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PHILIPPINES - NEW CO-O ESTIMATE EXPECTED IN APRIL

All drill holes completed by the end of February at Medusa Mining's Co-O gold project in the Philippines will be included in a new interim resource estimate that is expected in April.

The drilling is expected to have increased the resource estimate announced last August of 928,000 tonnes of Indicated resources at 12.6 grams/tonne gold and 1.106 million tonnes of Inferred resources at 9.5 grams/tonne gold.

Drilling with four surface rigs and one underground rig will continue after the resource estimate is completed.

Since last August 13 new surface holes have been completed. The best intercepts were 1.4m @ 20.62 grams/tonne gold, 1.95m @ 22.02 grams/tonne, 0.85m @ 14.69 grams/tonne, 0.25m @ 41.06 grams/tonne, 0.3m @ 14.93 grams/tonne, 1.8m @ 14.59 grams/tonne, 3.3m @ 26.09 grams/tonne, 0.4m @ 43.13 grams/tonne and 0.4m @ 17.21 grams/tonne.

The drilling has now successfully demonstrated that the three New Catto Veins continue to the west of the Oriental Fault for about 200m and may extend through to surface similar to the Central Vein. Consequently, development is underway to intersect them on the 3150m or adit level, on the 3100m level, and on the 3050m level.

It is anticipated that stoping should start from the west New Catto Veins on these three levels in the third quarter of this year. These veins are still open along strike to the west and at depth.

Expansion works have proceeded well during the quarter with approximately 70% of the total activities focussed on the expansion of the mine. A total of 821 metres of development was completed.

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