffrey Schiller	1,000,000	-	500,000	-
Geoffrey John Davis	2,150,000	1,090,000	1,075,000	417,500
Edward (Ted) S Mein	1,765,000	-	760,000	-
Simon Kenneth Cato	-	1,040,000	-	420,000

12. DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

The Board of Directors decides on remuneration policies and packages applicable to the Board members and employees of the Company. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities; and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Directors and senior employees may receive bonuses based on the achievement of specific goals related to the performance of the consolidated entity. Shares issued are a result of the exercise of options previously granted. The ability to exercise the options is conditional on the Company achieving certain performance hurdles.

Details of the nature and amount of each major element of the emoluments of each director of the Company and the consolidated entity are:

Director	Base Emolument $	Non-cash Benefit $	Super Contribution $	Options	Total $
Jeffrey Schiller	20,833	-	-	-	20,833
Geoffrey John Davis	114,000	-	-	-	114,000
Edward (Ted) S Mein	16,670	-	-	-	16,670
Simon Kenneth Cato	10,703	-	964	-	11,667

No shares or options were issued during or since the end of the financial year to Directors or senior executives apart from those detailed in the Company's Prospectus dated 20 November 2003 and a rights issue of listed options to shareholders in March 2004.

13. OPTIONS

The following options remain over un-issued shares at the date of this report:

- 17,809,783 listed options expiring on or before 31 January 2007 at an exercise price of 20 cents each.
- 1,600,000 unlisted options expiring on or before 31 January 2007, at an exercise price of 20 cents each

There are no un-issued shares under option at the date of this report other than those referred to above. These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

14. INDEMNIFICATION OF OFFICERS

The Company, with the approval of shareholders, has entered into Director Protection Deeds ("Deed") with each Director. Under the Deed, the Company indemnifies the Director to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charges, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by the officers in connection with the Director being an officer of the Company, the employment of the Director with the Company or a breach by the Company of its obligations under the Deed.

Pursuant to the Deed, the Company must insure the Directors against liability and provide access to all board documents both while a person is a Director and after that person ceases to be a Director to the extent relevant to defending any claim brought against the Directors in their capacity as officers of the Company.

15. ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to environmental regulations in relation to its exploration activities. The Directors are not aware of any significant breaches during the period covered by this report.

16. CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Medusa Mining Limited support and have adhered to the principles of corporate governance. The Company's corporate governance statement is contained in the Additional Shareholders Information section of the annual report, in accordance with ASX Listing Rules.

17. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

18. ROUNDING OF AMOUNTS

Amounts have been rounded to the nearest dollar.

Dated at Perth this 9th day of September 2004

Signed in accordance with a resolution of the Board of Directors

J SCHILLER
Chairman

STATEMENT OF FINANCIAL PERFOMANCE

for the Year Ended 30 June 2004

		ECONOMIC ENTITY		PARENT ENTITY	
		2004	2003	2004	2003
	NOTE	$	$	$	$
Revenue from sale of tenements	2	10,000	-	10,000	-
Other revenue from ordinary activities	2	53,008	8,988	52,033	8,980
Foreign Exchange gain	2	47,666	1,785	31,274	-
Total Revenue		110,674	10,773	93,307	8,980
Borrowing costs expense		-	(243)	-	(243)
Exploration & development expenses		(331,430)	(203,034)	(331,430)	(203,034)
Employee expenses		(74,838)	-	(69,617)	-
Depreciation expenses		(322)	-	(322)	-
General and administration expenses		(177,582)	(31,714)	(133,764)	(26,918)
Loss from ordinary activities before income tax expenses	3	(473,498)	(224,218)	(441,826)	(221,215)
Income tax relating to ordinary activities	4	-	-	-	-
Loss from ordinary activities after income tax expense attributed to members of the parent entity		(473,498)	(224,218)	(441,826)	(221,215)
Basic loss per share: Ordinary Shares	5	.013	.017	.014	.017
Diluted loss per share:: Ordinary Shares	5	.010	.017	.010	.017

The Statement of Financial Performance is to be read in conjunction with the notes to the Financial Statements

STATEMENT OF FINANCIAL POSITION

for the Year Ended 30 June 2004

		ECONOMIC ENTITY		PARENT ENTITY	
		2004	2003	2004	2003
	NOTE	$	$	$	$
CURRENT ASSETS					
Cash		1,842,148	170,126	1,713,462	96,427
Receivables		46,577	2,656	44,887	2,656
Other	7	25,712	-	25,328	-
TOTAL CURRENT ASSETS		1,914,437	172,782	1,783,677	99,083
NON-CURRENT ASSETS					
Receivables	6	-	-	-	40,092
Property, plant & equipment	8	27,581	-	6,774	-
Exploration, evaluation & development expenditure	9	1,593,023	-	134,807	-
Other financial assets	10	-	-	1,437,132	36,610
TOTAL NON-CURRENT ASSETS		1,620,604	-	1,578,713	76,702
TOTAL ASSETS		3,535,041	172,782	3,362,390	175,785
CURRENT LIABILITIES					
Payables	11	301,375	11,000	94,049	11,000
Provisions	12	1,776	-	1,776	-
TOTAL CURRENT LIABILITIES		303,151	11,000	95,825	11,000
TOTAL LIABILITIES		303,151	11,000	95,825	11,000
NET ASSETS		3,231,890	161,782	3,266,565	164,785
EQUITY					
Contributed equity	13	3,929,606	386,000	3,929,606	386,000
Accumulated losses	14	(697,716)	(224,218)	(663,041)	(221,215)
TOTAL EQUITY		3,231,890	161,782	3,266,565	164,785

The Statement of Financial Position is to be read in conjunction with the notes to the Financial Statements

STATEMENT OF CASH FLOWS

for the Year Ended 30 June 2004

	NOTE	ECONOMIC ENTITY 2004 $	ECONOMIC ENTITY 2003 $	PARENT ENTITY 2004 $	PARENT ENTITY 2003 $
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Receipts from customers		15,926	-	29,281	-
Payments to suppliers		(523,613)	(224,619)	(502,247)	(221,608)
Interest received		49,703	8,988	48,728	8,980
Borrowing costs paid		-	(243)	-	(243)
		(457,984)	(215,874)	(424,238)	212,871
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES					
Payments for plant and equipment		(27,903)	-	(7,096)	-
Cash payments for exploration expenditure		(1,385,697)	-	(134,807)	-
Loan to subsidiaries		-	-	(1,277,331)	(40,092)
Investment in subsidiaries		-	-	(83,099)	(36,610)
		(1,413,600)	-	(1,502,333)	(76,702)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Proceeds from issue of shares		3,543,606	386,000	3,543,606	386,000
Net increase/(decrease) in cash held		1,672,022	170,126	1,617,035	96,427
Cash at the beginning of the financial year		170,126	-	96,427	-
Cash at the end of the financial year	15	1,842,148	170,126	1,713,462	96,427

The Statement of Cash Flows is to be read in conjunction with the notes to the Financial Statements

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. It has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with the previous year.

