

**MEDUSA MINING LIMITED**

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Email: [admin@medusamining.com.au](mailto:admin@medusamining.com.au)Internet: [www.medusamining.com.au](http://www.medusamining.com.au)**MEDUSA MINING LIMITED**  
First Day of Dealings on AIM

Medusa Mining Limited (AIM: MML) (“Medusa” or “the Company”), the Australian based company operating and developing gold mines in the Philippines, announces its introduction to AIM via the designated markets route of that market and the first day of dealings on AIM of depositary interests representing its Ordinary Shares.

In early November 2006, the Company raised A\$11,143,990, (before expenses), via a placing of 17,144,599 Ordinary Shares at A\$0.65 per share. The funds raised will enable the Company to complete the acquisition of its Philippines partner, Philsaga Mining Corporation (“Philsaga”).

**Highlights:**

- **High grade, low cost producer with extensive Philippines experience**
- **700 km<sup>2</sup> area of tenements along richly endowed East Mindanao ridge**
- **Currently in production; output planned to increase to 100,000ozs by late 2007 – early 2008**
- **Projected production cost less than US\$200/oz**
- **Current resource grade 19.8g/t Au**
- **Excellent potential for long life, high grade, low cost production**

Geoffrey Davis, Managing Director of Medusa, commented:

*“We have the funds to capitalise on the outstanding quality of the gold projects we have acquired with Philsaga, and in conjunction with our other mines we expect production of gold to increase to 100,000 ozs by the end of 2007- early 2008.*”

*“The exploration potential of the tenements is excellent for long life, high grade gold production and the Company has also identified a number of porphyry copper-gold targets for drilling in 2007.”*

21 November 2006

### **Early November Secondary Placing Statistics:**

Placing Price	A\$0.65
Number of Ordinary Shares being issued under the Placing	17,144,599
Gross proceeds of the Placing	A\$11,143,990
Estimated net proceeds receivable by the Company	A\$10,586,791
Number of existing Ordinary Shares prior to the Placing	60,791,324
Number of Ordinary Shares in issue immediately following Admission	77,935,923
Market capitalisation of the Company at the Placing Price	A\$50.66M

### **For further information, please contact:**

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### **BACKGROUND**

Medusa Mining Limited ("Medusa" or the "Company"), the Australian based company operating and developing gold mines in the Philippines, was incorporated on 5 February 2002 and officially admitted to the Australian Stock Exchange on 23 December 2003, following a successful Initial Public Offering ("IPO") of 12,500,000 shares at 20 cents each that raised AUD \$2.5 million.

Medusa's corporate objectives at listing were to:

- acquire gold and gold-copper projects with potential to generate cashflow within 2 years;
- achieve gold production with a low capital exposure and a rapid payback period;
- explore for high grade deposits with good access and infrastructure.

Medusa identified the Philippines, with its world class mineral endowment, as the country most likely to provide Medusa with the opportunity of achieving its objective of developing a cash flow from high grade gold deposits within two years of listing on the ASX. This objective was achieved ahead of schedule in October 2005.

Opportunities for international mining companies operating in the Philippines have improved greatly in recent years following the strong initiatives by the government to create an attractive

investment climate. In consequence, the Company has divested all of its mining interests in Australia to focus its activities in the Philippines.

The Company has been in long term negotiations with the Principal Shareholders of Philsaga for its acquisition, as Philsaga has been successfully mining profitable high grade gold ore from its Co-O Gold Mine and processing the ore at its Treatment Plant for the last five years.

On 3 August 2006 the Company announced it would proceed with the Philsaga Transaction concurrent with listing on the AIM Market in London in the second half of 2006.

The locations of the Company's projects in the Philippines are shown on the attached map / on the company's website: [www.medusamining.com.au](http://www.medusamining.com.au).

## **MANAGEMENT TEAM**

Medusa's management team combines mining industry and City experience and has complementary skill-sets and backgrounds. The directors' biographies are outlined below:

### **Mr Geoffrey John Davis, Managing Director**

M.Sc, Mining and Exploration Geology, B.Sc (Hons), Member Australian Institute of Geoscientists

Mr Geoff Davis worked initially with BHP for 10 years following his graduation in 1972, before becoming a consultant to a wide range of mining and exploration companies in Australia, Asia and South America. This work specialised in epithermal precious metal and porphyry copper-gold opportunities, and included project acquisition, assessment and exploration. Since 1990, most of his work has been with junior explorers where he has been Exploration Manager to a number of these companies. In this role he has also been extensively involved in company presentations and numerous capital raisings. He has established working relationships within both the technical and share market sectors of the business. In more recent times Mr Davis has also held Directorships and senior executive positions in a number of listed and unlisted Australian, Asian and London based exploration and mining companies. Mr Davis has been the Managing Director of Medusa since its inception on 5 February 2002.

