



MEDUSA MINING LIMITED

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20 October 2006

The Manager
Australian Stock Exchange Limited
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam,

ADDITIONAL INFORMATION – INVESTOR PRESENTATION

Medusa Mining Limited wishes to clarify, as required by Section 18 of the JORC Code, statements included in the Company's release dated 20 October 2006 relating to the reference to the potential to discover world class gold and porphyry copper-gold deposits.

The targets referred to are conceptual in nature and investors are advised that there is no guarantee that future exploration will result in discoveries of these target sizes.

The statements regarding the conceptual exploration targets on the eastern part of the Island of Mindanao are made based on gold deposits that have been mined such as the Diwalwal vein deposit to the south of Co-O and the Siana deposit to the north and porphyry copper-gold deposits that have already been mined such as the North Davao porphyry copper deposits to the south and the Manila Mining Corporation's porphyry copper deposits in the Surigao district to the north. The interpretative work undertaken by Geoff Davis, using his 26 years of in-country experience and as a responsible person under the JORC Code, is based on publicly available information which indicates continuity of the favourable geological environment, which hosts the above mentioned mined deposits, through the area in which Medusa is undertaking work.

The Company is seeking to discover major new world class deposits of a scale that will benefit the shareholders of the Company. As such the resource target size of >3 million ounces of gold sought for the gold deposits is equivalent to approximately >15 million tonnes of ore grading 6g/t Au, and the porphyry copper gold targets sought are >300 million tonnes of 0.5 to 1% copper and 0.2-1g/t Au.

Yours faithfully

Geoff Davis
Managing Director



Medusa Mining Limited

**AN EXPANDING GOLD PRODUCER IN THE
PHILIPPINES**

Investor Presentation

October 2006

CAPITAL STRUCTURE & SHAREHOLDERS

Listings

- Listed Dec 2003
ASX: MML, MMLO
- Frankfurt Sept 2006
AU00000MMLO

Capital structure

- 59.75M shares
- 27.36M options

Post AIM Listing

- Estimated 130-140M securities
(fully diluted)

Shareholdings

Top 20	50.80%
National Nominees	7.61%
Forty Traders	8.66%
G & S Davis	5.46%
Yarandi Investments P/L	3.97%
Skiptan P/L	3.75%



DIRECTORS

Kevin Tomlinson – Non Executive Chairman

Geologist, directorships, corporate finance, resource analyst, UK based.

Dr Robert Weinberg – Non Executive Director

Resource finance, resource analyst, World Gold Council, UK based.

Geoff Davis – Managing Director

Geologist, public companies, 28 years in SE Asia, Aust based.

Roy Daniel- CFO, Company Secretary

Accountant, corporate/financial roles, SE Asian experience, Aust based.



AIM LISTING

Purpose

Complete acquisition of Philsaga Mining Corporation by

- Payment of £5.2M (A\$13M) from fund raising
- Issuing 25M fully paid shares escrowed for minimum 12 months

Result of acquisition

- Ownership of centrally located gold plant & infrastructure
- Ownership of multiple mines
- Ownership of dominant regional tenement position

Upside

- Expanding profitable gold production
- Potential world class discoveries Au (>3Moz), Cu-Au (>300Mt)



MEDUSA - EXPANDING NEW GOLD PRODUCER

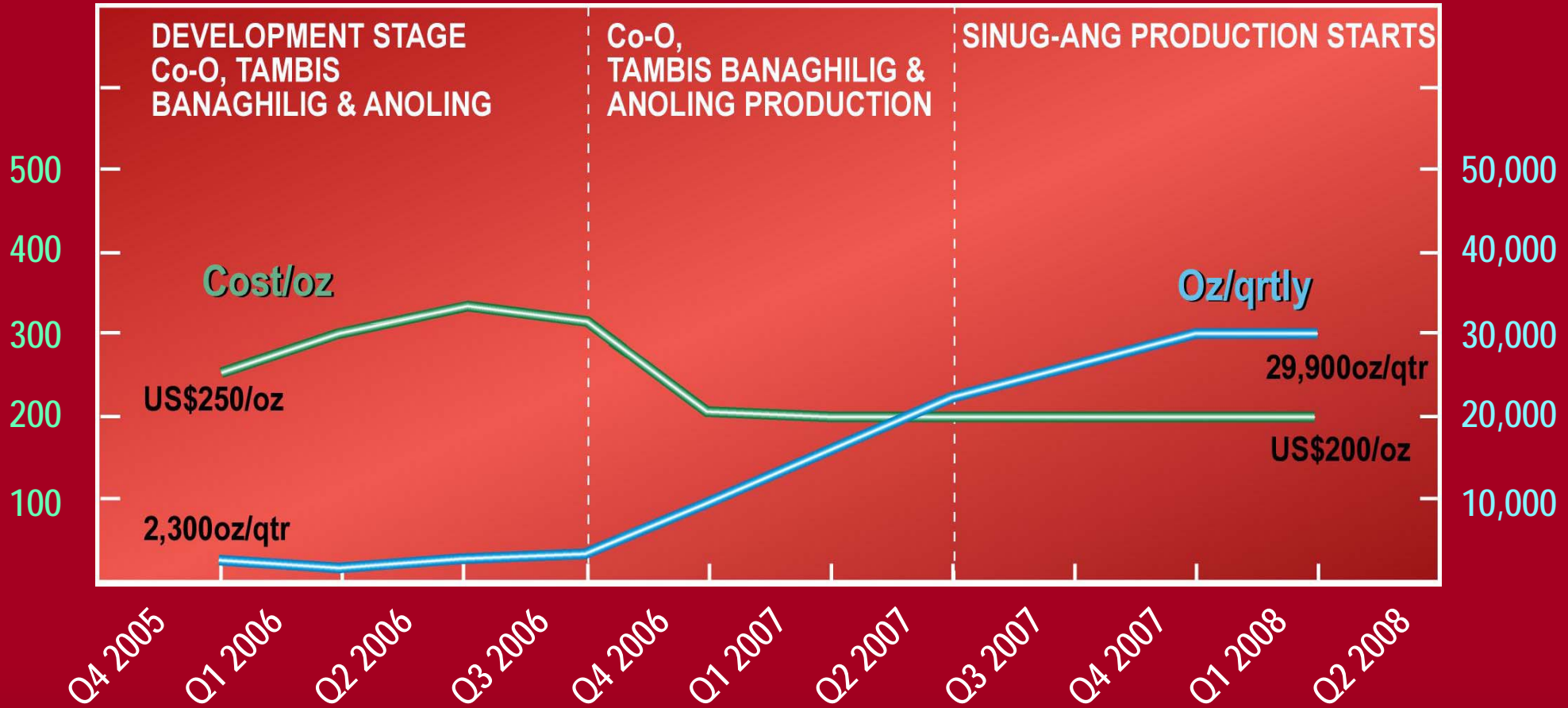
- **Philippine experienced, low cost producer**
- **Early increase from planned 40,000oz/yr, target +100,000oz/yr**
- **Multiple mines: Co-O, Tambis, Sinug-ang, Anoling + others**
- **Robust mining inventory expected to increase**
- **Upside: seven potential porphyry targets, bulk gold targets**



