



MEDUSA MINING LIMITED

ABN: 60 099 377 849

Unit 7, 11 Preston Street
Como WA 6152

PO Box 860
Canning Bridge WA 6153

Telephone: 618-9367 0601
Facsimile: 618-9367 0602

Email: admin@medusamining.com.au
Internet: www.medusamining.com.au

ANNOUNCEMENT

14 August 2012

**Co-O Mine Geology and Mineralisation Update
Accompanying Images**

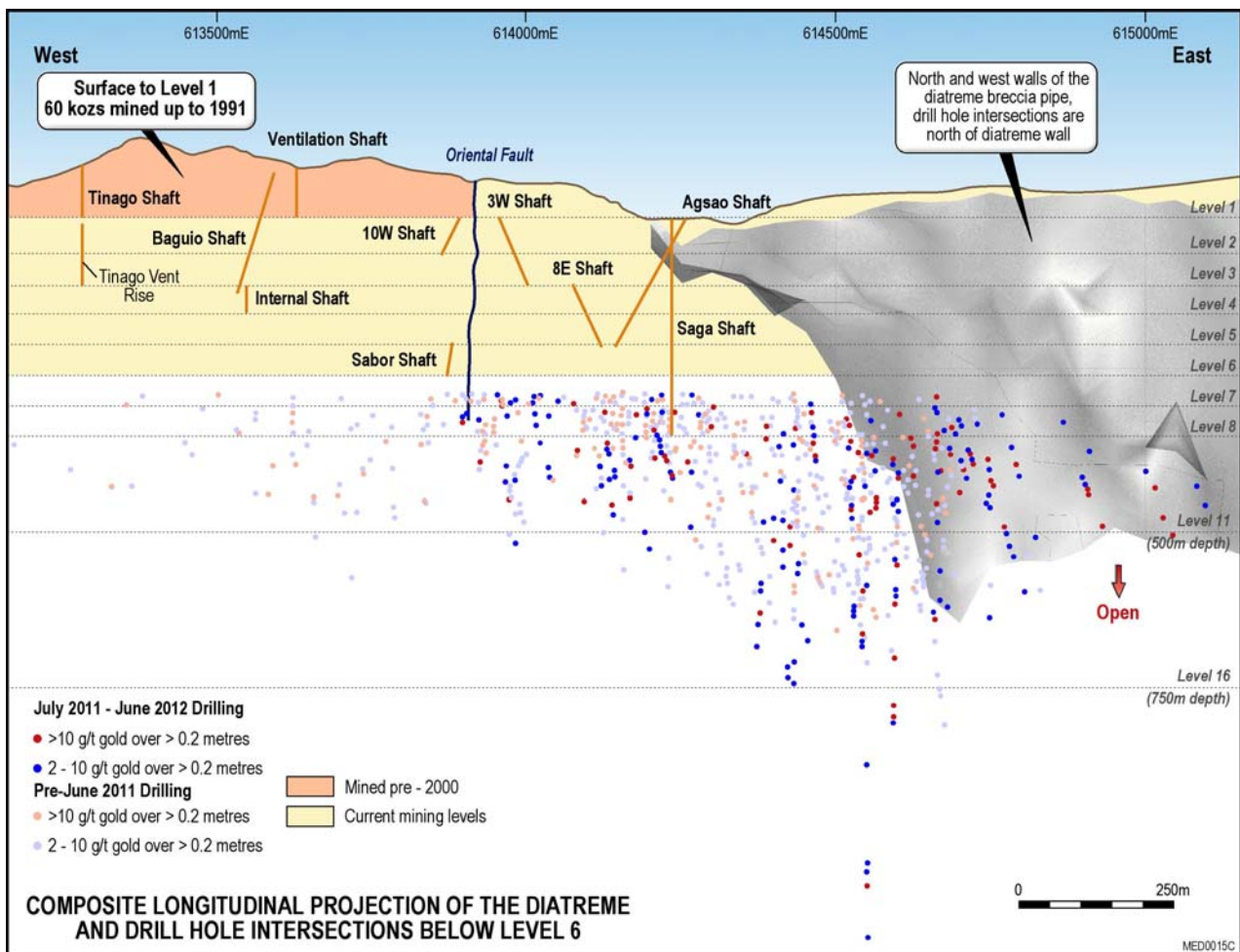


Figure1. Composite longitudinal projection of the Co-O Mine showing the diatreme and all drill hole intersections below Level 6

