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**Company** Medusa Mining Ltd  
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## Resource Drill Hole Results

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MEDUSA MINING LIMITED  
 (AIM: MML)

## CO-O MINE RESOURCE DRILL HOLE RESULTS

Medusa Mining Limited ('Medusa' or the 'Company') is pleased to provide an update on the latest results from its drilling program which commenced in December 2006. From the drilling completed to date, 20 diamond drill holes which in conjunction with underground assay data will form the basis of a new resource estimation, expected in September 2007.

High grade mineralisation has been intersected 300 to 350 metres below the main adit level and remains open at depth.

Significant Intersections from the last drilled hole MD 45 include:

Vein Name	Intercepts/Grade
Edphil Vein	2.40 metres @ 25.61 g/t gold
New Catto Vein 3	5.20 metres @107.51 g/t gold
	including:
	- 0.35 metres at 1,077.45 g/t gold;
	- 0.50 metres at 271.44 g/t gold.
New Catto Vein 4 (1)	0.40 metres @160.60 g/t gold

(1) further drilling required to verify allocation of vein name.

Drill hole results greater than 3 g/t gold for holes MD 20 to 44 (reported previously) and new results for MD 45 are tabulated below.

Drilling is continuing with two rigs to further define the potential resource. Medusa regards the initial drilling as indicative only and operates the policy of using widespaced drilling to locate the extent of the mineralised veins. This is then followed by level development to support the drilling results, to provide a more accurate estimate of vein grades and to facilitate the estimation of resources.

The new resource estimation, due in September 2007 will contain 3D diagrams of the veins and various other diagrams which will assist in understanding the vein system.

Table I below lists all diamond drilling results from the Co-O Mine. Previous announcements on the Co-O drilling on 9 July, 15 May and 28 February contain information regarding drilling and surveying techniques, comments on vein interpretation, and methodologies and assaying protocols.

Modelling of the Co-O Vein system is concentrating on the major veins, namely Breccia, Edphil, North, Central, Jereme, and the New Catto Veins 1, 2 and 3. A lower cut-off of 3 g/t gold (previously released drill results used a 4 g/t gold lower cut-off), which is based on mining costs and vein boundaries, has been incorporated into the new tabulation below.

The listed intersections >3 g/t gold in Table I for the named veins are the intersections being incorporated into the resource model in conjunction with underground sampling results. It is apparent from the listing in Table I that there are numerous vein splits that could add to the resource inventory, although at this stage they will not be included in the model. In addition, owing to the small number of intersections in New Catto Veins 4 and 5, these are also not included in the modelling.

The last hole drilled, which is being utilised in the resource calculation, hole MD 45, has intersected the widest and highest grade intersection to date (5.20 metres at 107.51 g/t gold), and together with hole MD 44 indicates that the veins and high grade mineralisation remain open at a depth of approximately 300 to 350 metres below the main adit to the mine.

Table I: Drill hole results greater than 3g/t gold for holes MD 20 to 45

Hole	East	North	Dip (°)	Azimuth (°)	Vein Name	From (metres)	Width (metres)	Grade (uncut) (g/t gold)
MD 20	614094	913059	-51	214	Edphil	230.10	0.50	45.29
						250.25	0.85	4.22
						265.90	0.45	4.75
					North	289.70	1.60	3.00
						311.40	4.70	57.66
						323.10	1.70	15.76
					Central	333.10	7.50	4.92
						352.20	0.80	12.39
					Jereme	359.60	4.30	6.52

					NCV 2	381.95	0.35	15.56
MD 21	614115	913102	-50	214		41.40	0.70	12.81
	Hole stopped at 268.10 metres					186.70	1.00	7.45
						238.90	0.45	3.76
MD 22	614019	913155	-45	210		135.50	0.55	30.95
						161.60	0.30	14.50
					North	324.15	0.65	8.78
					Central	360.80	5.80	6.96
MD 23	614115	913102	-56	214		43.70	3.20	4.91
						191.50	0.70	24.80
					Edphil	349.10	0.40	7.98
						358.80	1.00	3.79
MD 24	614021	913158	-55	210		162.20	0.30	11.45
						281.25	0.55	21.47
					Edphil	357.75	2.20	7.42
						407.60	0.60	4.76
MD 25	614154	913087	-49	210	Edphil	308.60	2.00	4.06
						410.40	0.25	11.54
MD 26	613997	913221	-48	211		165.00	1.10	4.46
					Edphil	359.75	1.60	4.00
						364.20	0.25	16.02
						412.70	0.85	6.15
MD 28	614194	913042	-48	212	Breccia	199.70	0.65	4.15
					Edphil	246.70	1.00	5.34
					North	294.20	1.60	4.15
					Central	320.50	6.30	7.81
					NCV 2	412.55	2.70	12.27
MD 31	613836	913190	-49	200		189.80	0.30	3.28
						221.10	0.30	18.68
					Central	325.30	5.20	4.98
MD 32	614248	912984	-51	217	Jereme	313.80	2.30	19.80
						321.90	0.50	38.55
						330.50	1.50	13.73

