



MEDUSA MINING LIMITED
 ABN 099 377 849
Consolidated Statement of Cash Flows
For Quarter Ended 31 March 2004

Note: Medusa listed on the ASX on 23 December 2003. The Cash Flow Statement is for the six months ended 31 March 2004.

| | Current Quarter \$A'000 | Year to Date (6 months) \$A'000 |
|---------------------------------------------------|----------------------------|---------------------------------------|
| CASH FLOWS RELATED TO OPERATING ACTIVITIES | | |
| 1.1 | | |
| 1.2 | | |
| | (409) | (545) |
| | - | - |
| | - | - |
| | (88) | (110) |
| 1.3 | - | - |
| 1.4 | 20 | 23 |
| 1.5 | - | - |
| 1.6 | 16 | (18) |
| 1.7 | - | - |
| Net Operating Cash Flows | (461) | (650) |
| CASH FLOWS RELATED TO INVESTING ACTIVITIES | | |
| 1.8 | | |
| | - | (56) |
| | - | - |
| | (3) | (6) |
| 1.9 | | |
| | - | - |
| | - | - |
| | - | - |
| 1.10 | - | - |
| 1.11 | - | - |
| 1.12 | - | - |
| Net investing cash flows | (3) | (62) |
| CASH FLOWS RELATED TO FINANCING ACTIVITIES | | |
| 1.13 | 141 | 2709 |
| 1.14 | - | - |
| 1.15 | - | - |
| 1.16 | (25) | (292) |
| Net financing cash flows | 116 | 2417 |
| NET INCREASE (DECREASE) IN CASH HELD | (348) | 1705 |
| 1.17 | 2,493 | 440 |
| 1.18 | - | - |
| 1.19 | 2,145 | 2,145 |

PAYMENTS TO DIRECTORS OF THE ENTITY AND ASSOCIATES OF THE DIRECTORS

PAYMENTS TO RELATED ENTITIES OF THE ENTITY AND ASSOCIATES OF THE RELATED ENTITIES

| | | Current Quarter \$A'000 |
|------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 50 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |
| 1.25 | Explanation necessary for an understanding of the transactions: Salaries, Management and Directors' fees paid to Directors of the Company | - |

NON-CASH FINANCING AND INVESTING ACTIVITIES

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
-
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
-

FINANCING FACILITIES AVAILABLE

| | | Amount available \$A'000 | Amount used \$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities | - | - |
| 3.2 | Credit standby arrangements | - | - |

ESTIMATED CASH OUTFLOWS FOR NEXT QUARTER

| | | \$A'000 |
|-----|----------------------------|------------|
| 4.1 | Exploration and evaluation | 720 |
| 4.2 | Development | - |
| | Total | 720 |

RECONCILIATION OF CASH

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | | Current quarter \$A'000 | Previous quarter \$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|----------------------------|-----------------------------|
| 5.1 | Cash on hand and at bank | 636 | 493 |
| 5.2 | Deposits at call | 1,509 | 2,000 |
| 5.3 | Bank overdraft | - | - |
| 5.4 | Other (provide details) | - | - |
| | Total: cash at end of quarter (item 1.19) | 2,145 | 2,493 |

CHANGES IN INTERESTS IN MINING TENEMENTS

| | | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---------------------------------------------------------------|-----------------------|----------------------------------|----------------------------------------|-------------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | N/A | | | |
| 6.2 | Interests in mining tenements acquired or increased | ELA2/2004 | APPLICATION | | |

ISSUED AND QUOTED SECURITIES AT END OF CURRENT QUARTER

| | | Total Number | Number Quoted | Issue Price Per Security (Cents) | Amount Paid Up Per Security (Cents) |
|-----|----------------------------|-------------------------|--------------------------|---------------------------------------------|----------------------------------------------------|
| 7.1 | Ordinary securities | 34,425,600 | 34,425,600 | Various | 20 |
| 7.2 | Issued during quarter | - | - | Various | 20 |
| 7.3 | Options | 1,600,000 | - | Exercise price | Expiry date |
| 7.4 | Issued during quarter | - | - | 20 cents | 31/01/07 |
| 7.5 | Exercised during quarter | - | - | - | - |
| 7.6 | Expired during quarter | - | - | - | - |

COMPLIANCE STATEMENT

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date:
(Company Secretary)

Print name: **B ACUTT**.....