

Regulatory Announcement

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Quarterly Report

MEDUSA MINING LIMITED
(AIM: MML)

QUARTERLY REPORT
PERIOD ENDING 31 MARCH 2008

Medusa Mining Limited ('Medusa' or 'The Company'), the Australian based company operating and developing gold mines in the Philippines, is pleased to provide its quarterly update on activities for the period ending 31 March 2008, as required by the Australian Stock Exchange.

KEY POINTS:

Co-O MPSA GRANTED FOR 25 YEARS

Co-O MINE PRODUCTION

- * Production target of 5,086 ounces achieved at an average grade of 11.95 g/t gold and average cash cost of US\$238 per ounce.

Co-O MINE EXPANSION

- * Phase I expansion on schedule. Benefits anticipated to commence to flow in Q3 2008. On completion of the Agsao shaft in Q2 2009, mine production is expected to increase to approximately 60,000 annualised ounces in Q3 2009;
- * Phase II Hill View Shaft expansion to raise production to 100,000 ozs per year from Co-O Mine by early 2010;
- * Poles and line have arrived for installation of grid power to the mine, transformers awaited. Sub-station completion delayed until at least August 2008.

Co-O RESOURCE EXPANSION DRILLING

- * Significant new intersections discovered, including 3.45 metres at 12.48 g/t gold, 14.6 metres at 5.29 g/t gold and 1.45 metres at 12.64 g/t gold;
- * Resource drilling is continuing.

LINGIG PORPHYRY COPPER DISCOVERY

- * Permitting is still in progress to allow drilling as soon as possible.

ANOLING

Underground exploration continuing.

CAMBIS - BAROBO AREA

Iron ore and gold target outlined at Kamarangan.

REGIONAL & RESEARCH

- Remote sensing tectonic analysis has demonstrated excellent mega-scale structural preparation consistent with known mineralisation orientations and locations;
- Research programme through the University of Western Australia recommenced.

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PROJECT OVERVIEW

The locations of the Company's projects are shown on Figures 1 and 2 (please see the link at the end of this announcement).

Co-O MPSA

On 20 March 2008, Mineral Production and Sharing Agreement ('MPSA') number 262-2008-XIII mining rights was registered over the Co-O Mine for 25 years renewable. The MPSA covers an area of 2,209 hectares (22 km²) and replaces MPSA application number XIII-00084.

GOLD PRODUCTION

The production statistics for the current financial year are summarised in Table I.

Table I: Gold Production

Period	Gold produced (ozs)	Head grade (g/t gold)	Cash costs (US\$ per oz)	Comments
Jul to Sep 2007	5,050	9.45	248	Stoping of accessible lower grades due to lack of development miners and re-assignment of some of workforce to the expansion

			projects
Oct to Dec 2007	3,686	10.46	263
Jan to Mar 2008	5,086	11.95	238
TOTAL	13,822	10.69	248

In line with its Phase I expansion production target, the Company produced 5,086 ounces of gold at an average grade of 11.95 g/t gold and average cash production costs of US\$238 per ounce.

The benefits of the Phase I expansion are currently on track to start to flow through in the third quarter 2008.

Co-O MINE

RESOURCE EXPANSION DRILLING

After discussions with its resource consultants and as a result of continuing positive drill intersections west of the Oriental Fault, the Company has decided to postpone the estimation of an interim resource as it concentrates on increasing the levels of confidence by drilling and development for the interpretation of the veins. Other factors influencing this decision include:

- * At the 3050 metre level, a number of splits in the West Catto Veins are being delineated by the on-going on-vein development, including the discovery of a vein that shows dip variations from sub-vertical to 30° to the north and swings in strike directions. This vein's variable dip and strike requires further development work to determine its geometry, as well as for the Catto West veins. The wide intercept in MD 61 (14.60 metres at 5.29 g/t gold) may be another example of yet to be understood dip and strike variations not previously seen in the mine. There are also increasing indications of other low angle veins elsewhere in the mine.
- * At the eastern end of the vein system, additional drilling is required to assist with vein interpretation due to faulting of the vein system in this area around the Agsao River.

The drilling and underground development will continue to the point where vein interpretations can be undertaken with confidence. At that time a new resource estimation will be undertaken.