(b) Comparative Information

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures. The comparative information is from the date of incorporation of the company until 30 June 2003.

(c) Non-Current Assets

The carrying amounts of all non current assets valued on a cost basis, except exploration expenditure carried forward, are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

(d) Revenue Recognition

Interest Income

Interest income is recognised as it accrues.

Sale of Non-current Assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(e) Taxation

The consolidated entity adopts the income statement liability method of tax effect accounting. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain.

(f) Property, plant and equipment

Acquisitions of assets

All assets acquired, including property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value.

Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

Depreciation and amortisation
Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed. Items of property, plant and equipment are depreciated/amortised over their estimated useful lives. The depreciation rates used for each class of asset for the current and previous years are as follows:

- Plant and equipment 20% - 33%
- Office furniture and fittings 7.5% - 20%

The straight line method of depreciation is used. Assets are depreciated from the date of acquisition.

Operating Leases
Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(g) Exploration, evaluation and development expenditure
Exploration, evaluation and development costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of that area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves.

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated costs written off to the extent that they will not be recoverable in the future.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences.

Receipts from farm-in agreements are accounted for as a recoupment of exploration expenditure.

(h) Payables
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the consolidated entity. Accounts payable are normally settled within 60 days.

(i) Employee Benefits
Wages, Salaries, Annual Leave and Sick Leave
Liabilities for employee benefits for wages, salaries, annual leave and sick leave expected to be settled within 12 months

of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

Long Service Leave
The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dated based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

Superannuation Plan
The Company contributes to defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

(j) Foreign Currency

Transactions
Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the operating result in the financial year in which the exchange rates change.

(k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Restoration Costs

Provisions
Provisions are made for estimated costs relating to the remediation of soil, groundwater and untreated waste as soon as the need is identified.

(m) Investments

Other Entities
Investments in other listed entities are measured at fair value, being quoted market prices at reporting date.

Controlled Entities
Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

(n) Principles of Consolidation

Controlled Entities
The financial statements of controlled entities are included from the date control commences until the date control ceases.

Transactions Eliminated on Consolidation
Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

(o) Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with potential ordinary shares, by the weighted average number of ordinary shares and potential ordinary shares adjusted for any bonus issue.

(p) Segment Reporting

Individual business segments have been identified on the basis of grouping individual products or services subject to similar risks and returns. The geographical segments reported are: Australia and the Philippines.

(q) International Financial Reporting Standards

Australia is preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005.

The company directors are assessing the significance of these changes and are preparing for their implementation. Stakeholders will be kept informed as to the impact of these new standards on the financial statements as they are finalised.

	ECONOMIC ENTITY		PARENT ENTITY	
	2004	2003	2004	2003
	$	$	$	$
NOTE 2: REVENUE				
Interest received - other parties	53,008	8,988	52,033	8,980
Gross proceeds from sale of tenements	10,000	-	10,000	-
Foreign exchange gain	47,666	1,785	31,274	-
	110,674	10,773	93,307	8,980
NOTE 3: LOSS FROM ORDINARY ACTIVITIES				
Loss from ordinary activities before income tax expense has been determined after charging as expenses:				
Borrowing costs	-	243	-	243
Auditors remuneration - Audit fees	15,500	10,000	15,500	10,000
- Other services	-	1,000	-	1,000
Depreciation of non current assets				
- Fixtures & fittings	322	-	322	-
Administration expenses	177,582	-	133,764	-
Employee expenses	74,838	-	69,617	-
Significant revenues & expenses written off as capitalised exploration expenditure	331,430	-	331,430	-
NOTE 4: TAXATION				
Operation loss before income tax	(473,498)	(224,218)	(441,826)	(221,215)
Prima facie income tax expense/(credit) at 30% (2003: 30%)	(142,049)	(67,265)	(132,548)	(66,365)
(Decrease)/increase in future income tax benefits not brought to account	142,049	67,265	132,548	66,365
Income tax expense	-	-	-	-
The Directors estimate that the gross and tax losses at 30 June 2004 not brought to account because recovery is not virtually certain is:	209,314	67,265	198,913	66,365

The Company is taxed as a public company.

	ECONOMIC ENTITY		PARENT ENTITY	
	2004	2003	2004	2003
	$	$	$	$

NOTE 4: TAXATION (cont'd)

The benefit of tax losses will only be obtained if:
a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised; or the benefit can be utilised by another company in the economic entity in accordance with Division 170 of the Income Tax Assessment Act 1997;
b) the company and/or consolidated entity continues to comply with the conditions for deductibility imposed by the law; and
c)no changes in tax legislation adversely affect the company and/or the consolidated entity in realising the benefit.

NOTE 5: LOSS PER SHARE

	Economic Entity 2004 $	Economic Entity 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
Weighted average number of ordinary shares used in the calculation of the basic earnings per share	35,628,600	13,150,600	35,628,600	13,150,600
Weighted average number of ordinary shares used in the calculation of the diluted earnings per share	45,333,600	13,150,600	45,333,600	13,150,600

As at 30 June 2004 (2003: Nil) the Company had on issue, options over un-issued capital as follows:

No of Options	Expiry Date	Exercise Price
17,809,793	31 January 2007	20 cents (listed)
1,600,000	31 January 2007	20 cents (unlisted)

NOTE 6: RECEIVABLES

	Economic Entity 2004 $	Economic Entity 2003 $	Parent Entity 2004 $	Parent Entity 2003 $
CURRENT				
Debtors	16,655	-	14,965	-
GST Refundable	29,922	2,656	29,922	2,656
	46,577	2,656	44,887	2,656
NON-CURRENT				
Loan to controlled entity	-	-	-	40,092

	ECONOMIC ENTITY		PARENT ENTITY	
	2004	2003	2004	2003
	$	$	$	$
NOTE 7: OTHER				
CURRENT				
Prepayments	25,712	-	25,328	-
NOTE 8: PROPERTY, PLANT & EQUIPMENT				
Plant and Equipment				
At cost	18,309	-	-	-
Accumulated depreciation	-	-	-	-
	18,309	-	-	-
Furniture and Fittings				
At cost	9,594	-	7,096	-
Accumulated depreciation	(322)	-	(322)	-
	9,272	-	6,774	-
	27,581	-	6,774	-
Reconciliations				
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:				
Plant and Equipment				
Carrying amount at beginning of year	-	-	-	-
Additions	18,309	-	-	-
Disposals	-	-	-	-
Depreciation	-	-	-	-
Carrying amount at end of year	18,309	-	-	-
Furniture and Fittings				
Carrying amount at beginning of year	-	-	-	-
Additions	9,594	-	7,096	-
Disposals	-	-	-	-
Depreciation	(322)	-	(322)	-
Carrying amount at end of year	9,272	-	6,774	-

	ECONOMIC ENTITY		PARENT ENTITY	
	2004	2003	2004	2003
	$	$	$	$
NOTE 9: EXPLORATION, EVALUATION & DEVELOPMENT EXPENDITURE				
Costs carried forward in respect of areas Of interest in:				
Exploration and/or evaluation phase	1,593,023	-	134,807	-

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent upon the successful development and commercial exploitation, or sale of the respective areas of interest at an amount greater than or equal to the carrying value.