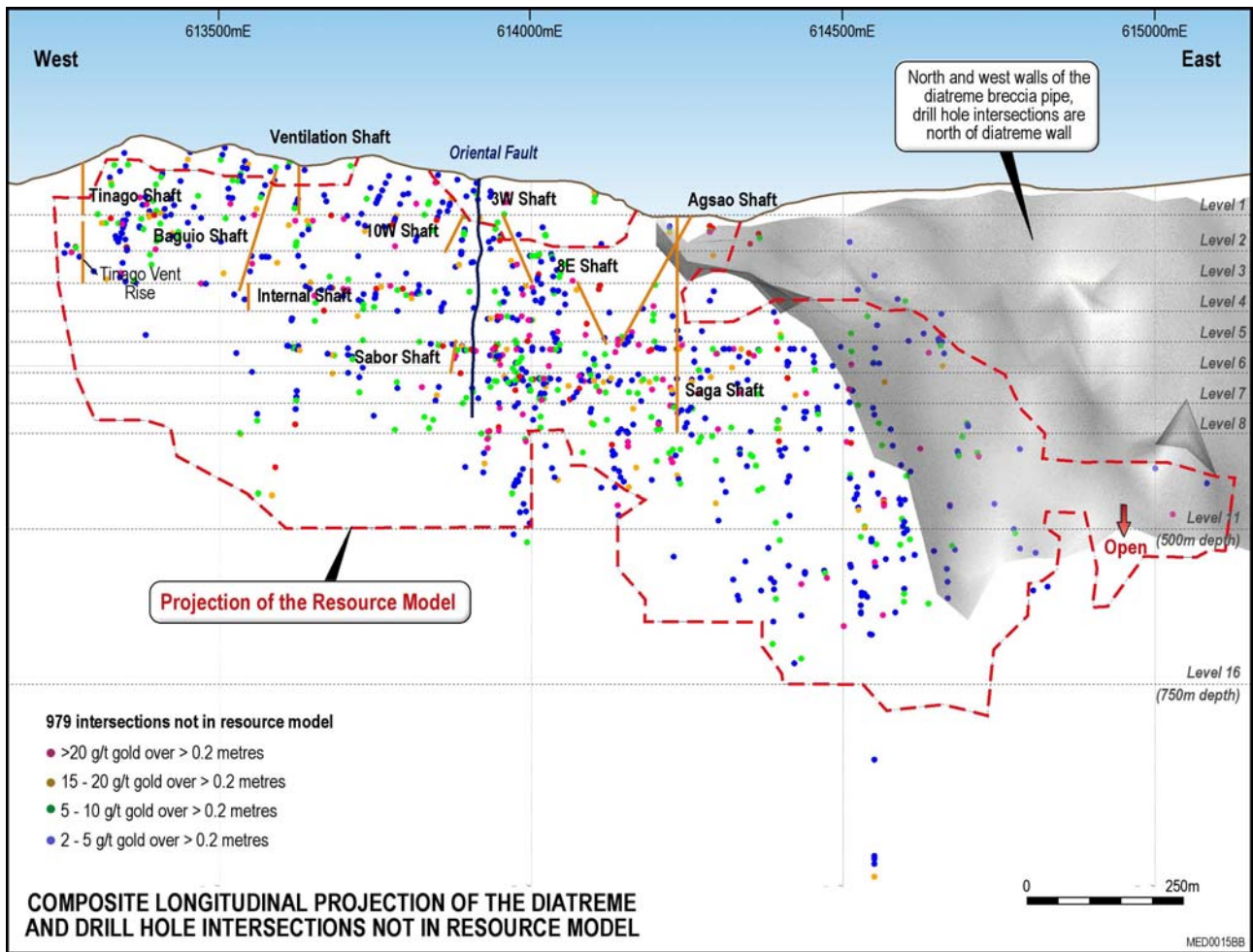


Figure 2. Composite longitudinal projection of the Co-O Mine showing the diatreme and the 979 drill holes not yet included in the resource model.

