



Results continue for Medusa

Monday, 29 March 2010

DRILLING from Medusa Mining's Co-O gold operation in the Philippines continue to confirm the robustness and quality of the deposit and bode well for a planned reserve upgrade in July.

Results from the recent surface drilling included 1.70m at 99.63 grams per tonne gold, 6.40m at 23.36gpt, 0.65m at 58.66gpt, 1.40m at 20.63gpt, 1.60m at 22.48gpt, 2m at 16.49gpt, 1.15m at 35.18gpt and 4.90m at 20.27gpt.

Drilling with six surface rigs will continue on the Co-O mine area until June, at which point some rigs will be transferred to start feasibility study related drilling at the nearby Bananghilig deposit.

With current indicated resources of 580,000 ounces of gold and inferred 1.31 million ounces, Medusa's strategy is to become a mid-tier (300,000-400,000 ounces per annum), low-cost producer.

The company's cash costs come in at around \$US190 per ounce (\$A210/oz).

It is currently expanding its high-grade operation to increase production to 100,000ozpa and undertaking exploration to build this further to 200,000ozpa.

Shares in Medusa were up 1.02% in morning trade to \$A3.95.



Co-O Agsao shaft

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