NOTE 10: OTHER FINANCIAL ASSETS				
NON-CURRENT				
Shares in Medusa Overseas Holding Corporation - at cost	-	-	8,000	8,000
Shares in Medusa Exploration & Development Corporation - at cost	-	-	28,610	28,610
Shares in PHSAMED - at cost	-	-	26,099	-
Shares in Montrose Minerals Pty Ltd - at cost	-	-	57,000	-
Loans to Controlled Entities - at cost	-	-	1,317,423	-
	-	-	1,437,132	36,610
NOTE 11: PAYABLES				
CURRENT				
Creditors and accrued expenses	301,375	11,000	94,049	11,000
NOTE 12: PROVISIONS				
CURRENT				
Employee benefits	1,776	-	1,776	-
Number of employees	4	1	4	1

	ECONOMIC ENTITY		PARENT ENTITY	
	2004	2003	2004	2003
	$	$	$	$
NOTE 13: CONTRIBUTED EQUITY				
a) Issued and paid-up share capital 35,628,600 (2003:13,150,600) ordinary shares fully paid	3,776,510	386,000	3,776,510	386,000
17,809,793 (2003: Nil) listed options over ordinary shares	153,096	-	153,096	-
	3,929,606	386,000	3,929,606	386,000
Movements in Ordinary Share Capital				
Balance at beginning of the financial year	386,000	386,000	386,000	386,000
Shares Issued:				
7,175,000 shares at various prices issued as seed capital, less related costs	415,806	-	415,806	-
14,100,000 shares at 20 cents each issued for the Initial Public Offering, less related costs	2,521,726	-	2,521,726	-
1,200,000 shares at 40 cents each issued for working capital, less related costs	452,378	-	452,378	-
3,000 listed options exercised at 20 cents each	600	-	600	-
	3,776,510	386,000	3,776,510	386,000

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder's meetings.

In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds on liquidation.

Movements in Listed Share Options				
Balance at the beginning of the financial year	-	-	-	-
17,212,793 20 cent 31 January 2007 options issued pursuant to a rights issue to raise capital at 1 cent each, less related costs	147,096	-	147,096	-
600,000 20 cent 31 January 2007 options issued pursuant to a share placement to raise capital at 1 cent each	6,000	-	6,000	-
Less 3,000 20 cent 7 January 2007 options issued exercised during the year	-	-	-	-
	153,096	-	153,096	-

b) Options

Refer to note 5 for options on issue as at 30 June 2004.

	ECONOMIC ENTITY		PARENT ENTITY	
	2004	2003	2004	2003
	$	$	$	$
NOTE 14: ACCUMULATED LOSSES				
Accumulated losses at the beginning of the year	224,218	-	221,215	-
Net loss	473,498	224,218	441,826	221,215
Accumulated losses at the end of the year	697,716	224,218	663,041	221,215
NOTE 15: NOTES TO THE STATEMENT OF CASH FLOWS				
RECONCILIATION OF CASH Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:-				
Cash at bank	1,841,898	170,076	1,713,212	96,377
Cash on hand	250	50	250	50
	1,842,148	170,126	1,713,462	96,427
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX				
Profit/(Loss) from ordinary activities after income tax	(473,498)	(224,218)	(441,826)	(221,215)
Non-Cash Flows in Operating Profit/(loss)				
- Depreciation	322	-	322	-
	(473,176)	(224,218)	(441,504)	(221,215)
Changes in Operating Assets and Liabilities				
- (Increase)/decrease in receivables	(43,921)	(2,656)	(42,231)	(2,656)
- Increase/(decrease) in prepayments	(25,712)	-	(25,328)	-
- Increase/(decrease) in accounts payable	83,049	11,000	83,049	11,000
- Increase in provisions	1,776	-	1,776	-
	(457,984)	(215,874)	(424,238)	(212,871)

NOTE 16: INVESTMENT IN CONTROLLED ENTITIES

The following companies are controlled entities of Medusa Mining Limited:

Controlled Entities	Principal Activity	Place of Incorporation	Interest Held
Medusa Overseas Holding Corporation (i)	Exploration	Philippines	40%
Medusa Exploration & Development Corporation (i)	Exploration	Philippines	64%
PHSAMED Mining Corporation	Exploration	Philippines	50%
Montrose Minerals Pty Ltd	Exploration	Australia	100%

(i) Although the Philippines controlled entities Medusa Overseas Holding Corporation and Medusa Exploration and Development Corporation are respectively 40% and 64% owned by Medusa Mining Limited, they are considered to be controlled by Medusa by virtue of agreements which deal with the relationship between Medusa Mining Limited and the other shareholders of the Philippines controlled entities. Therefore the assets and liabilities of these entities have been attributed 100% to the shareholders of Medusa Mining Limited.

Acquisition and Disposal of Subsidiary

During the year Medusa Mining Limited finalised the purchase of 100% of Montrose Minerals Proprietary Limited by the payment of $37,000 and the issue of 100,000 ordinary fully paid shares and 100,000 unlisted options exercisable at 20 cents per option on or before 31 January 2007 in Medusa Mining Limited.

Montrose Minerals Proprietary Limited holds the tenements in the Braemore gold project.

The company has reached an agreement with Teck Cominco Australia Pty ltd whereby Teck has acquired an option to purchase the Braemore project together with Montrose Minerals Proprietary Limited. The option is exercisable by 1 February 2005.

Medusa Mining Limited (50% interest) and Philsaga Mining Corporation (50% interest) finalised the formation of a Company, PHSAMED Mining Corporation, to obtain taxation relief and other concessions from the Philippines government.

NOTE 17: ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest Rate Risk Exposure

The consolidated entity is exposed to interest risk on its cash balances and term deposits held with financial institutions in Australia.

The consolidated entity is not exposed to interest rate risk on any class of Financial assets and financial liabilities at 30 June 2004 except for cash balances that earn interest at an average of 1% to 5% (2003: 1% to 5%) per annum.

(b) Credit Risk Exposure

Credit risk represents the loss that would be recognised if counter-parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the consolidated entity which have been recognised on the balance sheet, is the carrying amount, net of any provision for doubtful debts.

The consolidated entity's transactions occur in Australia and the Philippines. It is not, however, materially exposed to an individual customer.

The consolidated entity has minimal credit risk relating to trade debtors and term debtors due to the nature of its business.

(c) Foreign Exchange Risk

The economic entity may be exposed to foreign exchange risk in dealings with its Philippine companies.

(d) Net Fair Values of Financial Assets and Liabilities

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following basis:

The net fair value of monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the value of contractual or expected future cash flows on amounts due from customers or other corporations reduced for expected credit losses) or due to suppliers. The carrying amounts of bank term deposits, trade debtors, term debtors, listed securities and accounts payable approximate net fair value.