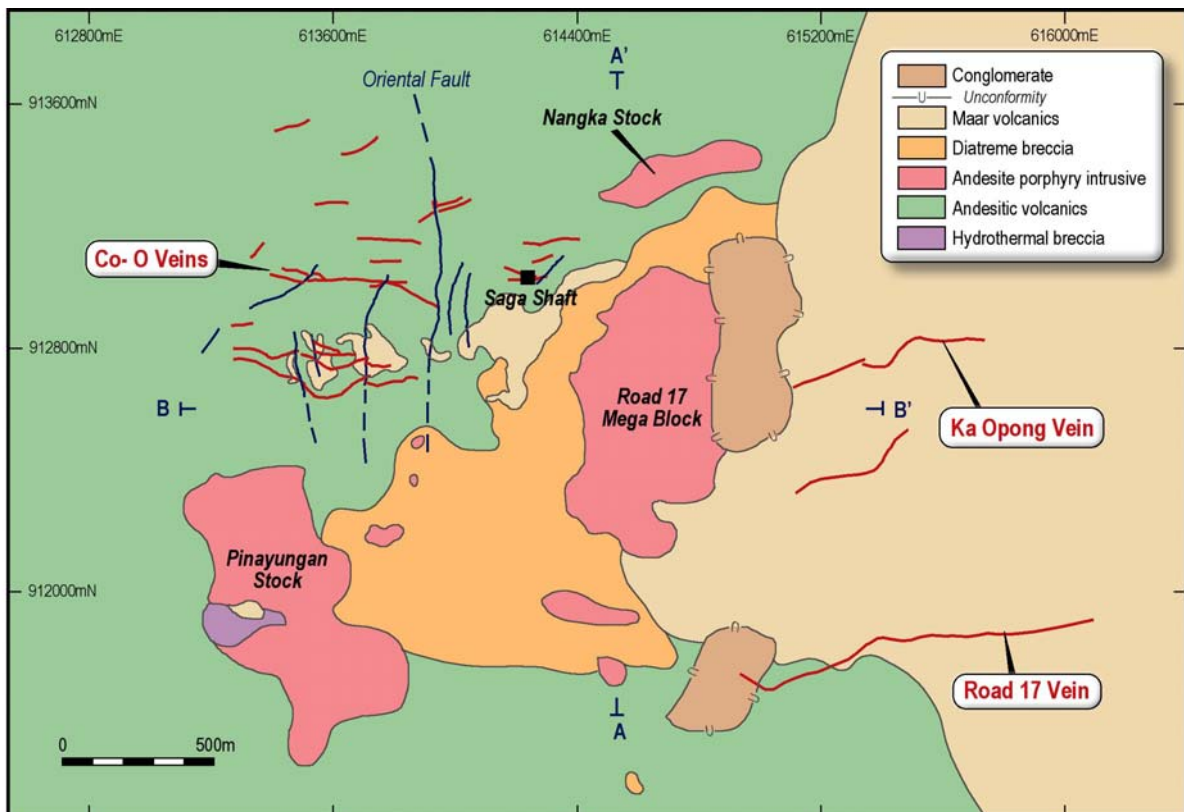


Figure 3. Co-O Mine area interpreted geological map showing section lines A-A' and B-B'.

