

Regulatory Announcement

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Company	Medusa Mining Ltd
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Kamarangan Permits Granted

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MEDUSA MINING LIMITED
(AIM: MML)

KAMARANGAN PERMITS GRANTED

Medusa Mining Limited ('Medusa' or the 'Company'), the Australian based company operating and developing gold mines in the Philippines, advises that permits have been granted for drilling over the Kamarangan area, which has potential for gold, iron and copper mineralisation.

The potential mineralisation types are hosted by various skarns that have been interpreted to cover an area approximately 1,200 metres by up to 1,000 metres where alluvial gold workings are widespread. The skarns are developed in shallowly dipping and banded limestones.

Detailed descriptions of gold, iron and copper sampling results from 21 iron-rich surface samples, which averaged 9.5g/t gold and 37.5% iron, and which returned elevated copper values to 0.33% copper, are contained in an announcement dated 25 February 2008.

Drilling is expected to commence within two weeks, initially in the Dumaag area where the iron-rich samples were collected.

Geoff Davis, Managing Director of Medusa, commented:

'The Tambis-Barobo region, which includes Kamarangan, has all the hallmarks of a mineral district that will host several different types and styles of mineralisation.

'Drilling at Kamarangan is the start of investigating this potential away from the known Bananghilig disseminated and vein style gold mineralisation where work has been concentrated to date. We are very optimistic about this prospect.'

Figure 1 shows the location of the Kamarangan area in the Tambis-Barobo region; Figure 2 shows the various geological and geophysical features of the region and the detailed location of the Kamarangan area; Figure 3 shows all gold assays above 1g/t gold for all skarn types; Figure 4 shows the location of the iron assays and Figure 5 shows copper assays above 0.05% copper for all skarn types. Please see the link at the end of this announcement for all of these images.

For further information, please contact:

<http://www.londonstockexchange.com/LSECWS/IFSPages/MarketNewsPopup.aspx?id=1866243&...> 12/06/2008

Medusa Mining Limited Geoffrey Davis, Managing Director Roy Daniel, Finance Director	+61 8 9367 0601
Fairfax I.S. PLC Nominated Adviser / Joint Broker Ewan Leggat	+44 (0)20 7598 5368
Mirabaud Securities Limited Joint Broker Peter Krens	+44 (0)20 7321 2508
Bankside Consultants Michael Padley / Louise Davis	+44 (0)20 7367 8888

Gold potential

The widespread occurrence of gold assays on Figure 3, which shows only samples returning over 1g/t gold, indicates there may be substantial open-pit gold targets associated with the skarns, in particular the epidote-silica skarns and the iron-rich skarns.

Twenty one iron-rich samples that were assayed for iron also returned an average of 9.5g/t gold.

Iron ore potential

Twenty one iron-rich, weathered surface samples were assayed for iron (Figure 4) and averaged 37.54% iron. Only the Dumaag area of skarns was assayed for iron, with the other outcrops appearing physically similar at Layap Layap and Palm Oil. These other outcrops also have returned anomalous copper and gold assays. Recent re-interpretation of aeromagnetics using 3-dimensional inversion processing techniques suggests that the magnetite component of the iron-rich skarns may be shallow.

Copper potential

The common occurrence of high background copper assays of >500ppm (0.05% copper), as shown on Figure 5, is suggestive of a major copper source, probably below the iron-rich skarns. It should be noted from Figure 2 that the skarn area is situated almost central to the large aeromagnetically defined alteration zone. The nearby outcropping Sopon diorite intrusive to the north of Kamarangan is 'fertile' as it carries visible disseminated chalcopyrite (copper sulphide).

Discussion

It is apparent that the Kamarangan area represents a major metalliferous target for gold, iron and copper. Conceptually it is interpreted that the mineralisation has originated from an underlying intrusive porphyry copper body.

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.

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