PLANNED PRODUCTION PROFILE

US\$ / oz

Oz / qtrly



Medusa Mining Limited

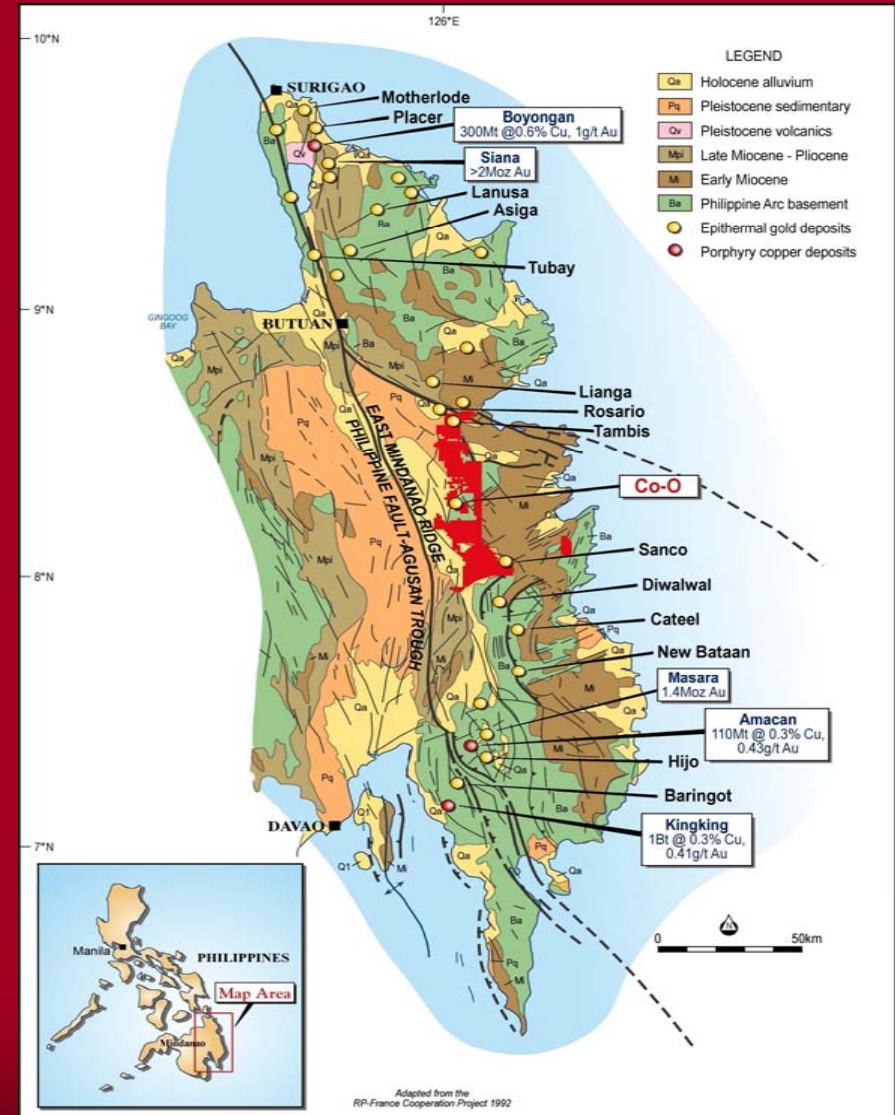
THE PHILIPPINES – AN ATTRACTIVE MODERN MINING DESTINATION

- **Government strongly supportive of mining**
- **Mining code streamlined**
- **Sound infrastructure, skilled workforce**
- **Long history of gold production**
- **Economic reforms, strong GDP growth**



EAST MINDANAO RIDGE

- Richly endowed along major mineralising structure
- Gold & copper mines to north and south
- Control of ~ 20% of strike length



Co-O PROJECT STATUS

Current status

- **Completing merger with partner Philsaga Mining Corporation**
- **Mining inventory
345,000t @ 17.6g/t Au for 195,000ozs**
- **Increasing production profile based around Co-O Mine**
- **Developing new mines at Tambis Banaghilig & potentially Sinug-ang**

Forward plans

- **Planned production target of +40,000ozs**
- **Production target +100,000ozs late 2007- early 2008**
- **Cash cost target <US\$200/oz**
- **Increase project resources during 2007**



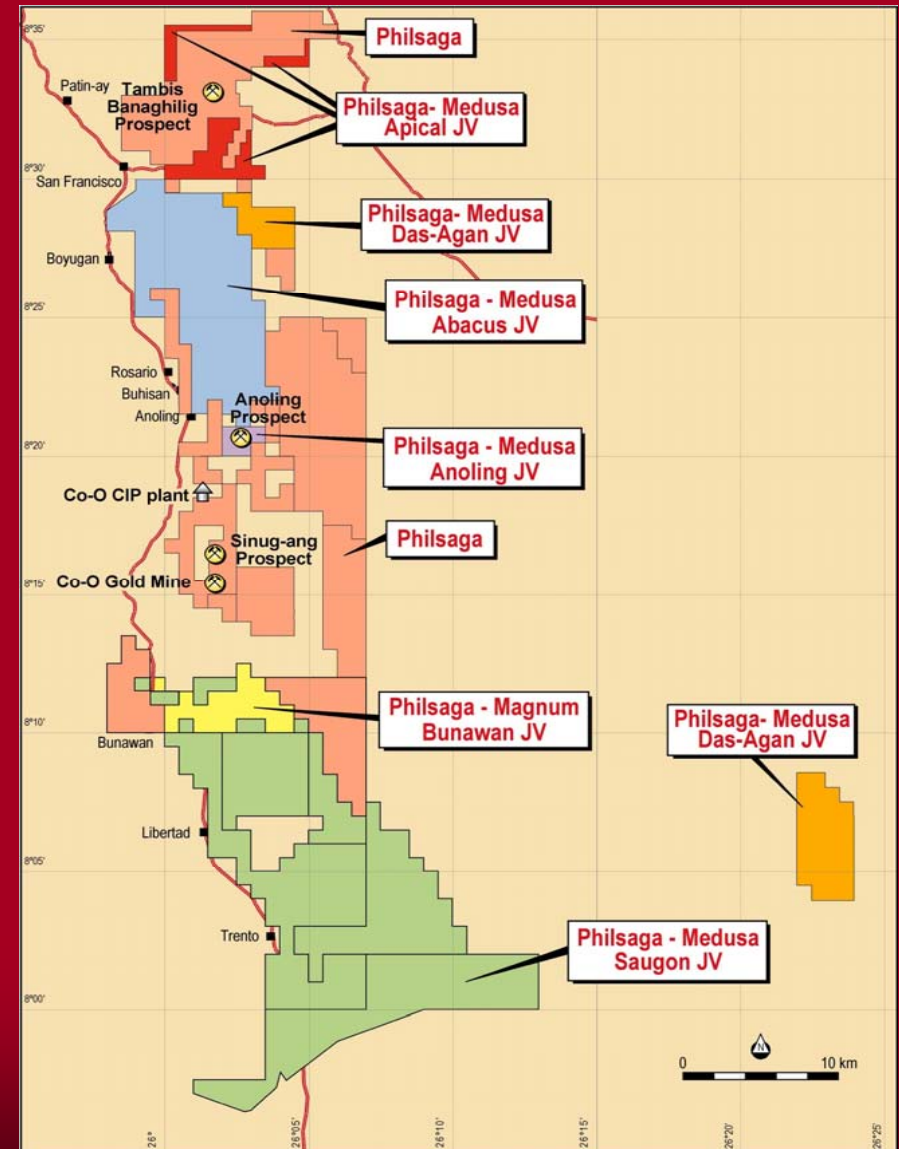
Co-O PROJECT HISTORY

- **Produced 60koz gold 1989-91 as trackless mine on narrow quartz veins, severe dilution**
- **Capex ~US\$22M (mill, mine, power etc)**
- **Sold in July 2000 to narrow vein mining specialist Philsaga**
- **Operated by Philsaga for 3 years @ 17koz/year**

