



MEDIA RELEASE

Medusa Mining to list on AIM and undertake \$15 million capital raising

HIGHLIGHTS

- **Medusa Mining shareholders approve \$15 million capital raising and associated AIM listing**
- **Funds to be used to finalise merger with Philsaga Mining Corporation deal and develop Philippines-based gold assets.**

Shareholders in gold company Medusa Mining Limited (Medusa) have approved the company's plans to list on London's Alternative Investment Market (AIM) later this year, embark on a \$15 million capital raising and merge with Philsaga Mining Corporation (Philsaga).

At a meeting earlier today shareholders in the Company voted in favour of the \$13 million Philsaga Share Sale Deal, which will help Medusa cement its position as a significant Philippines-based gold producer.

Under the deal, Medusa and its subsidiary Medusa Overseas Holding Corporation will buy the entire shareholding of Davao Philsaga Holdings Inc and Tasco Development Company, giving Medusa a downstream interest in all the shares of Philsaga and its assets, located in central eastern Mindanao, in the Philippines. The deal will be finalised when Medusa lists on AIM within the coming three months.

The company will now undertake the \$15 million capital raising, focusing on sophisticated investors and key institutions based in the UK, to pay for the \$13 million Philsaga Share Sale Deal and costs associated with the AIM listing.

Medusa managing director Geoff Davis said the secondary listing on AIM would give the company greater access to capital markets to help expand its Philippine assets.

“The Philsaga transaction will give Medusa control of a profitable, high-grade mining operation, an initial production of about 40,000 ounces on an annualised basis and centrally located mining facilities which can be expanded as production increases,” Mr Davis said.

“The deal also gives Medusa control of more than 700km² of highly prospective tenements.”

The company has appointed Ambrian Partners Limited as the broker and nominated advisor for their AIM listing.

Medusa recently appointed non-executive director Dr Robert Weinberg, an independent mining research analyst and consultant to boost the company’s representation in London and Europe.

ENDS

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ABOUT MEDUSA MINING LIMITED:

Medusa 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.