



MEDUSA MINING LIMITED

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27 September 2005

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

Dear Sir/Madam

**Completion of Lease, Option and Ore Supply Agreement for the Co-O Plant,
Philippines**

The Company wishes to advise that it has today completed the payments required under the Lease, Option and Ore Supply Agreement with Philsaga Mining Corporation in the Philippines.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Geoff Davis', is written over a light pink rectangular background.

GEOFF DAVIS
Managing Director