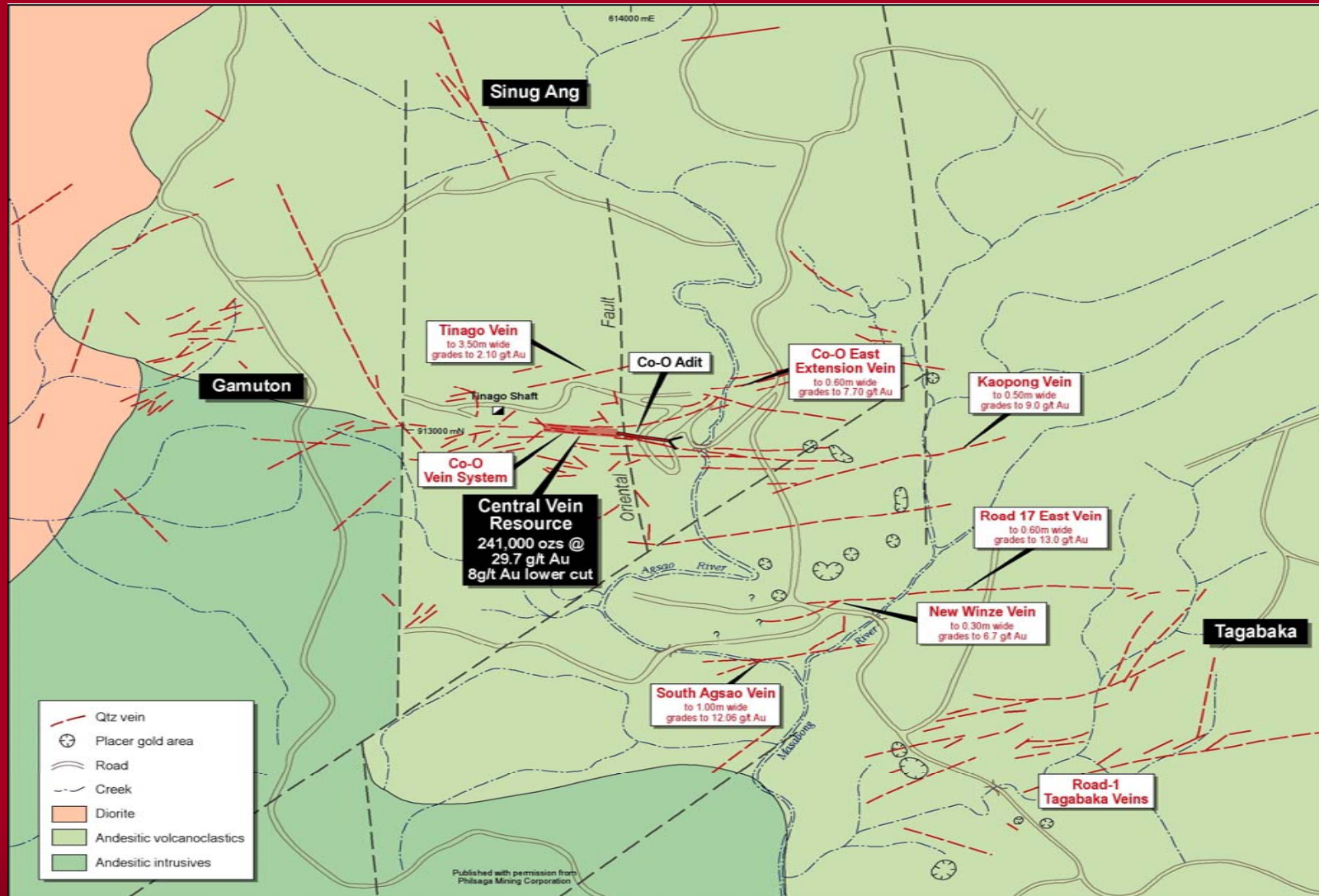


TENEMENTS

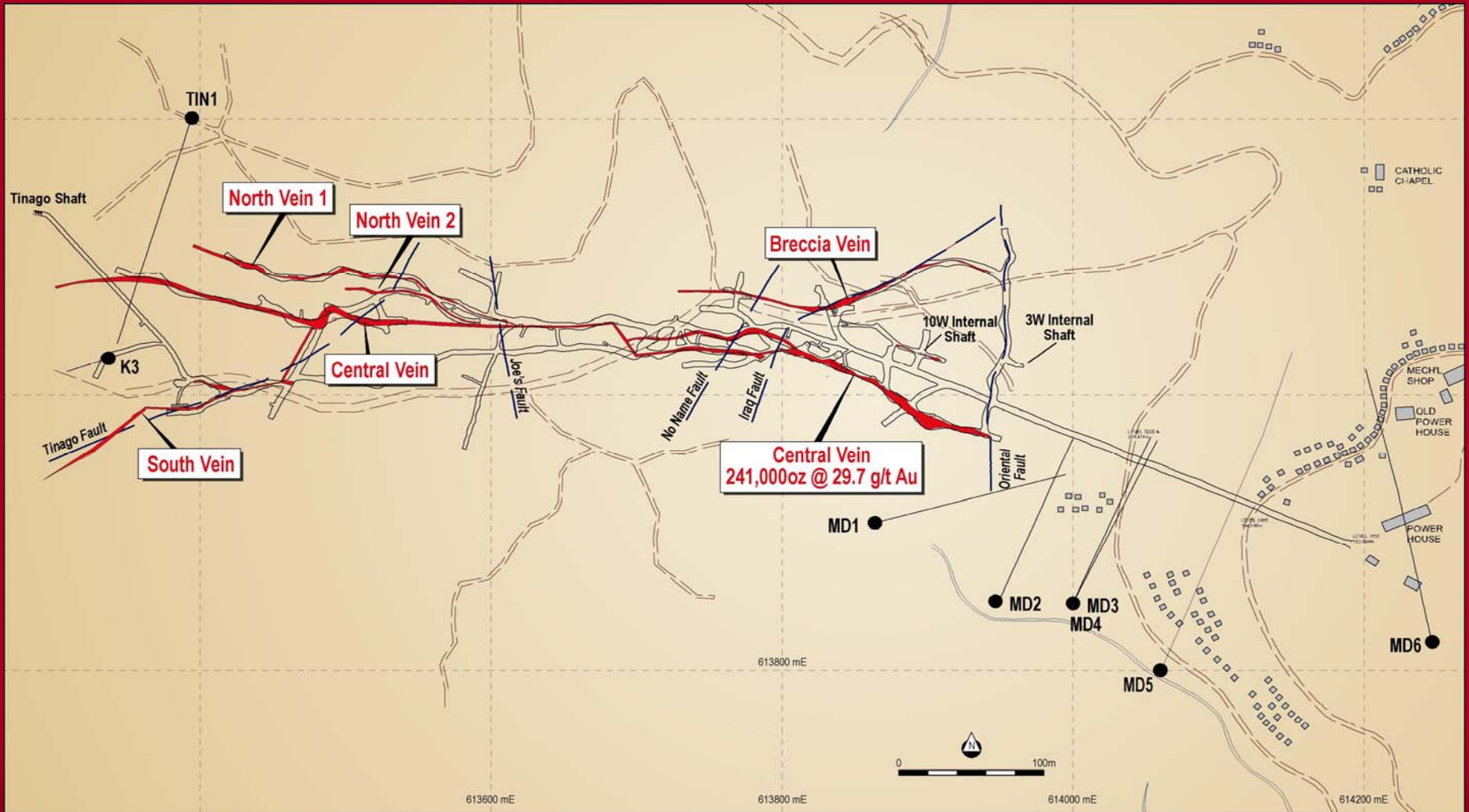
- >70km of strike length
- > 700km² area
- Central mill, multiple mines
- Core production centre – Co-O mine
- Trucking distance along national highway north and south