Drilling programme and results

Figure 1 shows the location of the Co-O Mine and Figure 5 shows the diamond drill holes drilled around the Co-O Mine up to the announcement of 24 January 2008. Figure 4 shows an updated three dimensional model of the vein system. (Please see the link at the end of the announcement for these images.)

Since the last drilling update on 24 January 2008 a total of 11 new surface holes have been completed. Drilling is continuing, utilising four surface drilling rigs and two underground rigs.

Table II lists the diamond drilling results greater than 3 g/t gold from the Co-O Mine for drill holes MD 46 to MD 68 and for underground drill hole DBH 03. Previous announcements on the Co-O drilling on 9 July, 15 May and 28 February 2007 contain information regarding drilling and surveying techniques, comments on vein interpretation

and methodologies and assaying protocols.

Table II. Drill hole results greater than 3 g/t gold for holes MD 46 to 68.

Hole	East	North	Dip (°)	Azimuth (°)	From (metres)	Width (metres)	Grade (uncut) (g/t gold)
EAST							
MD 46	614,047	912,472	-48	41	489.30	0.85	8.51
					501.40	0.40	4.50
					542.90	1.40	20.62
MD 48 (Agsao Shaft pilot hole)	614,257	912,704	-60	253	212.45	1.95	22.02
MD 49	614,129	912,487	-50	40	449.85	2.05	6.61
					463.90	1.00	4.24
MD 55	614,134	912,495	-45	35	361.60	3.45	12.48
					421.20	0.70	12.23
					486.25	0.70	3.89
MD 64	614,175	912,505	-45	41	405.80	1.00	3.19
MD 67	614,173	912,504	-52	43	278.00	0.80	7.20
					398.30	1.30	6.55
WEST							
MD 47	613,805	912,788	-55	30	153.30	1.80	4.70
MD 51	613,749	912,798	-53	17	130.50	1.30	6.50
					155.75	0.25	41.06
MD 52	613,754	912,816	-50	14	75.25	0.55	3.53
					157.60	0.30	5.31
					170.40	0.30	14.93
MD 54	613,830	912,745	-47	29	174.00	1.80	14.59
MD 56	613,809	912,706	-54	29	390.85	1.00	3.11
MD 57	613,739	912,767	-54	16	152.55	0.45	39.64
					191.90	3.45	26.26
MD 58	613,739	912,767	-58	16	176.10	0.40	43.46
					207.00	0.70	7.45
					280.40	0.90	6.18
MD 61	613,662	912,804	-47	347	249.10	14.60	5.29
					308.20	1.45	12.64
MD 62	613,723	912,767	-56	2	184.65	2.10	9.07
MD 65					115.60	0.65	25.42
					153.05	2.75	8.80
DBH 03	613,918	912,909	-0.2	236	29.05	1.05	6.58
					57.30	1.90	9.60
					72.20	0.40	17.21

- Notes:
- (i) Independent laboratory McPhar assays are quoted in preference to Philsaga assays;
 - (ii) Grid coordinates based on the Philippine Reference System 92;
 - (iii) Intersection lower cut-off grade is 3 g/t gold in line with current resource estimation parameters;
 - (iv) Some previously reported intersection widths and grades may have changed as a result of check assaying by McPhar.

20-0 PHASE 1 MINE EXPANSION

Expansion works have continued to proceed well during the quarter

with more of the activities focussed on on-vein development in preparation for the setting up of production stopes. A total of 1,147 metres of development was completed (compared to 821 metres in the previous quarter).

In the third quarter of 2008 it is anticipated that stope production should be underway from five levels in the mine, these being the 3150, 3100, 3050, 3000 and 2950 metre levels.

(a) Development of the Catto Veins

A new drive following underground drill hole DBH 3 on the 3050 metre level on the west side of the Oriental Fault has intersected the West Catto Veins and driving west along the veins is underway. A number of branch veins have been encountered including one vein on the 3050 metre level which has a dip of 30° to 50° north together with abrupt changes in strike. When more vertical and horizontal development is completed in these areas, interpretation of the veins can be completed. Driving to the New Catto Veins on the east side of the Oriental Fault is underway by driving along the Jereme Vein first to the east from the 3000 metre level.

(b) Beta Shaft

The set-up for the new internal inclined Beta Shaft (footings, headframe and winder), to an inclined depth of 120 metres (100 metres vertical) is nearly completed and sinking is underway.