	ECONOMIC ENTITY 2004 $	ECONOMIC ENTITY 2003 $	PARENT ENTITY 2004 $	PARENT ENTITY 2003 $
NOTE 18: COMMITMENTS				
Operating Lease Commitments				
Future operating lease rentals not provided for in the financial statements and payable:				
Not later than one year	15,900	-	15,900	-
Later than one year but not later than five years	9,380	-	9,380	-
	25,280	-	25,280	-

The Company has certain obligations to perform minimum exploration work and expend minimum amounts on works on mining tenements in order to retain its interests in these tenements, which would be approximately $520,000 (2003: $215,000) during the next 12 months.

These obligations may be varied from time to time, subject to approval, and are expected to be fulfilled in the normal course of operations of the Consolidated Entity.

NOTE 19: REMUNERATION OF DIRECTORS & EXECUTIVES

	ECONOMIC ENTITY 2004 $	ECONOMIC ENTITY 2003 $	PARENT ENTITY 2004 $	PARENT ENTITY 2003 $
Total income paid or payable, or otherwise made available to all Directors of the Company and controlled entities from the Company or any related party	208,820	34,879	208,820	34,879
The number of Company Directors whose income from the Company or any related party falls was within the following bands:				
$ 0 to $ 9,999	-	1	-	1
$ 10,000 to $ 19,999	1	-	1	-
$ 20,000 to $ 29,999	1	1	1	1
$ 60,000 to $ 69,999	1	-	1	-
$110,000 to $ 119,999	1	-	1	-
	4	2	4	2

	ECONOMIC ENTITY		PARENT ENTITY	
	2004	**2003**	**2004**	**2003**
	$	**$**	**$**	**$**

NOTE 19: REMUNERATION OF DIRECTORS & EXECUTIVES (cont'd)

The number of Australian-based executives, including executive directors, of the Company and of controlled entities whose remuneration from the Company or related parties, and from entities in the consolidated entity, falls within the following bands:

$ 110,000 to $ 119,999	1	-	1	-

Total income in respect of the financial year received, or due and receivable from the Company, entities in the consolidated entity or related parties by executive officers of the Company and of controlled entities whose income is $100,000 or more:

	114,000	-	114,000	-

The remuneration bands are not consistent with the emoluments disclosed in the Directors' Report, as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and the accounting standards.

NOTE 20: SEGMENT IMFORMATION

The consolidated entity is involved in exploration activity on mining tenements situated in Western Australia and the Philippines. All revenue and expenditure relates predominantly to the consolidated entity's Australian activities.

The assets in the respective segments are as follows:		
- Australia	1,783,677	99,083
- Philippines	1,751,364	73,699
	3,535,041	172,782
Segment results, loss:		
- Australia	(441,826)	(221,215)
- Philippines	(31,672)	(3,003)
	(473,498)	(224,218)

NOTE 21: RELATED PARTIES

Related parties of Medusa Mining Limited fall into the following categories:-

(a) Directors

The names of each person holding the position of Director of Medusa Mining Limited during the financial year were Dr J Schiller, Messrs G J Davis, E S Mein and S K Cato.

Details of Directors' remuneration are set out in note 19.

Directors Shareholdings

Directors' shareholdings at 30 June 2004 were:-

	Fully Paid Ordinary Shares		Options	
	Number Directly Held	Number Beneficially Held	Number Directly Held	Number Beneficially Held
J Schiller	1,000,000	-	500,000	-
G J Davis	2,150,000	1,090,000	1,075,000	417,500
E S Mein	1,765,000	-	760,000	-
S K Cato	-	1,040,000	-	420,000

		ECONOMIC ENTITY 2004 $	ECONOMIC ENTITY 2003 $	PARENT ENTITY 2004 $	PARENT ENTITY 2003 $
(b)	Ownership Interest and Related Parties Interests held in controlled entities are set out in Note 16 to the accounts.				
(c)	Amounts Receivable from Related Parties Aggregate amounts receivable at balance date from:				
	Controlled entities	-	-	1,317,423	40,092

No interest was charged on these loans during the year and there are no fixed terms for repayment or security.

(d) Transactions with Related Parties

All transactions with related parties are made on normal commercial terms and conditions except where indicated.

Harvest Services Aust Pty Ltd, a company of which Mr G J Davis is a director was paid $4,005 for rental of the Company's office premises. A lease agreement for the office has been signed with Harvest Services Pty Limited for a rental of $1,335 per month for 12 months.

Gempower Pty Ltd a Company of which Mr E S Mein is a director was paid $45,650 for consulting services to the Company.

(e) Mr S Cato is an employee of Kirke Securities Limited. Kirke Securities Limited has received fees for preparation of documents, for services in regard to placement or securities and in regard to the preparation of Medusa's Prospectus, totalling $95,388 during the financial year.

NOTE 21: RELATED PARTIES (cont'd)

(f) The Company has entered into a consultancy services contract with Harvest Services Aust Pty Ltd ("Harvest Services") and Mr Geoffrey Davis by which Harvest Services and Mr Davis agree that Mr Davis will provide services to the Company commensurate with that of a Managing Director for a period of 5 years from the date the Shares are first quoted upon the ASX. Harvest Services must maintain and effect relevant insurances in respect of providing the services of the Mr Davis. Either of the Company, Harvest Services or Mr Davis as the parties to the consultancy services contract may terminate the contract by providing 6 months written notice to the other parties.

Harvest Services will receive remuneration for the services provided by Harvest Services and Mr Davis in the sum of $15,000 per month exclusive of any GST and, subject to shareholder and any necessary regulatory approval, the grant of Options to Harvest Services for no consideration in five equal tranches of 600,000 Options being 3,000,000 Options in total. The Options only become fully vested and capable of being exercised at the following dates:

(i)	First tranche	-	6 months after Official Quotation;
(ii)	Second tranche	-	18 months after Official Quotation;
(iii)	Third tranche	-	30 months after Official Quotation;
(iv)	Fourth tranche	-	42 months after Official Quotation;
(v)	Fifth tranche	-	54 months after Official Quotation;

The exercise price of each of the Options will be 1.1 times the average ASX closing price of the Company's Shares during the 5 trading days prior to the full vesting date. Each of the Options will expire 72 months after the Official Quotation save that any Options not fully vested will expire automatically if the consultancy services contract is terminated. The Options will not be quoted on the ASX. The terms of the Options will otherwise be in accordance with the terms of the other Options issued by the Company. The issue of options to the Managing Director is subject to regulatory and shareholder approval at this year's Annual General Meeting.

NOTE 22: EVENTS SUBSEQUENT TO BALANCE DATE

Since 30 June 2004 there have been no material events which may significantly effect the operations of the Company, apart from those listed below:

(a) Medusa Mining Limited raised $475,875 before expenses in working capital through a placement of 1,175,000 ordinary shares at 40 cents each and 587,500 listed options at 1 cent each.