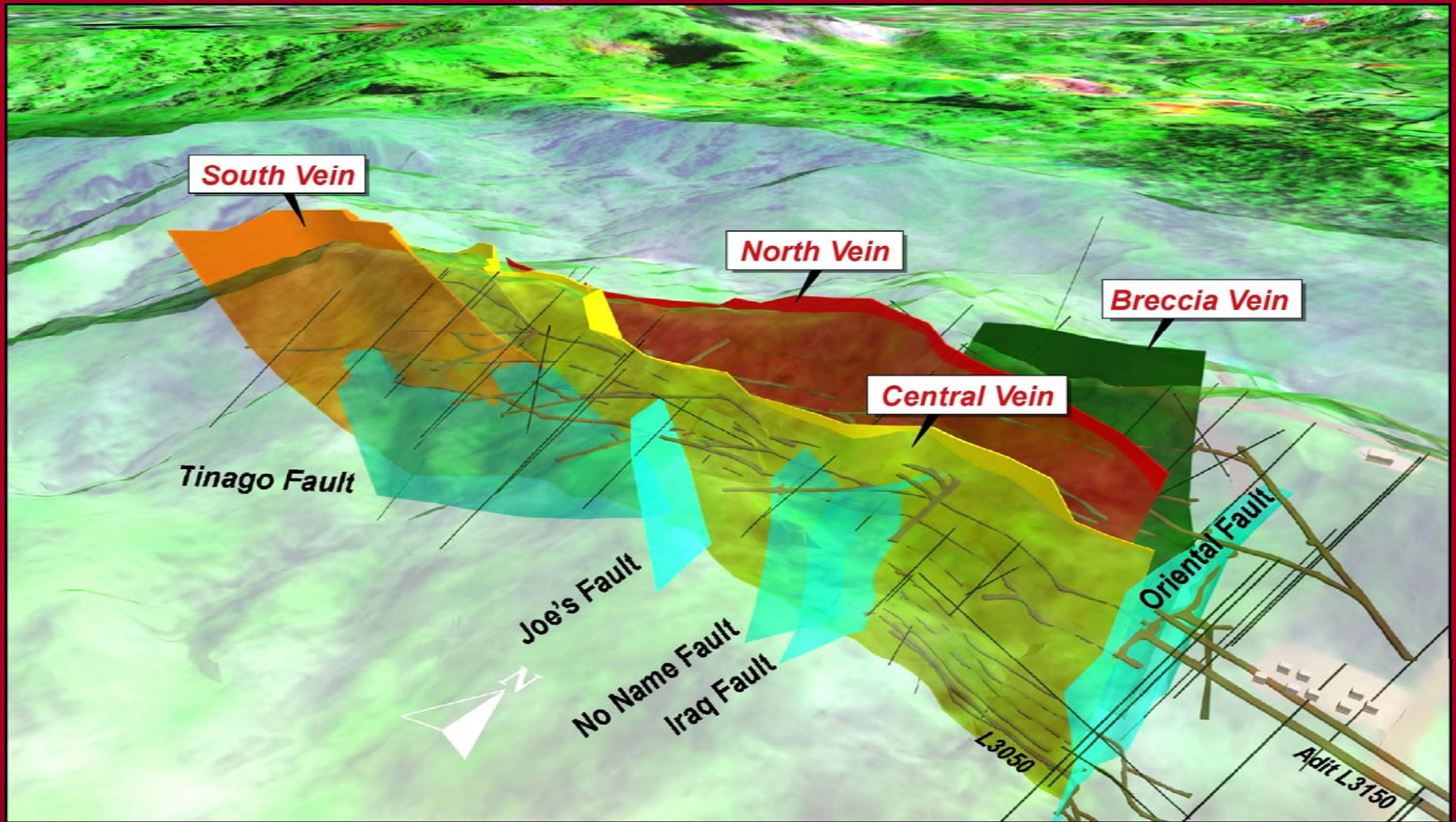
Co-O AREA VEIN SYSTEMS



Co-O SURFACE & LEVEL PLAN



Co-O MINE VEINS AND FAULTS



CO-O MINE MINERAL RESOURCES

DEPOSIT	CATEGORY	TONNES	GRADE g/t Au	OUNCES
Central Vein	Indicated + Inferred	382,000	20.70	254,000
Breccia Vein	Indicated + Inferred	78,000	5.60	14,000
Totals by category	Indicated	193,000	20.10	125,000
	Inferred	267,000	16.65	143,000
GRAND TOTAL (all categories)		460,000	19.8	268,000

- Derived from Competent Persons Report
- Block grade >0.0g/t Au with 200g/t Au assay top cut



CO-O CENTRAL VEIN MINING INVENTORY

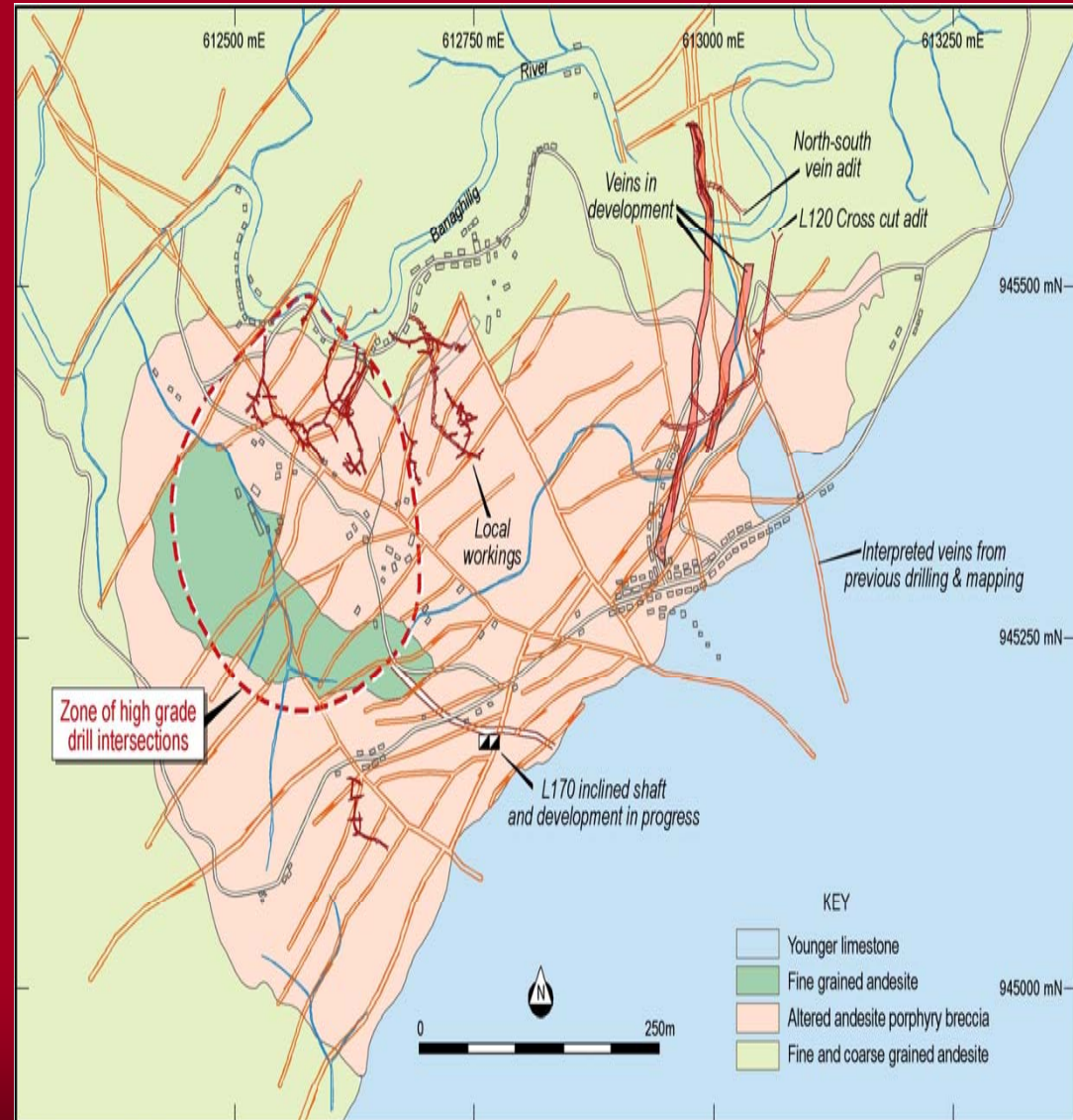
Category	Tonnes	Grade g/t Au	Ounces
Probable reserve	120,700	22.6	87,650
Additional potential mining inventory	225,000	15.0	107,000
TOTAL	345,000	17.6	195,000

