

## Regulatory Announcement

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<b>TIDM</b>	MML
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<b>Released</b>	07:02 10-Jun-08
<b>Number</b>	HUG1226369

Drilling To Commence At Lingig

10 June 2008

MEDUSA MINING LIMITED

(AIM: MML)

LINGIG PORPHYRY DRILLING TO COMMENCE

Medusa Mining Limited ('Medusa' or the 'Company'), the Australian based company operating and developing gold mines in the Philippines, advises that permits have now been received and the Company has begun preparations for drilling at the Lingig Porphyry Copper discovery. The rig that will be used has a capacity for 1,200 metres vertical depth. Drilling is expected to commence at the end of June.

The first new drill hole will repeat and drill past the 1974 bottom of the discovery hole intersection of 150 metres of 0.4% copper, which had increasing grades at depth.

Outcropping, oxidised, intensely quartz and sulphide veined porphyry has recently been located approximately 500 metres to the north of the discovery hole.

Detailed information from the compilation of historical drilling and mapping data is provided in the Company's announcement of 13 November 2007, the key points of which were:

\* a 150 metre intersection of 0.4% copper ended in high grade

mineralisation;

- \* higher grade mineralisation of 0.65% copper encountered in the bottom 52 metres of the hole; and
- \* a 98 metre wide halo of 0.27% copper mineralisation in the overlying volcanic rocks suggests an intense mineralising system.

Geoff Davis, Managing Director of Medusa, commented:

'This 1974 discovery has encouraging mineralisation characteristics and the drill programme is designed to confirm and extend the earlier results laterally and at depth.

'We believe that the Lingig porphyry copper project has the potential to be a significant discovery.'

Please see the link at the end of this announcement for images detailing the Lingig Copper Porphyry discovery: Figure 1 shows the location of the discovery; Figure 2 shows the current geology of the area as well as copper soil geochemistry and contoured resistivity and frequency effect results of the Induced Polarisation survey; and Figure 3 shows the graphic log of discovery drill hole DDH 1.

For further information, please contact:

Medusa Mining Limited

**+61 8 9367 0601**

Geoffrey Davis, Managing Director

Roy Daniel, Finance Director

Fairfax I.S. PLC

**+44 (0)20 7598 5368**

Nominated Adviser / Joint Broker

Ewan Leggat

Mirabaud Securities Limited

**+44 (0)20 7321 2508**

Joint Broker

Peter Krens

Bankside Consultants

**+44 (0)20 7367 8888**

Michael Padley / Louise Davis

## Discovery Drill Hole DDH 1

After passing through 100 metres of propylitically and argillically altered doleritic and basaltic rocks with erratic copper mineralisation, drill hole DDH1 intersected disseminated and stringer style pyrite and chalcopyrite (copper sulphide) mineralisation for 98 metres in increasingly argillically altered basaltic and doleritic rocks before entering higher grade mineralisation in phylitically altered quartz diorite porphyry. The graphic log of the drill hole is shown in Figure 3 (please see the link at the end of this announcement).

Table I: Summary of intersections in drill hole DDH 1

Depth (metres)	Intersection	Host rocks, alteration & mineralisation
0 to 100	Erratic values to 0.89% Cu	Propylitically (chlorite and epidote) and argillically altered dolerite and basalt with disseminated and stringer pyrite, rare chalcopyrite.
100 to 198	98 metres @ 0.27% Cu	Propylitically and argillically (clay) altered dolerite and basalt with a moderate increase of disseminated and stringer pyrite and chalcopyrite.
198 to 250	52 metres @ 0.65% Cu	Phylitically altered (silica-sericite) quartz diorite porphyry with disseminated and stringer pyrite and chalcopyrite increasing with depth.

Incl. 248 to 2 metres @ 4.93%  
250 Cu,  
[End of Hole] 0.4g/t Au, 10g/t Ag  
TOTAL: 100 to 150 metres @ 0.40%  
250 Cu

A further four holes were drilled to the south of DDH 1 and intersected minor copper mineralisation. DDH 5 intersected increasing amounts of copper, including 18.80 meters at 0.34% copper, and several two to four metre intersections of 0.34 to 0.69% copper.

#### Discussion

Discovery drill hole DDH 1 has intersected and stopped in the top of a mineralised copper-gold-silver quartz diorite porphyry.

Of particular note is the 98 metre disseminated copper halo above the quartz diorite, suggestive of an intense mineralising system, as well as the erratic copper values in the propylitic alteration envelope above this disseminated zone. This has similarities to the Lutopan orebody of the Atlas Toledo Mine where ore grade replacement mineralisation is hosted in volcanics for a width of 120 metres along a strike length of 900 metres (Mines & Geosciences Bureau, 1982).

#### References:

Mines and Geosciences Bureau, 1982: Geology and Mineral Resources of the Philippines.

Information in this report relating to Exploration Results is based on information compiled by Mr Geoff Davis, who is a member of The Australian Institute of Geoscientists. Mr Davis is the Managing Director of Medusa Mining Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the

'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Davis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

- ---END OF MESSAGE---

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