Provided ground conditions are reasonable, ore production through the Beta Shaft should commence in the last quarter of 2008.

(c) Agsao Shaft

The new external Agsao Shaft, to an inclined depth of 240 metres (200 metres vertical) has commenced sinking in hard, fresh rock following cementing of the top section of the shaft down through the soft weathered material. The bottom of this shaft will be at the 2950 metre level and will be connected to the Beta internal inclined shaft at the same 2950 metre level. Plate 1 (please see the link at the end of this announcement) shows the Agsao Shaft headframe and winder.

Provided ground conditions are reasonable, ore production through the Agsao Shaft should commence in the second quarter of 2009.

(d) 3150 metre level

Development has intersected the West Catto Veins and on-vein development is now underway. Provided vein widths and grades are suitable, stope production should commence in the third quarter of 2008.

Co-O PHASE II DEEP SHAFT EXPANSION

The current resource size, combined with on-going drill intersections indicating the deposit is still open along strike in both directions as well as at depth, justifies an expanded production profile to approximately 100,000 ounces per year.

The initial Hill View Shaft target depth, as shown on Figures 3 and 4 (please see the link at the end of this announcement), is approximately 420 metres or 100 metres below (at the 2850 metre level) the 'in-progress' Agsao Shaft (which will bottom at the 2950 metre level). The shaft will have the capacity to be further deepened to 600 metres. The new shaft will have a double drum winder with the

capacity to hoist up to 700 tonnes per day of ore, which when combined with the Agsao Shaft, Beta, 3W and 10W shafts will lift hoisting capacity from the mine to approximately 1,000 tonnes of ore per day. At the current reserve grade of 11.1 g/t gold, this equates to approximately 100,000 ounces of gold production per year. This Phase II expansion will not interfere with the current expansion of the mine to a target of 60,000 annualised ounces on commencement of ore haulage from the Agsao Shaft in the second quarter of 2009.

Co-O MINE GRID POWER

The poles and cable for the power line to the Co-O Mine have been delivered however transformers and associated electrical equipment are now expected to be delivered during the next quarter. The upgrade of the sub-station at the nearby town of San Francisco to the north of the Co-O millsite has been delayed until at least August 2008 and consequently the timing of the completion of the power line will depend on completion of the sub-station and the arrival of the outstanding items.

CAMBIS-BAROBO AREA

Soil sampling

Processing of the recently completed ridge and spur soil samples is in progress with results anticipated in the second quarter of the 2008.

KAMARANGAN IRON ORE TARGET

During the recent ridge and spur soil sampling programme described above, an extensive area of weathered magnetite with secondary hematite skarn mineralisation was located (Figure 2, please see the link at the end of this announcement). The magnetite skarn area is also marked by extensive alluvial gold workings from previous local sluicing operations. Magnetite is a magnetic iron oxide mineral that contains 72.36% iron. Its magnetic property permits recovery of a magnetite concentrate by relatively simple magnetic separation techniques.

Skarn rocks are formed when hot fluids containing silica, iron and other metals emanate from intrusive rocks (such as granites or porphyry copper bodies) and come into contact with and react with limestones and other calcareous rocks. At Kamarangan the skarns are hosted by a banded limestone sequence which is older than the 'younger' massive white limestone which outcrops prominently to east. The younger limestone is the unit which caps the blanket style disseminated gold mineralisation hosted by diatreme breccias at Bananghilig.

Table III lists the iron, gold, silver and copper assay results from various outcrops.

Table III. Assay results from 21 surface samples in the Kamarangan iron skarn area

Sample number	Sample type	Au (ppm)	Cu (ppm)	Ag (ppm)	Fe (%)
125253	1m channel	1.23	602	<0.5	45.81
125254	1m channel	6.91	709	1.0	39.46
125255	1m channel	22.18, 24.46*	1025	1.0	34.01
125256	1m channel	40.88, 42.11*	1194	8.5	34.01
119067	1m channel	2.38	428	6.6	11.19

