



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

16 August 2005

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

Dear Sir/Madam,

PHILSAGA TRANSACTION – EXTENSION OF END DATE

Medusa Mining Limited (“Medusa”) is pleased to advise that it has reached agreement with the Principal Shareholders of Philsaga Mining Corporation (“Philsaga”) to extend the end date of the Philsaga transaction relating to the acquisition and ownership of all of Philsaga’s assets in Central Eastern Mindanao, Republic of Philippines to 21 November 2005.

The parties have agreed in principle to discuss and revise the original terms of the transaction upon the resolution of the Condition Precedent and granting of a Mining Production Sharing Agreement (“MPSA”) by the Mines and Geosciences Bureau covering the Co-O Goldmine.

When granted, the MPSA will enable Medusa to conduct commercial full scale mining operations at the Co-O Goldmine for a period of 25 years, renewable.

For avoidance of doubt, this transaction is separate and additional to the Lease and Option Agreement executed on 5 August 2005 between the Company and Philsaga in relation to Philsaga’s Treatment Plant and associated facilities.

Yours faithfully

GEOFF DAVIS
Managing Director
