

Regulatory Announcement

Go to market news section



Company Medusa Mining Limited
TIDM MML
Headline Supreme Court Ruling Positive
Released 07:00 13-Dec-06
Number 7543N

RNS Number:7543N
 Medusa Mining Limited
 13 December 2006

13 December 2006

MEDUSA MINING LIMITED

POSITIVE OUTCOME ON Co-O MINE MPSA APPLICATION

Medusa Mining Limited ("Medusa" or the "Company"), the Australian based company operating and developing gold mines in the Philippines, advises that the Supreme Court of the Republic of the Philippines has unanimously confirmed that the Department of Environment and Natural Resources ("DENR") can now proceed, subject to regulatory compliance, with the issuance to Philsaga Mining Corporation ("Philsaga") of Mineral Production Sharing Agreement ("MPSA") application 084-XIII covering the Co-O Goldmine.

Philsaga can now advance other applications within its portfolio which were affected by the 'Picop case'.

Background

The unanimous decision of the Supreme Court of the Philippines on the case lodged by Picop Resources Inc ("Picop"), a timber concession holder, arose when Philsaga's predecessor was required under the new mining code introduced in 1995 to convert old style tenements to new tenements compliant with the new mining law. Picop lodged an adverse claim against the MPSA applications in 1997 on the grounds that mining could not be undertaken in timber concessions. Philsaga acquired these tenements in 2000 and proceeded to challenge the adverse claim. Philsaga won the case against Picop in two lower courts and subsequently Picop lodged a case in the Supreme Court against the claim owner and a division of the Department of Environment and Natural Resources. The final Supreme Court decision is enumerated above.

Geoff Davis, Managing Director of Medusa commented:

"This decision caps a very busy year for Medusa and couldn't have come at a better time. We have always been confident that the Supreme Court would find in favour of the Constitution under which all minerals are owned by the State. Philsaga can now proceed to have its key application over the Co-O Mine granted and we can progress other tenements in our portfolio which have been previously affected by the Picop case.

"Prior to completing the merger with Philsaga on 4 December, a substantial capital raising was undertaken, the refurbishment of the milling facility was completed and significant progress in the re-development of the mine was made. The Group is now focused on steadily increasing its production to the targeted level of 100,000oz/year by late 2007 - early 2008, from multiple mines".

13 December 2006

For further information, please contact:

Medusa Mining Limited

+618 9367 0601

<http://www.londonstockexchange.com/LSECWS/IFSPages/MarketNewsPopup.aspx?id=1360796&sour...> 13/12/2006

Geoffrey Davis, Managing Director
Roy Daniel, Finance Director

Ambrian Partners
Richard Brown / Richard Greenfield

+44 (0)20 7776 6417

Bankside Consultants
Michael Padley / Daniela Hale

+44 (0)20 7367 8888

This information is provided by RNS
The company news service from the London Stock Exchange

END

Close

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. Terms and conditions, including restrictions on use and distribution apply.

©2006 London Stock Exchange plc. All rights reserved