125262	1m channel	19.44, 19.87*	939	0.8	32.58
125263	1m channel	15.13, 16.37*	836	1.5	25.49
125264	1m channel	27.78, 27.73*	937	3.1	26.14
125277	1m channel	2.41	618	<0.5	42.56
125282	1m channel	1.25	1396	0.7	42.59
125286	1m channel	15.66, 16.21*	3325	6.7	27.29
125288	1m channel	2.03	1269	0.5	>50.00
125289	1m channel	5.22	1057	0.8	46.57
125298	2m channel	3.33	479	<0.5	48.63
125299	2m channel	5.94	1538	0.6	38.70
119074	1m channel	1.99	1025	<0.5	46.03
119075	1m channel	0.93	1000	0.5	43.99
128417	1m channel	13.47, 13.37*	689	1.0	30.71
128418	1m channel	9.82	917	0.8	41.44
128419	1m channel	1.16	562	<0.5	>50.00

Analytical Method: Assaying by McPhar Philippines Inc

Au - by fire assay on 30g. sample with AAS finish.

Au* - by fire assay on 30g. sample.

Cu, Ag, Fe - by AAS following conc. HCl and HCl/HNO3/HClO4 leach in latter stages on 1g. Sample.

As shown on Figure 6 (please see the link at the end of this announcement), from outcrops and boulders, the different skarns types (epidote-silica, magnetite-rich and sulphidic skarns) are interpreted to cover approximately 1,200 by 1,000 metres of which the magnetite-rich skarns cover approximately 1,200 by 450 metres and are open to the south below alluvial cover.

Iron ore assays

The samples assayed for iron were magnetite-rich, weathered surface samples with secondary hematite and other iron oxides (Figure 6, please see the link at the end of this announcement). Only the Dumaag area of skarns was assayed for iron, with the other outcrops appearing physically similar at Layap Layap and Palm Oil. Drilling is regarded as the best method for testing the potential rather than continuing extensive assaying of weathered surficial material.

Fresh rock (unweathered) samples from drill holes will be obtained later in the year for detailed analysis and, if favourable values are obtained, mineralogical and metallurgical assessment will be undertaken.

The average grade for iron of 37.54% (assays of >50% iron taken as 50%) obtained from the 21 surface samples is in line with three Western Australian magnetite deposits under development, being the Cape Lambert Deposit of 1.56 billion tonnes at 31.2% iron (www.capelam.com.au), the Karara Deposit of 1.43 billion tonnes at 36.3% iron (www.gindalbie.com.au) and the Southdown Deposit with 479 million tonnes at 37.3% magnetite or approximately 27% iron (www.grangerresources.com.au).

Gold assays

The widespread occurrence of gold assays in Table III which average 0.5g/t gold shows there may be substantial open-pit gold targets associated with the skarns, in particular the epidote-silica skarns and the magnetite-rich skarns. This disseminated style of gold mineralisation will also be tested by drilling later in the year.

Copper assays

The common occurrence of high background copper assays of >500ppm (0.05% copper) as shown in Table IV is suggestive of a major copper source in the area. The large area of skarns suggests that there is a very substantial source for the metalliferous fluids which have effected this amount of skarning.

Discussion

It is apparent that the Kamarangan area represents a major metalliferous target for iron ore, gold and copper. Conceptually it is interpreted that the mineralisation has originated from a nearby intrusive porphyry copper body.

A suitable route for an access road has been agreed with local landowners and authorities with drilling anticipated later in the year. Timing guidance for the drilling will be provided as soon as possible.

BANANGHILIG

A minimum of two drill holes are underway in the Bananghilig area targeting the vein systems specifically where they are hosted by intrusive, coarse-grained andesitic rocks. It has now been demonstrated that these competent rocks are superior host rocks for the formation of constrained high grade veins compared to the more permeable diatreme breccias where mineralisation is generally more diffused or disseminated.

ANOLING

The Mines Operating Agreement ('MOA') with Alcorn Gold Resources Inc. covers Mining Production Sharing Agreement ('MPSA') application number 039-XIII situated approximately 8 kilometres north from the millsite as shown on Figure 2 (please see the link at the end of this announcement). Processing of the Anoling MPSA is in progress.

Diamond Drilling and Geology

The two parallel Alcorn and Hope veins, when undeformed, consist of banded quartz carbonate with minor pyrite and base metal sulphides. The veins are controlled by shear zones with consequent brecciation of the vein material in some places. The shearing has also induced vein width variations due to pinch and swell characteristics. Both veins are open to the east.