- Central Vein reserves estimated on 70-80% recovery of resources
- Mining dilution factor 20%
- Derived from Competent Persons Report



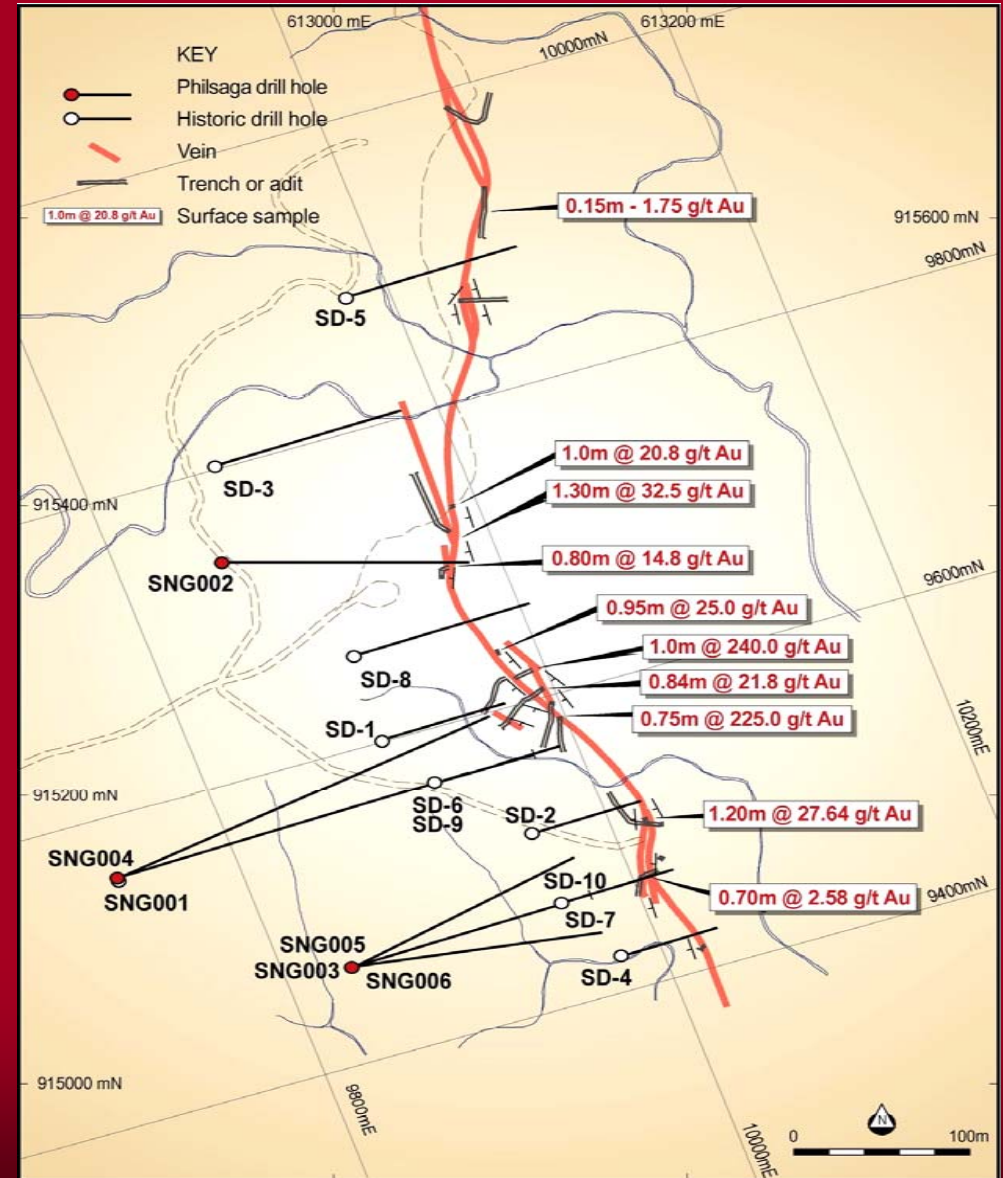
TAMBIS BANAGHILIG MINE

- Multiple veins
- 344 drill holes, 188 intersections >1m @ >5g/t Au average 16.63g/t Au (uncut)
- 1 shaft, 3 adits, increasing production