(b) The company attained its expenditure requirement to earn its 50% equity in the Saugon gold project in the Philippines.

NOTE 23: FRANKING ACCOUNT

The company had no franking credits available.

NOTE 24: COMPANY DETAILS

The registered office of the company is 7/11 Preston Street, Como, WA 6152.

The principal place of business of the company is 7/11 Preston Street, Como, WA 6152.

DIRECTOR'S DECLARATION

1. In the opinion of the Directors of Medusa Mining Limited ("the Company"):

   a. the financial statements and notes, set out on pages 23 to 40, are in accordance with the Corporations Act 2001, including:
   (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2004 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
   (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Perth this 9th day of September 2004.

Signed in accordance with a resolution of the Directors.

J SCHILLER
Chairman

INDEPENDENT AUDIT REPORT

SCOPE

We have audited the financial report, being the Directors' declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to and forming part of the financial statements of Medusa Mining Ltd and the entities it controlled for the year ended June 30 2004. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's and consolidated entity's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report of Medusa Mining Ltd is in accordance with:

1. the Corporations Act 2001, including:

   (a) giving a true and fair view of the company's and consolidated entity's financial position as at June 30 2004 and of its performance for the year ended on that date; and

   (b) complying with the Accounting Standards in Australia and the Corporations Regulations 2001; and

2. other mandatory professional reporting requirements in Australia.

Mack & Co	K.D. Law, Partner
Chartered Accountants	
2nd Floor, 35 Havelock Street	9th September 2004
West Perth WA 6005	Date

ADDITIONAL SHAREHOLDER INFORMATION

in Compliacne with ASX Requirements

Statement at 9 September 2004

1. DISTRIBUTION OF EQUITY SECURITIES

(a) Analysis of numbers of shareholders by size of holding.

	Number of Shareholders	Number of Shares	%
1 - 1,000	5	2,647	.01
1,001 - 5,000	57	195,668	.53
5,001 - 10,000	165	1,545,283	4.20
10,001 - 100,000	260	9,573,758	26.01
100,001 and over	60	25,487,744	69.25
	547	36,805,100	100

(b) Number of shareholders holding less than a marketable parcel - 12

2. VOTING RIGHTS

At general meetings of the Company, each member entitled to vote may vote in person or by proxy or attorney. On a show of hands every person present who is a member or a representative of a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each share held.

3. SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders as defined by Section 671B of Australian Corporations Law are:

	No of Shares Held	% Interest
Geoffrey Davis and Susan Davis and Harvest Services Aust Pty Ltd	3,240,000	8.8

4. UNQUOTED EQUITY SECURITIES AND RESTRICTED SECURITIES

The following unquoted shares are on issue:

(a) 1,115,625 ordinary fully paid shares. Restricted until 23 September 2004.

(b) 1,600,000 ordinary fully paid shares. Restricted until 23 December 2004.

(c) 14,200,600 ordinary fully paid shares. Restricted until 23 December 2005.

The following unquoted options are on issue:

(a) 1,600,000 options exercisable at 20 cents each by 31 January 2007. Restricted until 23 December 2004.

Persons holding 20% or more - Philsaga Mining Corporation - 62.5%

5. PARTICULARS OF TWENTY LARGEST SHAREHOLDERS

	Shareholders	No of Shares Held	% Held
1	Geoffrey Davis & Susan Davis	2,150,000	5.84
2	Edward Stuart Mackey Mein	1,765,000	4.80
3	Platinum Investment Corporation Pty Limited	1,650,000	4.48
4	Yarandi Investments Pty Ltd	1,300,000	3.53
5	Tasco Development Limited	1,280,000	3.48
6	Harvest Services Aust Pty Ltd	1,090,000	2.96
7	Rosemont Asset Pty Ltd	1,040,000	2.83
8	Mr Peter Bowman	1,000,000	2.72
9	Jeffrey Schiller & Karen Schiller	1,000,000	2.72
10	Mr William Douglas Goodfellow	975,000	2.65
11	Mr Roderick Claude Mcillree	630,000	1.71
12	Mr William Henry Hernstadt	550,000	1.49
13	KHH (Aus) Holdings Pty Ltd	545,000	1.48
14	Beneficial Investment Corporation Pty Limited	500,000	1.36
15	Mr Roderick Mcillree (Mcillree Super Fund a/c)	500,000	1.36
16	Upper Mantle Investments Pty Ltd	465,600	1.27
17	Mr Cameron John French	465,000	1.26
18	Forbar Custodians Limited (Forsyth Barr Ltd-Nominee A/c)	413,000	1.12
19	Mr Garry William Thomas (Thomas Family A/c)	400,000	1.09
20	Shannon Corporate Nominees Pty Ltd	371,561	1.0
		18,090,161	49.14

6. OPTION HOLDING FOR LISTED OPTIONS EXPIRING 31 JANUARY 2007

Distribution of Optionholders

Size of Holding	No of Option Holders	Options Held	%
1 - 1,000	7	4,726	0.03
1,001 - 5,000	163	732,115	3.98
5,001 - 10,000	74	624,493	3.39
10,001 - 100,000	184	6,368,149	34.62
100,000 and over	32	10,666,310	57.98
	460	18,395,793	100

There are 91 Optionholders who hold less than a marketable parcel.

7. PARTICULARS OF TWENTY LARGEST OPTIONHOLDERS

Optionholder		No of Options Held	% Held
1	Geoffrey Davis & Susan Davis	1,075,000	5.84
2	Platinum Investment Corporation Pty Limited	825,000	4.48
3	Edward Stuart Mackey Mein	760,000	4.13
4	Tasco Development Limited	640,000	3.48
5	Yarandi Investments Pty Ltd	600,000	3.26
6	Mr Peter Bowman	530,000	2.88
7	Jeffrey Schiller & Karen Schiller	500,000	2.72
8	Mr William Douglas Goodfellow	487,500	2.65
9	Rosemont Asset Pty Ltd	420,000	2.28
10	Harvest Services Aust Pty Ltd	417,500	2.27
11	Mr Roderick Claude Mcillree (Mcillree Super Fund a/c)	368,433	2.00
12	Mr Cameron John French	357,500	1.94
13	Mr Roderick Mcillree	290,000	1.58
14	Mr William Henry Hernstadt	275,000	1.49
15	KHH (Aus) Holdings Pty Ltd	272,500	1.48
16	Beneficial Investment Corporation Pty Limited	250,000	1.36
17	Mr Garry William Thomas (Thomas Family A/c)	235,000	1.28
18	Mr William Henry Hernstadt	230,000	1.25
19	Forbar Custodians Limited (Forsyth Barr Ltd-Nominee A/c)	194,000	1.06
20	Horseshoe Holdings Pty Ltd (Horseshoe Super Fund)	188,420	1.03
		8,915,853	48.46

8. STATEMENT PURSUANT TO ASX LISTING RULE 4.10.19

Medusa has used its cash and assets in a manner consistent with its business objectives as stated in the prospectus. The budgeted expenditure (for exploration and administration) for the 2004 calendar year was $1,900,000.