Figure 7 shows the vein projections from surface mapping and sampling and the location of the all diamond drill holes completed up to December 2007 (please see the link at the end of this announcement). A further drilling update will be provided in the near future.

Work in Progress

Underground exploration will continue from both the Rose and Rose 2 shafts and to the east from the Loring Vent Shaft. Work in the Loring Shaft has shown that the pod of mineralisation explored from the Loring Shaft is of limited extent. The underground exploration between the two Rose shafts is designed to verify the drill results and to assess mining conditions. Positive results from this work may justify production from these veins later in 2008.

Drilling is continuing with two rigs along strike to outline additional zones of mineralisation that could justify underground exploration and assessment.

OTHER PROJECTS

* Lingig (Das-Agan) Project

The Mines Operating Agreement ('MOA') covering MPSA application number APSA 024-XIII comprises two parcels situated to the north and to the east (the Lingig porphyry copper prospect) of the Co-O Mine and millsite as shown on Figure 2 (please see the link at the end of this announcement).

Detailed information for the Lingig porphyry copper prospect was provided in a release dated 13 November 2007 and in the December 2007 quarterly report.

As previously advised, drilling will commence upon finalisation of permits, which are being progressed.

* Abacus Project

The MOA with Abacus Consolidated Resources and Holdings Inc. covers Exploration Permit ('EP') application number 000028-XIII situated to the north of the Co-O mine and millsite as shown on Figure 2 (please see the link at the end of this announcement). The granting process for the Abacus EP is now being pursued.

The ridge and spur soil sampling described in the Tambis-Barobo section above has covered the eastern parts of the tenement.

* Saugon Project

The Saugon Exploration Permit has been renewed and a regional ridge and spur soil sampling programme is underway.

* Philsaga-Magnum Project (Magnum Gold NL earning 50%)

The joint venture was terminated during the quarter.

* Bunawan Mining Corporation JV (Medusa earning 70%)

The Company, through its Philippines operating company, Philsaga Mining Corporation ('Philsaga'), signed a joint venture agreement ('JVA') with Bunawan Mining Corporation ('Bunawan'), the Philippine operating company of ASX listed Sierra Mining Limited ('Sierra'), whereby Philsaga, after completing satisfactory due diligence, will earn a 70% joint venture interest in Exploration Permit application ('EPA') 000037-XIII and Mineral Production Sharing Agreement application ('APSA') 000003-XIII (together the 'Bunawan JV').

Under a separate Heads of Agreement ('HOA') between Sierra and Medusa signed in August 2007, Medusa had agreed to take a 9.9% placement in Sierra of 4.85 million shares (at an issue price of A\$0.25, totalling A\$1.21 million) with 2.425 million unlisted attaching options exercisable at A\$0.30 each with an expiry date of 4 years from the date of completion of due diligence. The Company has completed due diligence, however some local access issues remained outstanding whereby roads within Bunawan's area have been fenced and gated by illegal miners preventing road access by the Company. On-going efforts involving regulatory authorities and the Company's personnel

are aimed at resolving the situation as soon as possible.

On 8 April 2008 Sierra advised the ASX that they had would not be proceeding with the JVA. As advised to the ASX and LSE on 11 April 2008, Medusa and Philsaga reject any assertion by Sierra and Bunawan that the JVA has come to an end because of the non-fulfilment of any conditions precedent to the operation of the JVA. The JVA is a binding document that has been relevantly registered in the Philippines, remains in force and under which Philsaga is continuing to fulfil its obligations including clearing up access issues which will enable Philsaga to have unfettered access to all of the tenement area.

However, in light of the position of Sierra to not proceed with the placement of 9.9% of Sierra shares to Medusa under the August 2007 Heads of Agreement (between Medusa and Sierra), Medusa agrees not to take up the placement.

Activities during the period have involved road repairs and the building of two spillways across large rivers within Philsaga's area out on the road into Bunawan's more remote area. This road upgrade will now provide reliable road transport for the inhabitants of Bunawan's area for the first time in many years. In addition, at the settlement of Bloking, on the outskirts of Bunawan's area, the Company is now providing assistance to the school through building upgrades, teacher assistance and provision of books and teaching aids. This is part of the Company's policy to spread educational benefits to as many remote communities as possible within the Company's tenement area.

