



Mining Limited  
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MEDUSA MINING LIMITED  
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27 October 2004

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

Dear Sir/Madam,

**\$1M JOINT VENTURE WITH NEWCREST OPERATIONS LIMITED - KURNALPI AND ANTI DAM PROJECTS, KALGOORLIE, WA**

The Company advises that it (together with its wholly owned subsidiary Newcoast Nominees Pty Ltd) has entered into a joint venture with Newcrest Operations Limited to explore the Kurnalpi (E28/465) and Anti Dam Projects (E28/699, Ps28/789, 958, 993 and 994).

- Under the terms of the JV, Newcrest may earn a 70% equity in the tenements by completing expenditure of \$1M within 4 years, with a minimum expenditure commitment of \$100,000 within 12 months and before Newcrest is entitled to withdraw.

Medusa then has the option of:

- Contributing its 30% share of expenditure to maintain its 30% equity position, or up to a first decision to mine, Medusa may elect to dilute on a program by program basis, or
- Reducing to a 20% carried equity position with project loans provided by Newcrest up to a first decision to mine to be repaid from operational cashflow, or
- Providing Medusa's equity is not less than 10%, Medusa may elect to take a "free carried" interest of 10% up to a first decision to mine; or
- Selling its equity at valuation.

Once any decision to mine is made the parties contribute according to their then held Participating Interests.

Newcrest will focus its early work near the Halfway Hill Prospect at the northern end of E28/465 where drilling previously returned encouraging results including 27 metres at 4.9g/t gold, 20 metres at 3.9g/t gold and 26 metres at 3.2g/t gold.

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## **FURTHER INFORMATION**

For further information contact the undersigned on 618-93670601 or by email to [admin@medusamining.com.au](mailto:admin@medusamining.com.au) Detailed descriptions of the Company's projects can be viewed in Medusa's Prospectus and subsequent releases on [www.medusamining.com.au](http://www.medusamining.com.au)

Yours faithfully

Geoff Davis  
Managing Director

*The information in the above announcement was compiled by G J Davis who is a member of the AIG with not less than 5 years experience in the relevant fields, and who consents to the report appearing in the form and context in which it appears.*

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