Expenditure for June 2004 on exploration and administration was approximately $1,611,000, mainly on its Saugon tenements in the Philippines. During the 6 months since listing the company has raised additional capital to fund the ongoing exploration activity.

CORPORATE GOVERNANCE

1. INTRODUCTION

1.1 Corporate Governance

The Australian Stock Exchange ("**ASX**") Listing Rules ("**Listing Rules**") require a listed entity to include in its annual report a statement on corporate governance practices disclosing the extent to which it has followed the "best practice" corporate governance recommendations set by the ASX Corporate Governance Council. For this purpose, Listing Rules Guidance Note 9A sets out the 10 essential corporate governance principles and the applicable "best practice recommendations".

The concept of "corporate governance" is the systems, policies and procedures under which an entity is directed and managed. The benefits of good corporate governance are accountability, systems of control and the encouragement to create value. There is no single model of good corporate governance. Corporate governance will evolve as an entity's circumstances change and must be tailored to its circumstances.

1.2 Compliance with ASX Listing Rule 4.10.3

Listing Rule 4.10.3 and Guidance Note 9A reflect ASX policy that it is "appropriate to focus on disclosure of corporate governance practices rather than prescribe adoption of a particular practice".

1.3 The Company's Approach

The Board and senior management of Medusa Mining Limited (the "**Company**") are committed to acting responsibly, ethically and with high standards of integrity as the Company works to create shareholder value. To achieve this goal, the Board has developed and adopted corporate governance practices and policies that have been implemented throughout management and governance. This Corporate Governance Statement summarises these practices as they have been adopted the Company.

1.4 Adoption by the Board

The Board of the Company has reviewed and considered this Corporate Governance Statement and has adopted it. A Board resolution to this effect has been passed.

2. ESSENTIAL PRINCIPLES OF GOOD CORPORATE GOVERNANCE

2.1 PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

"Recognise and publish the respective roles and responsibilities of the board and management"

Recommendation 1.1: *Formalise and disclose the functions reserved to the board and those delegated to management.*

The Board has adopted a general Corporate Governance Policy, which includes statements of the Board's roles, functions and responsibilities.

The Board's primary role is the optimisation of Company performance and protection and enhancement of shareholder value. Its functions and responsibilities include:

- setting policy and long and short term strategic planning;
- communicating strategy to relevant parties for implementation;
- monitoring the Company's performance against strategy;
- approving and monitoring all significant or major business transactions;

- designing and implementing an appropriate organisational structure;
- appointing and monitoring the conduct and performance of management and personnel and overseeing all remuneration, development and succession;
- approving and monitoring financial reporting and compliance;
- identifying and monitoring the principal risks and opportunities of the Company's business;
- ensuring appropriate risk management systems are established and reviewed;
- overseeing control and accountability systems;
- ensuring that the Board remains appropriately skilled to meet Company needs;
- reviewing and approving corporate governance systems; and
- delegating authority to management where appropriate.

The Managing Director is accountable to the Board for management of the Company within authority levels approved by the Board and is subject to the supervision of the Board.

The Corporate Governance Policy is included on the Company's website. The Board adopted its Corporate Governance Policy in November 2003.

2.2 PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

"Have a board of an effective composition size and commitment to adequately discharge its responsibilities and duties"

Recommendation 2.1: *A majority of the board should be independent directors.*

The Company currently has four directors, Jeffrey Schiller, Geoff Davis, Simon Cato and Ted Mein. Details of these directors, including their skills, experience and terms of office are set out in the Company's annual report. Two of these directors are independent directors, namely, Jeffrey Schiller, Simon Cato.

Mr Davis is not considered to be independent as he is employed in an executive capacity as Managing Director by the Company. Mr Mein is not considered independent as he has been involved with negotiation and discussion of several joint venture agreements on behalf of the company.

The Board has adopted procedures intended to ensure that independent decision making occurs. All directors are entitled to seek independent professional advice, at the Company's reasonable cost, in carrying out their duties. Further, in accordance with the Corporations Act 2001 (Cth) and policies adopted each member of the Board is required to keep the Board advised on an ongoing basis of any potential conflict of interest which may exist with the Company.

Recommendation 2.2: *The chairperson should be an independent director.*

The Company's chairperson, Jeffrey Schiller, is an independent director, as set out above in relation to best practice recommendation 2.1.

Recommendation 2.3: *The roles of the chairperson and chief executive officer should not be exercised by the same individual.*

The role of the Company's chairperson is being fulfilled by Jeffrey Schiller, and the role of Managing Director, who is Geoff Davis.

Recommendation 2.4: *The board should establish a nomination committee.*

The Board has not established a nomination committee as, due to the Company's size and its operations, the Board considers a separately established committee is not warranted and its functions and responsibilities can be adequately and efficiently discharged by the Board as a whole.

Recommendation 2.5: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 2.*

The Company has complied with providing the relevant information in this Statement including the procedure for the selection and appointment of new directors to the Board, but has not otherwise made that appointment procedure publicly available.

2.3 PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION- MAKING

"Actively promote ethical and responsible decision making"

Recommendation 3.1: *Establish a code of conduct to guide directors, the chief executive office (or equivalent), the chief financial officer (or equivalent) and any other key executives as to:*

3.1.1 - the practices necessary to maintain confidence in the company's integrity

3.1.2 – the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Company adopted, in November 2003, a Corporate Governance Policy, which amongst other things, aims to set appropriate standards of ethical and professional behaviour for its directors, management and employees.

The Company's Corporate Governance Policy prescribes a standard of utmost integrity and objectivity.
All directors, staff and consultants are expected to report unethical behaviour to the Company's Managing Director (or Chairperson, in the case of the Managing Director) as soon as practical.

Recommendation 3.2: *Disclose the policy concerning trading in company securities by directors, officers and employees.*

The Company has in place a trading policy concerning trading in Company securities, which applies to all Company officers and employees, and its contractors and advisers.

The trading policy imposes restrictions on the Company's officers and employees trading in the Company's securities to prevent breaches of the insider trading provisions of the Corporations Act 2001 (Cth). The key aspects of the policy are that:

- trading in Company securities and other tradeable financial products is only permitted upon notification, in the case of employees, to the Company's Managing Director or, in his absence or in the case of the Managing Director, to the Chairman, at least one day prior to the proposed trading. If the Chairman wishes to trade he must notify the Company's Managing Director. Trading is only permitted for 2 weeks following receipt of written approval from the Managing Director or Chairman. Confirmation of trading must be provided to the Company Secretary;
- no trading is permitted at any time where an officer or employee is in possession of information which, if it was released would be likely to have a significant effect on the price or value of the Company's securities, or for a report or period of 2 days following a public announcement by the Company in relation to the matter the subject of that information; and

- the confidentiality of any information which may need to be disclosed under continuous disclosure requirements must be maintained until it is disclosed.

