

**MEDUSA MINING LIMITED**

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Internet: [www.medusamining.com.au](http://www.medusamining.com.au)**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS**

26 February 2009

The Manager  
ASX Limited  
Level 4, 20 Bridge Street  
Sydney NSW 2000

Dear Sir / Madam

**UNDERWRITTEN A\$24.5 MILLION PLACEMENT**

Medusa Mining Limited (ASX & AIM: MML) ("Medusa" or the "Company") is pleased to announce a placement of 20.3 million fully paid ordinary shares at \$1.21 each to institutional and sophisticated clients of Euroz Securities Limited ("Euroz") under section 708 of the Corporations Act.

Proceeds from the placement will be applied to:

- the Phase 2 expansion of the Company's Co-O underground goldmine and associated milling facilities in the Philippines, targeting production of 100,000 ounces per annum by early 2010;
- intensive drilling at the Co-O mine designed to increase resources from the current 1.2 million ounces to approximately 1.5 million ounces, which in conjunction with underground development is also targeting a reserve of approximately 500,000 ounces by August 2009; and
- general working capital.

The placement is fully underwritten by Euroz.

Medusa's Managing Director, Mr Geoff Davis said, "the Company is very pleased to welcome new shareholders and acknowledges the invaluable support provided by existing shareholders, as this support has enabled the Company to reach this pivotal point in its development."

"We are an unhedged, high margin gold producer with an exciting future as we grow our production this year," said Mr Davis, and "I believe the market is starting to recognise our potential".

Settlement of the placement is scheduled to take place on 5 March 2009.

## **Market update - Preliminary half-yearly results to 31 December 2008**

Given the conduct of the above placement, Medusa believes it is appropriate to provide an early indication of its half year results to 31 December 2008.

Subject only to final review and sign off by the Company's external auditors, Medusa expects to make a net profit after tax for that period of \$12.0 million.

The Company intends to release its final half-yearly results on or before Friday, 6 March 2009.

Yours faithfully



GEOFF DAVIS  
Managing Director

### **DISCLAIMER**

This announcement has been prepared for publication in Australia and the United Kingdom and may not be released in the United States. This announcement does not constitute an offer of securities for sale in the United Kingdom or the United States. The shares described in this announcement may not be offered or sold in the United States absent registration under the US Securities Act of 1933 or an exemption from registration, or in any other jurisdiction in which such an offer would be illegal.

### **JORC COMPLIANCE - CONSENT OF COMPETENT PERSONS**

#### **Medusa Mining Limited**

Information in this announcement 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 announcement of the matters based on his information in the form and context in which it appears.

#### **Cube Consulting Pty Ltd**

Information in this announcement 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 announcement 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.