

PHILIPPINES - DISCOVERY OF BLANKET-STYLE GOLD MINERALIZATION

Medusa Mining has discovered sub-horizontal blanket-style gold mineralization in the Tambis Bananghilig area of the Philippines, including a horizontal drill hole intersection of 98.9 metres at 4.23 grams/tonne gold.

A truncated caldera has been identified measuring about 10km by 6 km, within which a sizeable body of intensely altered and variously mineralized diatreme breccia and other breccia types measuring at least 1000 metres by 750 metres has been outlined.

The Tambis Bananghilig Mine area is about 35km to the north of the Co-O Plant and is accessible by an all weather road. Small scale hard rock and alluvial mining have been carried out in this area for several hundred years.

Medusa undertook underground exploration and trial mining of several high grade veins based on the previous explorers' drill hole data bases consisting of a total of 29,477 metres of drilling in 344 holes and comprising 117 diamond holes for 16,853 metres and 227 reverse circulation holes for 12,624 metres.

The Bananghilig Mine area is on the northern edge of a large aeromagnetically defined alteration zone measuring 9.5km by 7.3km.

The Tambis caldera is around the intersection of the regionally significant Barobo Fault and the Lianga Bay Fault system and the Tambis diatreme is in the central eastern portion of the caldera.

A sizeable elliptical-shaped diatreme breccia body, measuring about 1000 metres along the north-east axis and about 750 metres wide, has been outlined based on diamond drilling and mapping in the Bananghilig area.

In the Philippines, calderas and/or diatreme breccias are hosts to or associated with a number of porphyry copper deposits including the Tampakan deposit with 1.97 billion tonnes at 0.59% copper and 0.23 grams/tonne gold containing 11.6 million tonnes of copper and 14.6 million ounces of gold, the Dizon Porphyry Copper Mine that has closed prematurely due to a pit wall collapse but contains 140 million tonnes of ore at 0.43% copper and 0.93 grams/tonne gold, and the Amacan Deposit with remaining resources of 110 million tonnes at 0.3% copper and 0.43 grams/tonne gold.