

## Regulatory Story

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**Company** Medusa Mining Limited  
**TIDM** MML  
**Headline** 100% Increase Co-O Mine JORC Reserve  
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100% Increase Co-O Mine JORC Reserve

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17 July 2009

Co-O MINE RESERVE NOW 500,000 OUNCES

Medusa Mining Limited ('Medusa' or the 'Company'), through its Phillipines operating company, Philsaga Mining Corporation ('Philsaga'), advises that it has completed a JORC compliant Ore Reserve estimation for the Co-O Mine.

The Probable Reserve as at 14 June 2009, now stands at 1,041,000 tonnes at 14.9 g/t gold containing 500,000 ounces of gold.

This represents an increase of 101% or 251,000 ounces over the Probable Reserve of 249,000 ounces at 10.8 g/t gold announced in August 2008. Mine depletion since the 2008 estimate is excluded from the new estimate. This ore reserve will allow an approximate 5 year mine life at a production rate of 100,000 ounces per year.

Crosscut Consulting of Queensland, Australia was contracted to complete a reserve estimation based on the resource wireframe model provided by Cube Consulting Pty Ltd. An Indicated and Inferred Resource totalling 1,380,000 ounces at a grade of 10.8 g/t gold was announced on 1 July 2009.

The Probable Reserve was estimated from an Indicated Resource of 1,250,000 tonnes at 15.0 g/t gold containing 603,000 ounces of gold. The estimate was based on a gold price of US\$900 per ounce and a stope cut-off grade of 3.3 g/t gold.

Geoff Davis, Managing Director of Medusa commented:  
 'A mine life of 5 years based on reserves is a major achievement for a narrow vein mine, and is the culmination of over 40,000 metres of drilling and over 6,000 metres of underground development that has been completed during the last year. The Company anticipates that it

will be able to maintain this level of reserves on a yearly basis through continuing conversion of inferred resources to reserves as the mine develops'.

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#### JORC COMPLIANCE - CONSENT OF COMPETENT PERSONS

##### Medusa Mining Limited

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 mineralization 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.

##### Cube Consulting Pty Ltd

Information in this report relating to Mineral Resources has been estimated and compiled by Mark Zammit of Cube Consulting Pty Ltd. Mr Zammit is a member of The Australasian Institute of Mining & Metallurgy and has sufficient experience that 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Zammit consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Cube Consulting is an independent Perth based resource industry consulting firm specialising in geological modelling, resource estimation and information technology.

##### Crosscut Consulting

The information in this report that relates to Ore Reserves is based on information compiled by Declan Franzmann, B Eng (Mining), MAusIMM. Mr Franzmann is a full-time employee of Crosscut Consulting.

Mr Franzman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for

Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Franzmann 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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