



MEDIA RELEASE

Second mine development at Tambis Banaghilig progressing rapidly

HIGHLIGHTS

- **Second mine development at the Tambis Banaghilig Mine progressing rapidly**
- **Development ore being stockpiled for first batch treatment**

Medusa Mining Limited (Medusa) and Philsaga Mining Corporation (Philsaga) report that development of their second mine at the Tambis Banaghilig Mine gold project in the Philippines is progressing rapidly, with the first batch treatment due to occur in late October or early November.

Significant tonnages were found in the area between the late 1970s to the 1990s, when several companies evaluated the area as a bulk mining proposition, resulting in the drilling of 344 diamond and RC drill holes. Studies indicated it was sub-economic at the time.

Philsaga has recently re-assessed previous drill results at the project and re-surveyed, re-mapped and re-sampled all local underground workings at the mine.

Medusa managing director Geoff Davis said given the large number high grade drill hole intersections in well-defined vein systems, over time Medusa and Philsaga opine that this mine will be a significant producer.

Since Philsaga was granted a mining permit earlier this year, development on the mine has progressed rapidly, with an inclined shaft to 50m and over 700m of development already completed.

Mr Davis said as more veins were cross-cut throughout the mine and stoping areas were set up, production was expected to progressively increase.

ENDS

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ABOUT MEDUSA MINING:

Medusa Mining is an ASX-listed Perth-based gold producer operating in the Philippines. Medusa has two mine developments, Co-O and Tambis, and is aiming to commence production at the Sinug-ang Project during 2007.

The company is aiming to undertake a \$15 million capital raising and secure a secondary listing on London's Alternative Investment Market in late 2006.

Figure 1: Tambis Banaghilig Mine Location

