



**MEDUSA**

**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](mailto:admin@medusamining.com.au)  
Internet: [www.medusamining.com.au](http://www.medusamining.com.au)

11 April 2008

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

Dear Sir/Madam

## **JOINT VENTURE WITH BUNAWAN MINING CORPORATION**

Medusa Mining Limited ("Medusa" or the "Company"), the Australian based company operating and developing gold mines in the Philippines, wishes to clarify its position with respect to the ASX announcement by Sierra Mining Corporation ("Sierra") on 8 April 2008 that Sierra will not be proceeding with the Joint Venture Agreement ("JVA") between the respective Filipino operating companies, Philsaga Mining Corporation ("Philsaga") for Medusa and Bunawan Mining Corporation ("Bunawan") for Sierra.

Medusa and Philsaga reject any assertion by Sierra and Bunawan that the JVA has come to an end because of the non-fulfilment of any conditions precedent to the operation of the JVA. The JVA is a binding document that has been relevantly registered in the Philippines, remains in force and under which Philsaga is continuing to fulfil its obligations including clearing up access issues which will enable Philsaga to have unfettered access to all of the tenement area.

However, in light of the position of Sierra to not proceed with the placement of 9.9% of Sierra shares to Medusa under the August 2007 Heads of Agreement (between Medusa and Sierra), Medusa agrees not to take up the placement.

Yours faithfully,

Geoff Davis.  
Managing Director