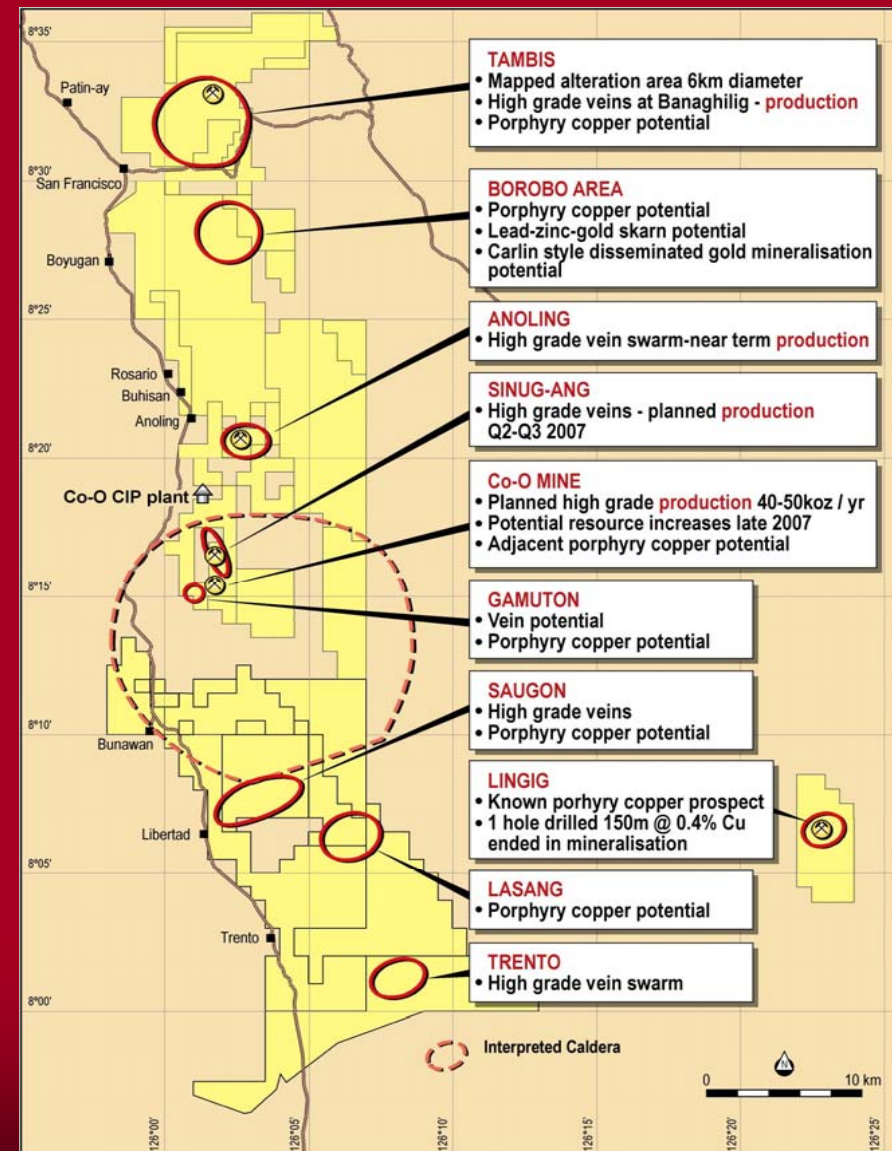
SINUG-ANG PROJECT

- Zone +5g/t Au 500m long (open) and down to 250m below surface
- Previous high grade drill results to 5.46m @ 52.41g/t Au
- 5 new holes results to 5.75m @ 13.50g/t Au
- Exploration via a shaft planned late October



EXPLORATION POTENTIAL

- 70km of strike
- >700 km² of area
- Potential for:
 - Multiple high grade veins identified
 - Porphyry copper-gold targets (seven identified)
 - Sediment hosted gold targets (one identified)
- Aggressive exploration
~US\$350K/mth



LOW COST PRODUCER

Reasons why low cost-high margin ounces can be maintained

- Essentially fixed costs for air & power per mine
- Mostly grid power for processing
- Low payroll costs (local workforce)
- Minimal capital requirements



SUMMARY

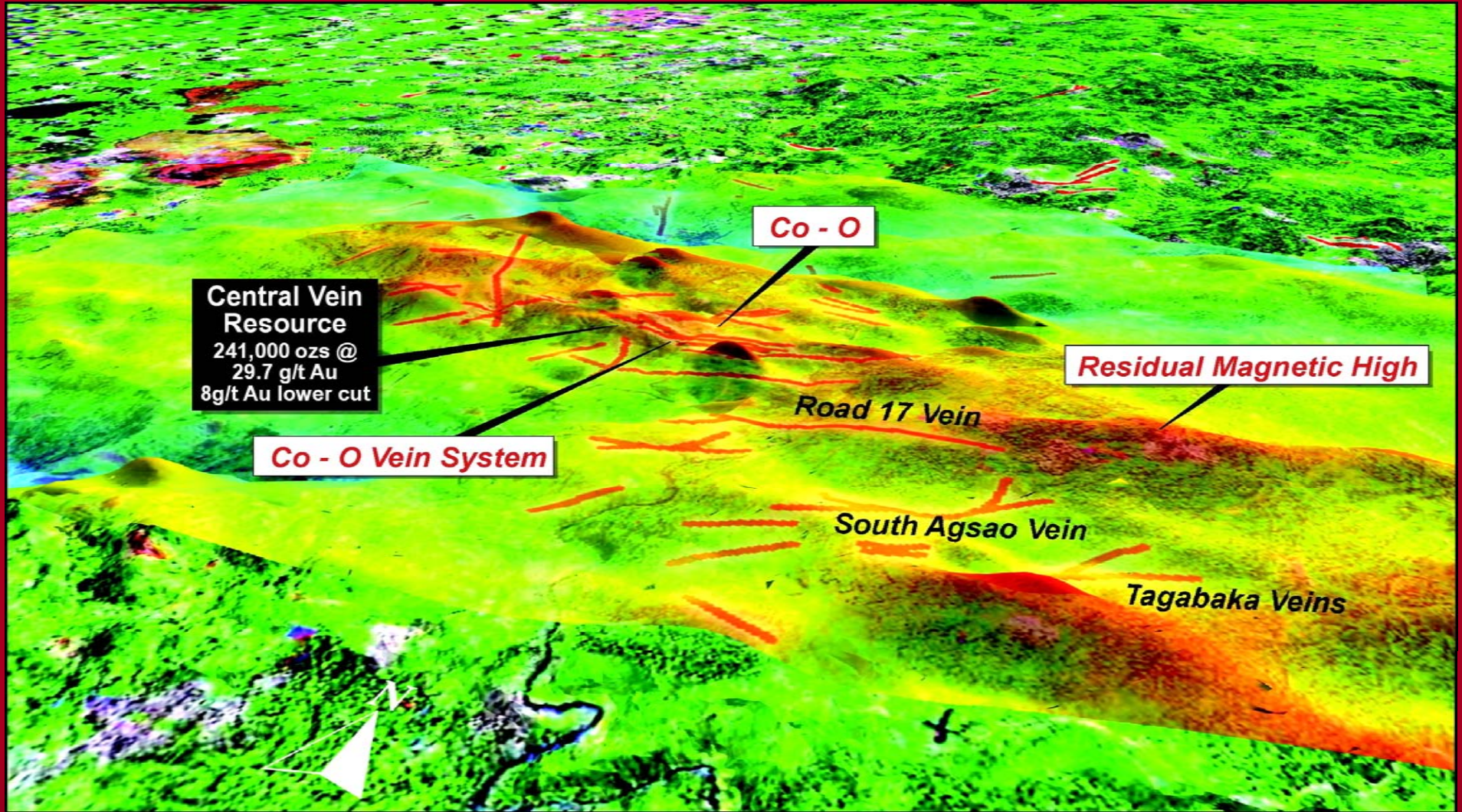
- **Gold production initially 40,000oz/yr**
- **Stable, secure operations**
- **Low cost, long life project**
- **Target expansion to +100,000oz/yr**
- **Minimal capital requirements**
- **Excellent exploration potential**