The restriction on trading also applies to an officer's or employee's spouses, partners, family members or family trusts or companies, and may be extended to other entities with which the Company has a close relationship. The trading policy is provided to all the Company officers and employees and compliance with it is reviewed at least annually.

The Company's current trading policy was adopted on 1 June 2004 and reflects the position adopted under its previous trading policies.

The implementation of and compliance with the Company's trading policy is dealt with in the procedures and mechanisms set out in the Company's risk oversight and management policy, set out below in relation to best practice recommendation 7.1.

Recommendation 3.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 3.*

The Company has not complied with the requirement to make publicly available the relevant information including a summary of the Company's Corporate Governance Policy and its current trading policy, other than by doing so in this Statement.

2.4 PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

"Have a structure to independently verify and safeguard the integrity of the company's financial reporting"

Recommendation 4.1: Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

The Company's Corporate Governance Policy states that prior to the Board considering the Company's financial reports the Company's Managing Director and head accountant/chief financial officer must report in writing to the Board that the Company's financial reports present a true and fair view in all material respects, of the Company's financial condition and operational results and are in accordance with accounting standards.

Recommendation 4.2: *The board should establish an audit committee.*

The Board has not established an audit committee as, due to the Company's size, the Board considers an audit committee's functions and responsibilities can be adequately and efficiently discharged by the Board as a whole, operating in accordance with the Company's mechanisms designed to ensure independent judgment in decision making.

Recommendation 4.3: *Structure of the audit committee:*

Refer to Recommendation 4.2.

Recommendation 4.4: *The audit committee should have a formal charter.*

Although there is no audit committee and hence no formal charter, in fulfilling the functions and responsibilities of an audit committee, the Board considers and deals with matters which would ordinarily be attended to by an audit committee, including:

- to nominate, review performance of and liaise with the external auditor;
- to review performance of the Company against key benchmarks or goals and effectiveness of management and accounting information and internal control;
- to review financial information, including audit reports and correspondence to the Company from its external auditors, and ASX reporting statements;
- to monitor internal controls and accounting compliance;
- to review all areas of significant financial risk and risk management; and
- to review significant transactions not a normal part of the Company's business.

Recommendation 4.5: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 4.*

As the Board as a whole fulfils the functions and responsibilities of an audit committee, the names and qualifications of each of the members of the Board, and details of attendance at Board meetings, are set out in the Company's annual report.

The Board has not formalised any procedures for the selection and appointment of the Company's external auditor or rotation of external audit engagement partners, but reviews these matters on an ongoing basis and implements changes as required.
The Board has so far as it is applicable provided relevant information in this statement.

2.5 PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

"Promote timely and balanced disclosure of all material matters concerning the company"
Recommendation

Recommmndation 5.1: *Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.*

- The Company abides by a policy of continuous disclosure, as required by the ASX Listing Rules

All announcements are reviewed for accuracy and completeness by the Board prior to release.

Recommendation 5.2: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 5.*

The Company has provided relevant information in this statement upon the continuous disclosure policy, but has not otherwise made that policy publicly available.

2.6 PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

"Respect the rights of shareholders and facilitate the effective exercise of those rights"

Recommendation 6.1: Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

The Company has in place a communications policy, which reflects the Company's commitment to dealing fairly, transparently and promptly with shareholders, encouraging and facilitating active participation at shareholder meetings and dealing promptly with their enquiries. The policy focuses on the disclosure of information.

The key aspects of the policy are:

- effective use of the Company's website, electronic communication and its share registry to keep shareholders up to date and deal with their enquiries, including the posting of Company announcements, company reports, notices of meeting and explanatory statements and other shareholder notifications, media and analyst briefings and other information useful to investors on the website;
- shareholders are encouraged to ask questions at shareholders' meetings and directly to the Company, and the Company aims to answer all valid questions promptly;

Recommendation 6.2: *Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.*

The Company's practice is to ensure its external auditor attends the Company's annual general meeting, and other meetings where it is appropriate to do so, such that shareholders have the opportunity to ask questions regarding the conduct of the audit and the preparation and content of the auditor's report.

2.7 PRINCIPLE 7: RECOGNISE AND MANAGE RISK

"Establish a sound system of risk oversight and management and internal control"

Recommendation 7.1: *The board or appropriate committee should establish policies on risk oversight and management.*

The Company's Corporate Governance Policy includes the Company's risk oversight and management policy, which sets out the Company's systems for risk oversight, management and internal control. The key aspects of the policy are that:

- the Board has the responsibility to identify significant areas of business risk and the establishment and implementation of risk management systems and control frameworks. In the absence of a separate audit committee, as set out in relation to best practice recommendation 4.2, the Board also has responsibility to establish, implement and maintain these systems and frameworks; and
- the Board addresses the management of risk at its regular meetings; and
- the Company's senior management are delegated the tasks of management of operational risk and the implementation of risk management strategies with the Managing Director having ultimate responsibility to the Board.

Recommendation 7.2: *The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state to the board in writing that:*

7.2.1 – the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board

7.2.2 – the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects

The Company's Corporate Governance Policy states that the Company's managing director and head accountant/chief financial officer must together report to the Board that the statement given in accordance with best practice recommendation 4.1 is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the company's system is operating efficiently and effectively in all material respects.

Recommendation 7.3: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 7.*

The Company has provided relevant information in this Statement upon recognising and managing risk, but has not otherwise made a description of its risk management policy and internal compliance and control system publicly available.

2.8 PRINCIPLE 8: ENCOURAGE ENHANCED PERFORMANCE

"Fairly review and actively encourage enhanced board and management effectiveness"
Recommendation

8.1: *Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.*

The evaluation of executive directors is carried out by the Board, and the evaluation of non-executive directors is carried out by the executive directors.

The performance of all directors is assessed through analysis, review and specific discussion of issues relating to individual directors' attendance at and involvement in Board meetings, interaction with management, performance of allocated tasks and any other matters identified by the directors. Due to the Board's assessment of the effectiveness of these processes, the Board has not formalised qualitative performance indicators to measure director's performance.

The evaluation of key executives is carried out by the Board via ongoing monitoring of management performance, based on management's reporting, interaction and involvement with and to the Board and Company performance. The Board evaluates the performance of all management and other personnel.

2.9 PRINCIPLE 9: REMUNERATE FAIRLY AND RESPONSIBLY

"Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined"

Recommendation 9.1: *Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.*

The Company's remuneration policies are value driven and reflected in the Charter of the Remuneration Committee, as contained in the Company's Corporate Governance Policy. The essence of the Company's current remuneration policy is to competitively set remuneration including incentives to executive directors and senior management, to motivate key executives to pursue the long term growth and success of the Company within an appropriate control framework and to demonstrate a clear relationship between corporate (and key executive) performance and remuneration, as follows:

- the fixed remuneration of key executives will reasonable and fair taking into account responsibility, the Company's legal and industrial obligations and scale of the Company's business;

- to ensure performance and remuneration are appropriately linked, key executives will be entitled to appropriate equity based remuneration, including options linked to performance hurdles such as corporate performance (measured by matters such as the Company share price or other performance or production hurdles) and/or a minimum period of service;
- except in exceptional circumstances, no termination payments will be agreed with key executives other than a reasonable period of notice of termination as detailed in the executive's employment contract;
- non-executive directors will be remunerated by cash benefits alone, will not be provided with retirement benefits (except in exceptional circumstances) and aggregate remuneration will not exceed the amount approved by shareholders (currently $100,000); and
- all remuneration packages be reviewed annually or on an ongoing basis if required in accordance with relevant remuneration packages.

