

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98. 30/9/2001.

Name of entity

**MEDUSA MINING LIMITED**

ACN or ARBN

**099 377 849**

Quarter ended ("current quarter")

**30 June 2009**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>		
1.1 Receipts from product sales and related debtors	24,185	57,019
1.2 Payments for (a) exploration and evaluation	(3,369)	(12,047)
(b) operation	(6,313)	(14,026)
(c) administration	(1,064)	(3,507)
1.3 Interest and other items of a similar nature received	181	233
1.4 Other	-	-
<b>Net operating cash flows</b>	<b>13,620</b>	<b>27,672</b>
<b>CASH FLOWS RELATING TO INVESTING ACTIVITIES</b>		
1.5 Payments for (a) prospects	-	-
(b) equity investment	-	-
(c) fixed assets	(3,458)	(8,379)
(d) development	(3,844)	(15,319)
1.6 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) fixed assets	-	-
1.7 Loans to other entities	-	-
1.8 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(7,303)</b>	<b>(23,698)</b>
1.9 Total operating and investing cash flows (carried forward)	6,318	3,974
<b>CASH FLOWS RELATING TO FINANCING ACTIVITIES</b>		
1.10 Proceeds from issues of shares, options, etc.	2,500	28,143
1.11 Proceeds from borrowings	-	-
1.12 Repayment of borrowings	-	-
1.13 Other (issue expenses)	(2)	(1,302)
<b>Net financing cash flows</b>	<b>2,498</b>	<b>26,841</b>
Net increase (decrease) in cash held (carried forward)	8,816	30,815

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	<b>Net increase (decrease) in cash held (brought forward)</b>	8,816	30,815
1.14	Cash at beginning of quarter/year to date	27,581	4,834
1.15	Exchange rate adjustments to item 1.14	(3,458)	(2,710)
1.16	<b>Cash at end of quarter</b>	32,939	32,939

**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
1.17	Aggregate amount of payments to the parties included in item 1.2	185
1.18	Aggregate amount of loans to the parties included in item 1.7	-
1.19	Explanation necessary for an understanding of the transactions	
	Salaries and consulting 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

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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

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**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	5,750
4.2 Development	2,400
<b>Total</b>	<b>8,150</b>

### 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	15,459	9,932
5.2 Deposits at call	17,480	17,649
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.16)	<b>32,939</b>	<b>27,581</b>

### 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	-	-	-	-
6.2 Interests in mining tenements acquired or increased	-	-	-	-

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3)	Amt paid up per security (see note 3)
7.1 <b>+Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	168,691,960	168,691,960		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs	2,000,000 84,412	2,000,000 84,412	\$1.25 \$0.78	\$1.25 \$0.78
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	3,030,000	-	<i>Exercise price</i> (see note 6)	<i>Expiry date</i> (see note 6)
7.8 Issued during quarter	-	-		
7.9 Exercised during quarter	(2,000,000)	-		
7.10 Expired during quarter	-	-		
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## 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: 24 July 2009  
Company Secretary

Print name: Roy Daniel

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

6. Unlisted options:

<u>Number issued</u>	<u>Exercise price</u>	<u>Expiry date</u>
800,000	\$0.7128	19 Dec 2009
600,000	\$0.4334	23 Dec 2009
630,000	\$1.2500	31 Mar 2011
1,000,000	\$1.2500	22 Jan 2012