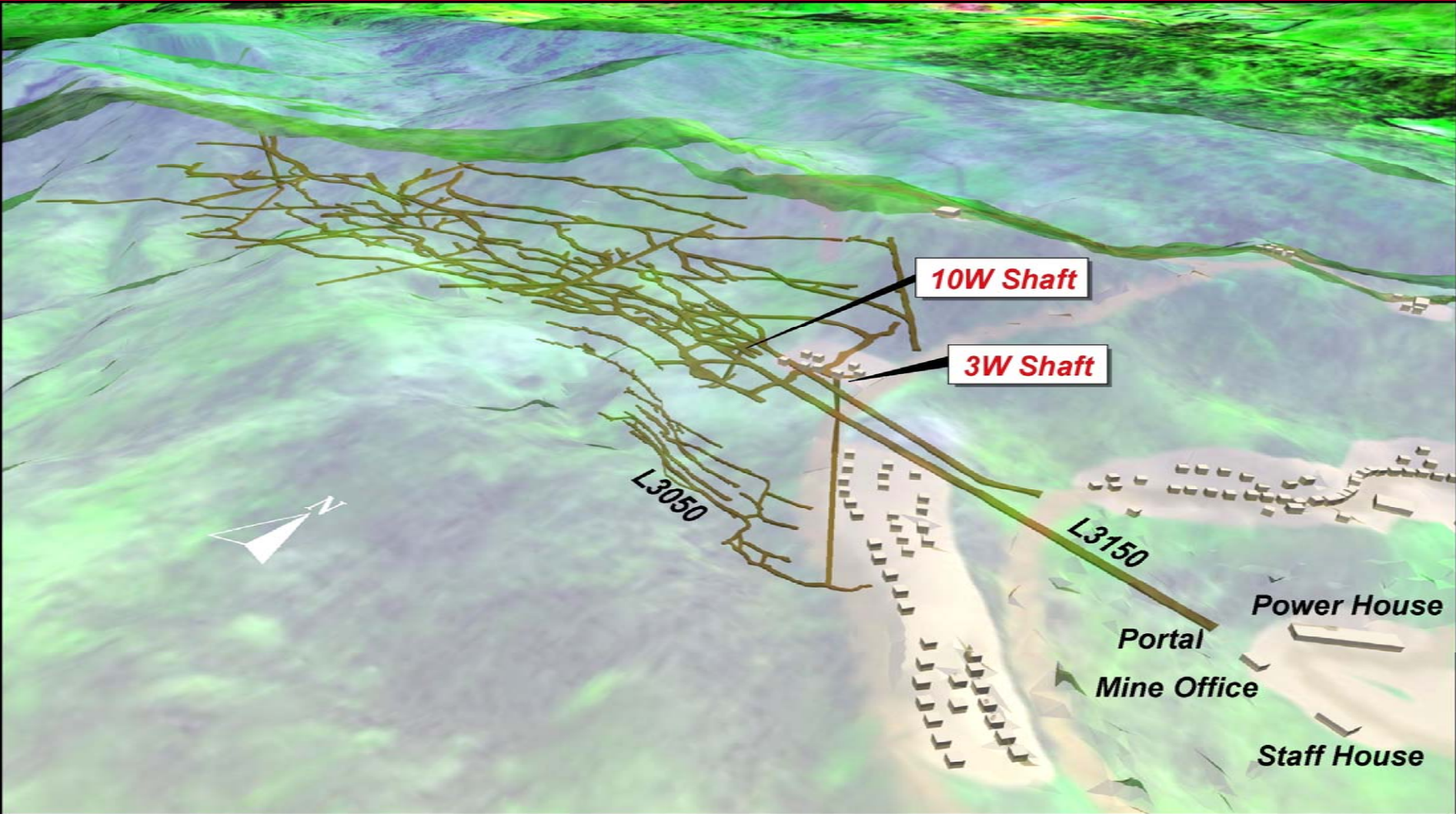
APPENDIX



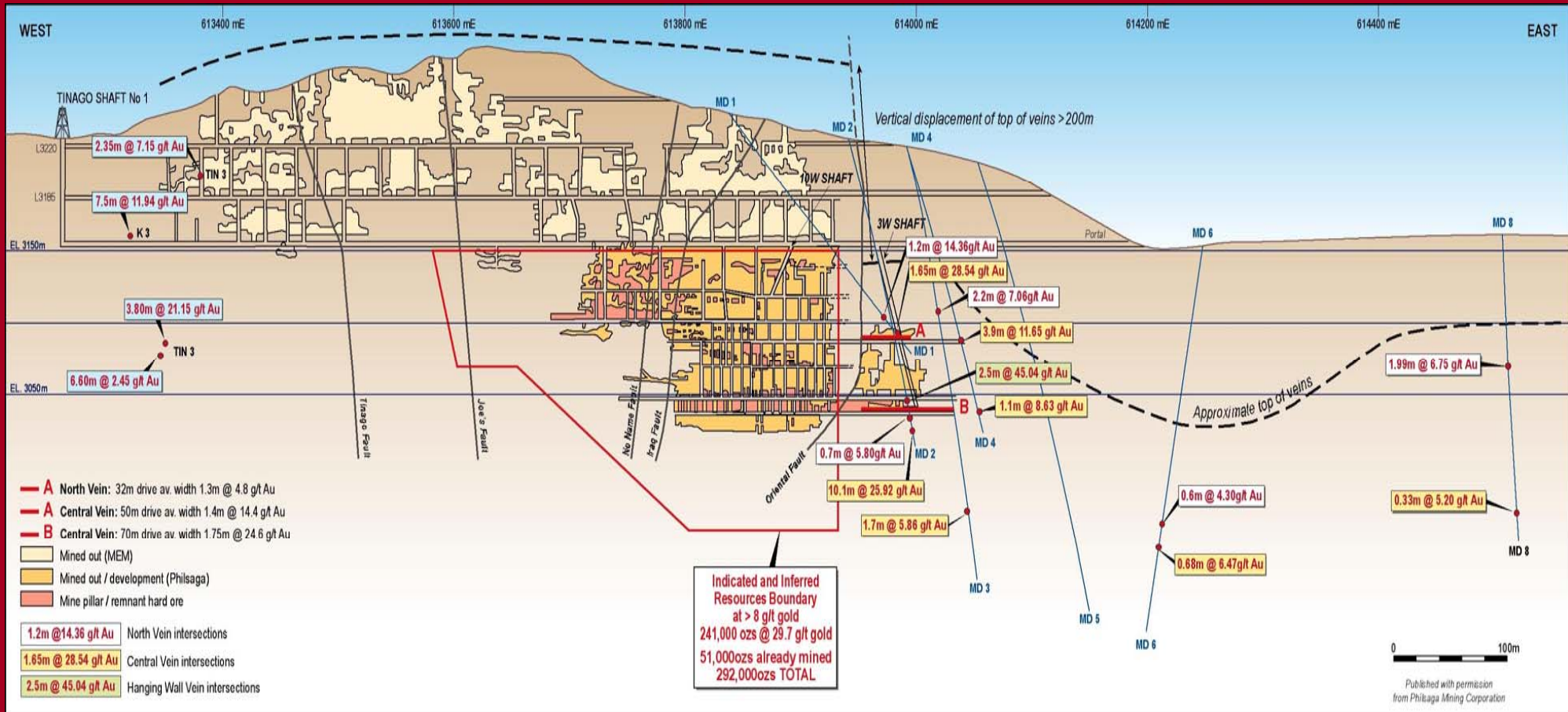
VEIN SYSTEMS & MAGNETIC SIGNATURE



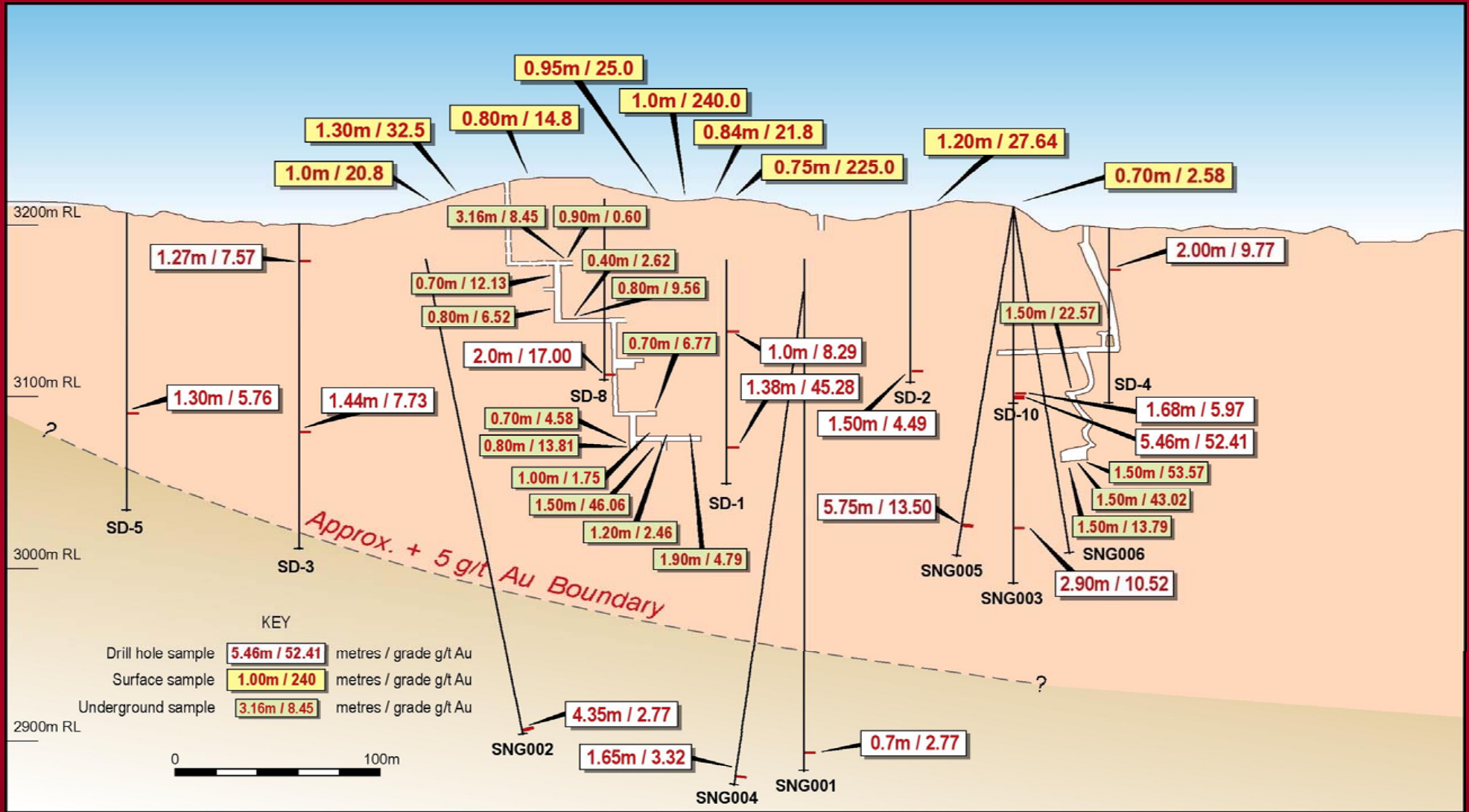
CO-O MINE LAYOUT