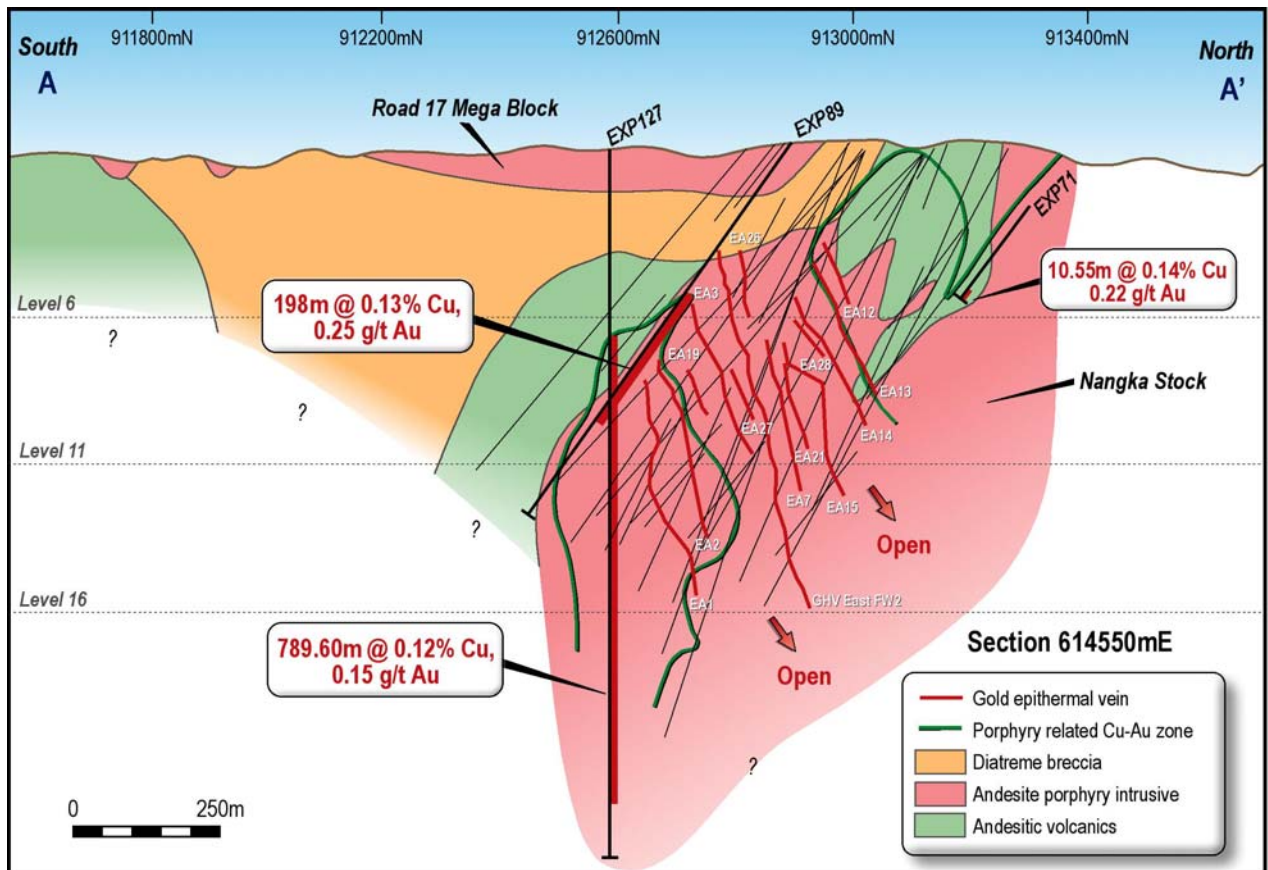


Figure 4. North-south cross section of the interpreted geology along section line A-A looking west.

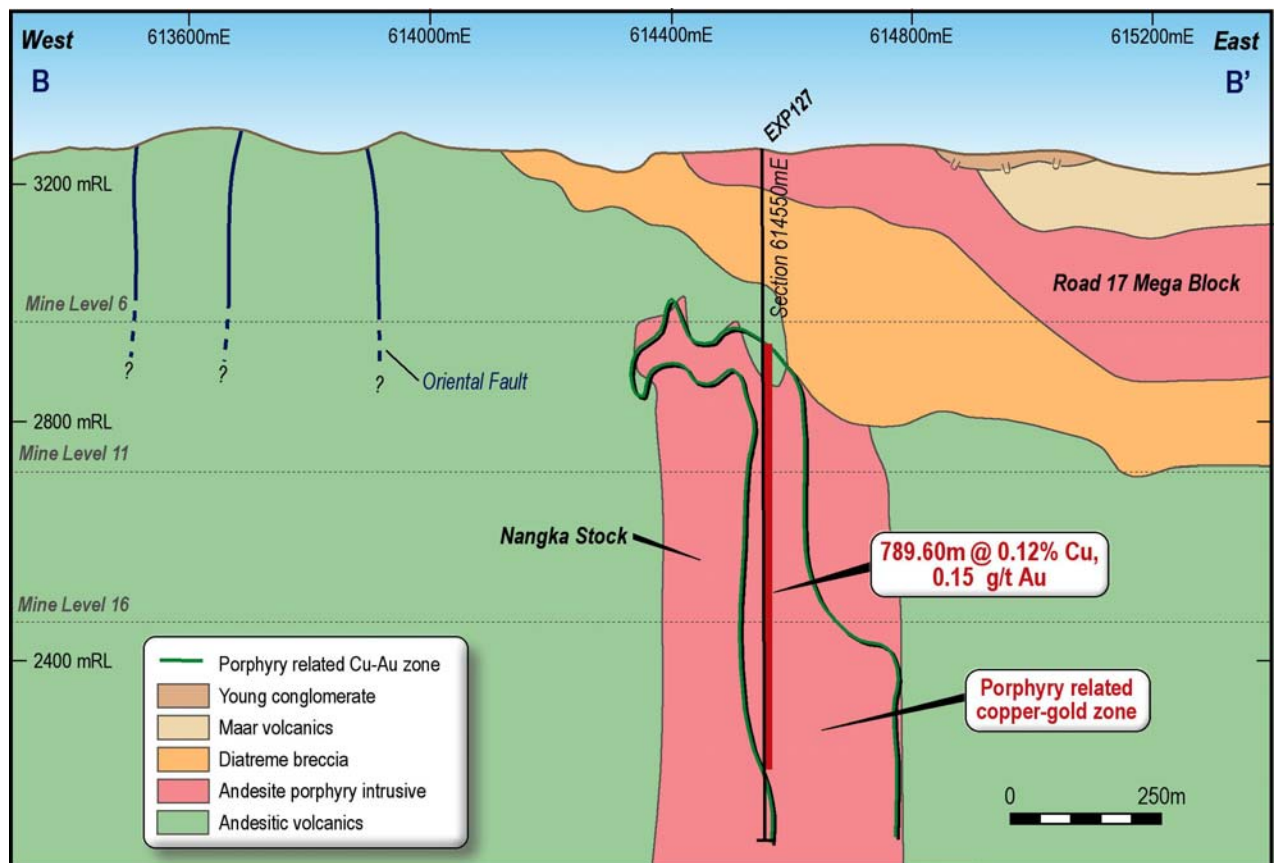


Figure 5. East-west longitudinal projection of the interpreted geology along section line B-B' looking north.



