



MEDUSA MINING LIMITED

ABN: 60 099 377 849

Unit 7, 11 Preston Street
Como WA 6152

PO Box 860
Canning Bridge WA 6153

Telephone: 618-9367 0601
Facsimile: 618-9367 0602

Email: admin@medusamining.com.au
Internet: www.medusamining.com.au

25 May 2005

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

Dear Sir/Madam

Completion of Philsaga Transaction - delayed

Medusa Mining Limited wish to advise that completion of the Philsaga Transaction and subsequent re-listing of the Company's securities on the ASX, initially anticipated to be around 25 May 2005 has been delayed.

Philsaga Mining Corporation has notified the Company that it is endeavouring to satisfy the remaining Condition Precedent (as detailed in the Notice of Meeting/Explanatory Memorandum and Prospectus dated 26 April 2006) for clear title to certain tenements. It is expected that the transaction will be completed within the next four weeks.

The Company is continuing to work towards completion/re-listing and will advise the market of further developments.

Yours sincerely

Roy Daniel
Company Secretary