Further details of directors' remuneration during the 2003 – 2004 year are set out in the Company's Annual Report.

Recommendation 9.2: *The board should establish a remuneration committee.*

All matters to be dealt with by a Remuneration Committee are dealt with by the Board of Directors. The members of the Committee are the non-executive directors *and the Committee is chaired by the non-executive Chairman.*

The names of the members of the Remuneration Committee are Jeffrey Schiller, Simon Cato and Ted Mein.

During the 2003 – 2004 year the Committee was chaired by Jeffrey Schiller, the non-executive Chairman. The Committee consists of a majority of independent directors.

The Remuneration Committee's Charter is contained in the Company's Corporate Governance Policy, and sets out the Committee's duties, which include:

- reviewing and recommending remuneration packages and incentive policies for executive directors and senior management;
- defining and reviewing the duties and roles of executive directors and senior management;
- appraising and assisting the Board in evaluating the performance of the executive directors and senior management; and
- administer and be responsible for the Company's share option scheme, incentive performance packages, superannuation entitlements and retirement and termination entitlements.

The Company's executive directors are responsible for reviewing and recommending the remuneration of non-executive directors within the aggregate limit set by shareholders and determining any other benefits to be paid to non-executive directors.

Recommendation 9.3: *Clearly distinguish the structure of non-executive directors' remuneration from that of executives.*

Non-executive directors will be remunerated by cash benefits alone, will not be provided with retirement benefits (except in exceptional circumstances) and aggregate remuneration will not exceed the amount approved by shareholders (currently $100,000). Executive directors may be remunerated by both fixed remuneration and equity performance based remuneration.

Recommendation 9.4: *Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.*

The Company ensures that payment of equity-based executive remuneration is ratified by shareholders at a general meeting.

Recommendation 9.5: *Provide the information indicated in the ASX Corporate Governance Council's Guide to Reporting on Principle 9*.

The Company has provided relevant information in this Statement upon its remuneration policies, but has not made this information publicly available.

2.10 PRINCIPLE 10: RECOGNISE THE LEGITIMATE INTERESTS OF STAKEHOLDERS

"Recognise legal and other obligations to all legitimate stakeholders"

Recommendation 10.1: *Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders*.

The Company has adopted a general Corporate Governance Policy setting the standards expected of officers, employees and contractors in carrying out their duties.

The Board and management monitor implementation of the general Corporate Governance Policy.

Any breaches of the policy are reported by employees or contractors to the Managing Director and by the Managing Director to the Company's Chairman.

Interests in Mining Tenements

Project Particulars Western Australia	Tenement Number	Medusa's Interest	Holder Post IPO
Anti Dam	E28/699	90%	Medusa-Westex
Anti Dam	P28/789	90%	Medusa-Westex
Anti Dam	MLA28/152 (P28/789)	90%	Medusa-Westex
Anti Dam	P28/958	90%	Medusa-Westex
Anti Dam	MLA28/285 (E28/699 & P28/958)	90%	Medusa-Westex
Anti Dam	P28/993	90%	Medusa-Westex
Anti Dam	P28/994	90%	Medusa-Westex
Mt Stirling	PLA37/6415	90%	Medusa-McKnight
Mt Stirling	PLA37/6416	90%	Medusa McKnight
Braemore	P37/4106	50-70% earn in	GME
Braemore	MLA37/566 P37/4106	50-70% earn in	GME
Braemore	P37/5330	50-70% earn in	Golden Cliffs
Braemore	MLA37/1059 (P37/5330)	50-70% earn in	Golden Cliffs
Braemore	P37/5331	50-70% earn in	Golden Cliffs
Braemore	MLA37/1059 (P37/5331)	50-70% earn in	Golden Cliffs
Braemore	P37/5332	50-70% earn in	Golden Cliffs
Braemore	MLA37/1059 (P37/5332)	50-70% earn in	Golden Cliffs
Braemore	P37/5333	50-70% earn in	Golden Cliffs
Braemore	MLA37/1059 (P37/5333)	50-70% earn in	Golden Cliffs
Braemore	P37/5477	50-70% earn in	Golden Cliffs
Braemore	MLA37/1059 (P37/5477)	50-70% earn in	Golden Cliffs
Braemore	P37/6316	80%	Montrose-AAMEX
Braemore	P37/6317	80%	Montrose-AAMEX
Braemore	P37/6318	80%	Montrose-AAMEX
Braemore	P37/6523	100%	Medusa
Braemore	P37/6524	Option to buy	Dobaj
Braemore	P37/6525	Option to buy	Dobaj
Braemore	P37/6526	Option to buy	Dobaj
Kurnalpi North	E28/465-North	100%	Newcoast
Kurnalpi North	MLA28/216 (E28/465N)	100%	Newcoast
Kurnalpi North	MLA28/217 (E28/465N)	100%	Newcoast
Kurnalpi North	MLA28/218 (E28/465N)	100%	Newcoast
Kurnalpi North	MLA28/219 (E28/465N)	100%	Newcoast
Kurnalpi North	MLA28/220 (E28/465N)	100%	Newcoast
Kurnalpi North	MLA28/221 (E28/465N)	100%	Newcoast
Kurnalpi North	MLA28/222 (E28/465N)	100%	Newcoast
Kurnalpi North	MLA28/254 (E28/465N)	100%	Newcoast
Kurnalpi North	MLA28/257 (E28/465N)	100%	Newcoast
Kurnalpi North	MLA28/258 (E28/465N)	100%	Newcoast
Kurnalpi South	E28/465-South	100%	Newcoast
Kurnalpi South	MLA28/223 (E28/465S)	100%	Newcoast
Kurnalpi South	MLA28/224 (E28/465S)	100%	Newcoast
Kurnalpi South	MLA28/225 (E28/465S)	100%	Newcoast
Kurnalpi South	MLA28/253 (E28/465S)	100%	Newcoast
Kurnalpi South	MLA28/255 (E28/465S)	100%	Newcoast
Kurnalpi South	MLA28/256 (E28/465S)	100%	Newcoast

Abbreviations:

P-Prospecting Licence	PLA-Prospecting Licence Application	E-Exploration Licence
ELA-Exploration Licence Application	M-Mining Lease	MLA-Mining Lease Application

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MEDUSA MINING LIMITED
ACN 099 377 849
7/11 Preston Street, Como
Western Australia 6152
Telephone: 61 8 9367 0601
Facsimile: 61 8 937 0602