

**Source: [www.miningnews.net](http://www.miningnews.net)**

Medusa deal in November

Tuesday, August 16, 2005

Jesse Riseborough

**MEDUSA Mining has again extended the end date for completion of its troublesome Philsaga transaction involving the acquisition of the Co-O plant and mine in Philippines.**

The company said it now expects to complete the transaction by November 21 after having agreed to revise the original terms of the transaction. Medusa said the deal is subject to the granting of a Mining Production Sharing Agreement allowing it to begin mining operations at Co-O.

In June Medusa was forced to abandon an \$8 million capital raising due to lingering doubts over the transaction, however it has now revealed that it will require a minimum \$4.5 million capital raising to complete the "financial requirements" of the deal.

The company is hopeful of its shares being tradeable again on the ASX in late September – following the raising – having been suspended since May.

Earlier this month Medusa said it had negotiated a lease and option agreement with the Philsaga Mining Corp to acquire the plant for \$2 million, with an additional \$1 million required to be paid to contractors to purchase mining equipment.

The deal also requires Philsaga to provide a minimum of 2000 tonnes of ore per month for 3 years for cost plus 15%.

Medusa said the plant was designed by BHP and is 12km north of the mine. Minor alterations are required to increase capacity from 550t per day to up to 1100tpd.

In December last year the company announced it had finalised terms with Philsaga to acquire all of its assets including the Co-O mine, which has produced around 17,000 ounces of gold per year since 2002. However the deal fell over in early May due to an outstanding 'condition precedent'.