					NCV 3	356.50	0.60	6.02
MD 34	614279	912890	-50	227	Central	242.40	0.60	43.73
						273.00	0.30	4.58 *
					NCV 3	304.20	3.10	4.38
						347.50	2.00	13.71
					NCV 1	354.30	3.70	67.40
						368.55	0.45	3.57
MD 35	614237	912819	-58	297	Jereme	198.30	0.30	37.84
					NCV 3	209.30	0.60	69.72
					NCV 2	253.50	1.30	7.51
						268.50	1.70	55.78
MD 38	614234	912783	-47	237	NCV 3	187.90	1.30	48.76
MD 39	614235	912818	-58	205	Central	178.20	0.80	6.02
					Jereme	209.70	0.50	22.46
					NCV 3	231.20	2.80	5.29
MD 40	614167	912919	-52	245	Central	174.20	0.60	10.37
					Jereme	199.40	1.20	3.61
						280.50	0.40	3.40
					NCV 4	312.90	1.70	9.65
					NVC 5	324.25	1.80	9.78
MD 41	614234	912816	-65	205	Jereme	240.60	1.80	110.98
					NCV 3	261.55	1.35	68.23
MD 43	614267	912876	-60	221	Edphil	185.15	1.15	8.95
						241.00	0.80	4.07
					Central	243.60	0.50	8.02
					Jereme	276.90	1.40	5.68 *
					NCV 2	360.07	1.00	4.32
						374.05	0.40	4.88
					NCV 1	383.50	2.15	52.44
MD 44	614207	912951	-54	209	Central	249.10	1.00	6.41
					Jereme	262.80	2.95	9.71
						270.45	0.40	6.53
					NVC 3	270.60	0.30	71.78
					NCV 2	359.60	0.50	18.55

						370.20	0.30	4.36
					NCV 1	376.90	0.20	58.84
					NCV 4	413.60	4.50	10.62
					NCV 5	436.90	1.50	74.33
MD 45	614289	912938	-54	204		237.00	0.20	21.76 *
						242.15	0.25	6.23 *
					Edphil	252.50	2.40	25.61
						274.90	0.50	11.51
						281.90	0.30	9.32
						301.75	0.30	9.11 *
						311.30	0.85	3.10 *
						315.20	0.70	3.22
						317.40	1.00	4.07
						334.65	0.45	6.20
					Jereme	347.20	0.50	3.17
						351.90	0.30	19.89 *
					NCV 3	375.60	5.20	107.51
						388.90	0.30	3.41
					NCV 4(?)	392.30	0.40	160.60
					NCV 5(?)	403.10	1.00	7.70 *
					NCV 5(?)	403.10	1.00	7.70 *
					NCV 5(?)	403.10	1.00	7.70 *

## Notes:

- (i) \* denotes Philsaga assays;
- (ii) Independent laboratory McPhar assays are quoted in preference to Philsaga assays;
- (iii) Grid coordinates changed from those previously published due to conversion to the Philippine Reference System 92 project grid; and
- (iv) Intersection cut-off grade lowered to 3 g/t gold in line with resource estimation parameters.

Geoffrey Davis, Managing Director of Medusa, commented:

'The new results are again positive and continue to support our view that the Co-0 Mine will develop into an exceptionally high grade gold mine and we look forward to the new resource estimate. In the meantime, drilling continues to define additional mineralisation.'

The information in the above announcement was compiled by Geoff Davis, who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Geoff

Davis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Please see the attachments below for maps and cross sections which accompany this announcement and inter alia, illustrate the location of all the diamond drill holes drilled around the Co-O Mine since December 2006:

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