Photo1. Contact of the upper andesite porphyry to diorite megablock with the underlying diatreme (Hole EXP093: 101 to110.55 metres).



Photo 2. Polymictic conglomerate with carbonised wood and quartz vein clasts.



Photo 3. Chloritic altered andesite porphyry intrusive with porphyry-related 2-3mm wide greyish quartz-sulphide veinlets (0.14 to 0.18% Cu & 0.14 to 0.23 g/t Au) overprinted by a 200 mm wide milky epithermal quartz vein (98.76 g/t Au) and other narrower ones. (Hole EXP089: 377.75 to 382.35 metres).

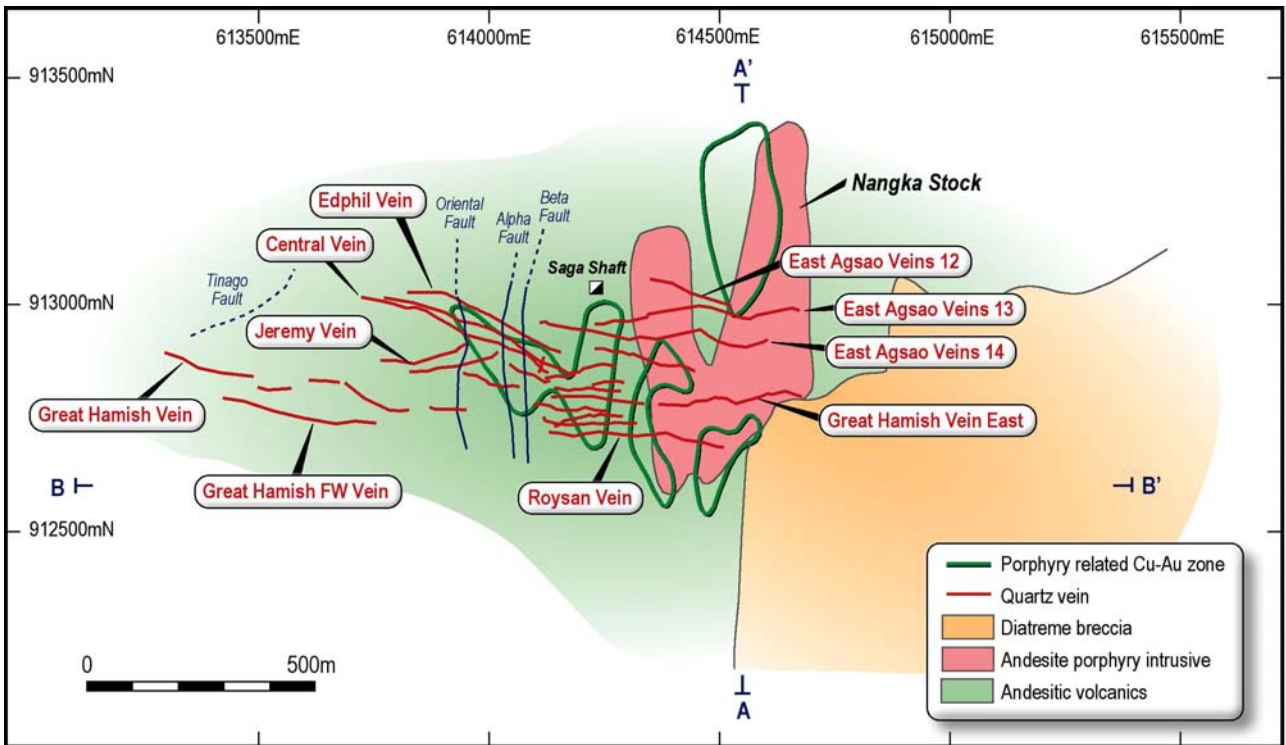


Figure 6. Co-O mine Level 6 geology showing the outline of the diatreme breccia, the porphyry-related copper zones and epithermal gold veins from the resource model. Section lines A-A' and B-B' marked.