

Regulatory Story

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Company Medusa Mining Limited
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AGM Statement

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Medusa Mining Limited
(the 'Company')

Chairman's AGM Address

At today's Annual General Meeting of Medusa Mining Limited, held at the Sheraton Perth Hotel, 207 Adelaide Terrace, Perth, Western Australia, the Chairman, Kevin Tomlinson, made the following comments:

'It is with a great sense of pride that I present my annual address to you, our shareholders. As outlined in the Annual Report by our Managing Director, Geoff Davis, this has been a year filled with many achievements, some of which included new discoveries, significant resource upgrades, increased production ahead of schedule and several other equally important events.

'Looking ahead, in early 2010 we expect to attain our immediate target production of 100,000 ounces annualized. Drilling at the Co-O Mine and nearby veins is on-going to define extensions with the aim of increasing mine production to match mill capacity. Should the drilling prove successful it could result in additional production of between 20,000 to 30,000 annualized ounces, at minimal capital cost.

'Reflecting back on the year, in addition to the achievements highlighted, the Company has diversified its shareholder base significantly, particularly on the back of the fund raising conducted in early March. The raising has had significant benefits with increased liquidity and the introduction of a number of funds and institutional investors onto the Company's share register,

culminating in the Company being included in the S&P/ASX200 in July 2009.

'The management team has been very active at marketing the 'Medusa' story in the North American market. They have conducted several road shows to Toronto and presented at the Denver Gold Show in order to gauge investor appetite for the Company. These initiatives have emphasized to us the appetite for cash generating companies with significant exploration 'blue-sky' in these markets, and I think you will agree, the Company has excellent exploration discovery potential for many years to come.

'All the above achievements and activities have translated into some dramatic corporate statistics; one of which is our market capitalization. At the time of last year's AGM on 7 November, the market capitalization of the Company was just A\$95 million, admittedly it was near the low point of the recent downturn, but new discoveries at Co-O which were announced in December 2008, increased resources in January 2009 followed by December 2008 quarterly production increases triggered the share price climb. Today the Company's market capitalization is around the A\$650 million mark, a spectacular rise indeed!

'Nevertheless, we are not intending to rest on our laurels and are continually looking at ways to maximize shareholder value. Consequently, as a result of a combination of the above factors, I am pleased to inform you that the Company has received conditional approval from the Toronto Stock Exchange ('TSX') and will officially list and commence trading on the TSX next Friday, 27 November 2009. I consider this to be a significant and major milestone for the Company and share the same view as my fellow Directors that the North American market will ascribe considerable value to our cashflow and to the potential for discoveries in our extensive exploration portfolio.

'In closing, I would like to extend my sincere gratitude to our team of over 1,500 people who have contributed to the Company's success this year and to the people in the communities in which we work. I would also like to extend a hearty thank you to our long-term shareholders for their continued and loyal support and welcome new shareholders who have recently invested in the Company.'

Kevin M Tomlinson
Chairman

ABOUT MEDUSA MINING LIMITED

Medusa Mining Limited ('Medusa' or the 'Company'), a public company listed on the ASX and AIM, is an Australian based gold producer, focused solely on the Philippines.

With Indicated Resources of 603,000 ounces and Inferred Resources of 1,427,000 ounces, Medusa's corporate strategy is to become a mid-tier 300,000 to 400,000 ounce per year, low cost gold producer. The Company is currently expanding the high grade Co-O Mine operations (500,000 Reserve ounces at 10.8 g/t gold) to increase its production capacity to 100,000 ounces per year, and is conducting near mine exploration to assess the possibilities of further expansion to 200,000 ounces per year. Current cash costs at the Co-O Mine are approximately US\$200 per ounce.

A pipe-line of deposits is now being established with the Bananghilig Deposit (650,000 Inferred ounces at 1.3 g/t gold) which is expected to expand, potentially in conjunction with new nearby discoveries.

Further potential upside exists in the discovery of substantial copper deposits within the tenement holding of > 800km2.

18th November 2008

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