**Philippines Experience:** Geoff first started work in the Philippines in 1980 until late 1981 as the Regional Manager for an international mining house based in Manila. This work concentrated on exploring for epithermal gold deposits under the guidance of an internationally recognised consultant who specialised in the field of epithermal gold deposits. During this period he had the opportunity to visit major gold and gold-copper deposits. During the 1980s and 1990s he was involved in consulting to companies in the Philippines as well as assisting companies to source projects and personnel. During the period 1999-2000 he managed the restructure and recovery of an AIM listed group of companies to the point of financial stability. As part of the restructuring of this group, he managed the sale of the Co-O Gold Project to Philsaga in August 2000. Over his 25 years of experience in the Philippines, Geoff has developed a network of contacts in the

mining, exploration, legal and tenement management sectors of the industry which will continue to be central to furthering the Company's business interests in the Philippines.

**Mr Kevin Michael Tomlinson, Non-Executive Chairman**

Grad Dip Finance, M.Sc, B.Sc (Hons), FSI, ASIA  
(appointed 10 October 2005)

Mr Kevin Tomlinson, who was appointed to the Board of Medusa on 10 October 2005, is currently Managing Director – Investment Banking for Westwind Partners, a broking house in London. Mr Tomlinson's 27 years of experience includes senior executive and management roles in several mining commodities including gold, nickel and base metals, plus a broad range of experience in other areas including corporate start-ups, capital raisings, company listings and project evaluation. He possesses strong conceptual and analytical capabilities and a thorough understanding of the market and corporate issues that affect growing companies. As Head of Research, working for Hartleys Limited in Perth, he was involved in investment relationships with corporate clients, the facilitation of Australian and International introductions to institutions, broking houses and funds, as well as promotion through the media and road shows in Australia, Canada, UK and Europe. Mr Tomlinson brings a wealth of experience to the Company that will enhance the marketability of Medusa in the international resources market.

**Mr Roy Philip Daniel, Finance Director**

B.Com UWA  
(appointed 13 April 2006)

Mr Roy Daniel, who is also the Company Secretary, was appointed Finance Director of the Company on 13 April 2006. He has been associated with the natural resources and mining industry for over 25 years and has held various senior management and accounting positions with overseas and Australian companies. Mr Daniel has considerable experience in accounting matters, business development, financial evaluations & modelling, feasibility studies, project funding, treasury management and company secretarial functions and will bring his expertise in these matters to the Company. In his capacity as Finance Director, Mr Daniel is responsible for the day to day financial, company secretarial and administrative functions of the Company.

**Philippines Experience:** Mr Daniel also possesses work experience in the Philippines having streamlined the finance, administration and corporate activities of Filipino operations for an AIM listed entity.

**Dr Robert Weinberg, Non-Executive Director**

BA (Hons) Geology, MA, DPhil  
(appointed 1 July 2006)

London based Dr Robert Weinberg who gained his doctorate in geology from Oxford University in 1973, has more than 30 years experience in the international mining industry and is an independent mining research analyst and consultant.

Dr Weinberg brings a wealth of gold marketing and investment banking experience to the Company, having held executive positions that include Managing Director, Institutional

Investments at the World Gold Council, Director of Gold Bullion Securities, Director of the Investment Banking & Equities division at Deutsche Bank in London, Head of the Global Mining Research team at SG Warburg Securities. Robert has also held senior positions within Societe Generale and was head of the mining team at James Capel & Co. He was also formerly marketing manager of the gold and uranium division of Anglo American Corporation of South Africa Ltd.

Dr Weinberg, who is currently a Non-Executive Director of Solomon Gold plc, Falkland Gold & Minerals Ltd and also Non-Executive Chairman of Great Bear Resources plc, was appointed to the Board on 1 July 2006.

### **Substantial Shareholders upon Admission**

<b>Shareholders</b>	<b>No. of Ordinary Shares</b>	<b>% of Ordinary Shares</b>
Citicorp Nominees Pty Limited	8,867,250	11.38%
Forty Traders Limited	7,051,584	9.05%
RAB Special Situations (Master) Fund limited	4,000,000	5.13%
Resource Capital Fund III LP	3,715,385	4.77%
Geoffrey & Susan Davis	3,256,000	4.18%
Yarandi Investments Pty Ltd	2,370,881	3.04%

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