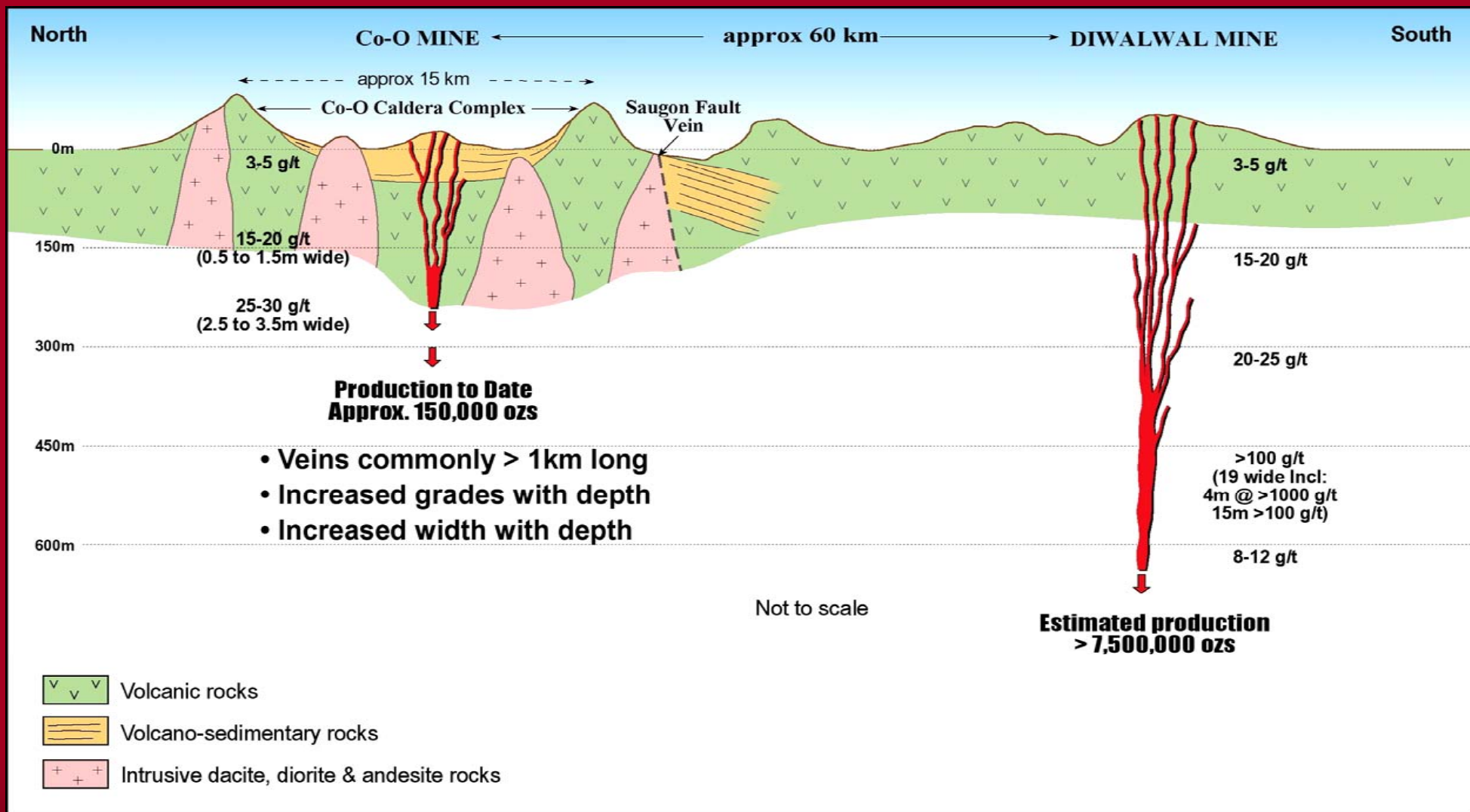
Co-O GOLD MINE LONGITUDINAL PROJECTION



SINUG-ANG LONGITUDINAL PROJECTION



CONCEPTUAL EXPLORATION MODEL



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