REMOTE SENSING TECTONIC STUDIES AND RESEARCH

The Company has completed a tectonics study of the East Mindanao ridge using remote sensing data. This work has clearly demonstrated that the area under the Company's tenements has superior structural preparation for the formation of mineral deposits compared to the remainder of the East Mindanao ridge to the north and south. This is visible on the radar image in Figures 1 and 2, which show that the topography in the Company's tenement area (please see the link at the end of this announcement), is considerably subdued compared to the areas north and south. This is due to the density of major (and minor) structures through the area compared to the areas north and south. The density of structures (and consequent rock fracturing) has allowed large volumes of rock to be affected by ore forming hydrothermal alteration processes which has also facilitated erosion resulting in the subdued topography.

A key element arising from the study is the recognition of mega-scale east-west structures and structural corridors, the largest of which trends directly through, approximately, the centre of the Company's tenements. These structures are significantly larger than the Philippine Rift Fault which is approximately 1,200 kilometres long. When these are traced further west from the Company's tenements it can be clearly seen that they are the foci for east trending lines of young uneroded volcanic centres, and hence are clearly associated with volcanic activity which is a key ingredient for the formation of ore deposits (gold and copper-gold) in island arc terrains.

Within the tenement area, all the major veins located to date trend east-west, these being the Co-0 vein system and the Anoling vein system, and to the south of and outside the tenements, the major Diwalwal vein system. This correlation is regarded as very significant and considerably enhances the opportunities for locating other major vein systems along these defined east-west corridors

within the Company's tenements.

Other significant structural corridors at different orientations have also been identified, some of which can already be linked to mineralisation. Further work is underway to construct 3D geological models for the tenement area utilising all available regional and local data sets.

The Company has recommenced a research programme through the University of Western Australia whereby a post-graduate research fellow has been contracted for two years to continue the research work, previously undertaken for one year, initially focusing on the Co-O Mine. The work will involve detailed studies of the mineralisation, its structural controls and geochronology.

COMMUNITY ACTIVITIES

The construction of the 318 dwellings for the Manobo Village which houses the Co-O Mine workforce is now complete. Work is continuing on several community facilities and is expected to be completed shortly.

The Company's Foundation, which runs community education and other programmes, has recently added another two schools giving a total of nine schools that receive assistance, in addition to the two schools owned and managed by the Foundation. The Foundation has recently attracted donations from other corporate entities and individuals to be used for educational purposes. Donations of the order of US\$5,000 per year provide sufficient funding to assist with upgrading school facilities and adding teaching staff. The Foundation is progressively spreading its programmes throughout the Company's tenement areas.

SAMPLING AND ASSAYING PROTOCOLS

Samples are taken from mainly HQ sized and some NQ sized drill core. The selected sample intervals are halved by diamond saw and half the core is bagged, numbered and sent to the Company laboratory. In a small number of cases to confirm the geological logging, the selected interval was re-split and ¼ core re-submitted for assay.

Initial sample preparation and assaying is undertaken at the Company's on-site laboratory. Samples are dried at 105°C for 6 to 8 hours, crushed to less than 1.25 cm by jaw crusher, re-crushed to less than 3 mm using a secondary crusher followed by ring grinding of 700 to 800 grams of sample to nominal particle size of less than 200 mesh. Barren rock wash is used between samples in the preparation equipment. The samples are assayed by fire assay with Atomic Absorption Spectrometer (AAS) finish on a 30 gram sample. All assays over 5 g/t gold are re-assayed using gravimetric fire assay techniques on a 30 gram sample.

The majority of samples which contain more than 0.5 metres at more than 2 g/t gold are re-assayed by McPhar Geoservices Phils Inc ('McPhar'), a NATA and ISO 9001/2000 accredited laboratory in Manila. The pulps are airfreighted to McPhar who fire assay 30 grams of sample using AAS finish and a selected number of samples are checked using gravimetric fire assay techniques. Duplicate samples and standards are included in each batch of check samples.

When reporting results, where available, as McPhar is an independent laboratory, McPhar assays are given priority over the Company laboratory's results.

JORC COMPLIANCE - CONSENT OF COMPETENT PERSONS

Medusa Mining Limited

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

- ---END OF MESSAGE---

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