

MEDUSA MINING LIMITED

“Gold producer focused on organic growth in the Philippines”



MEDUSA



INVESTOR PRESENTATION OCTOBER 2017

Delivering the Strategic Plan

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JORC CODE 2012 COMPLIANCE - CONSENT OF COMPETENT PERSONS'

Information in this report relating to **Exploration Results** is based on, and fairly represents, information and supporting documentation reviewed by Mr James Llorca and compiled by Philsaga Mining Corporation's Co-O mine site technical personnel. Mr James Llorca is a member of The Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Llorca is an full-time employee of Medusa Mining Ltd and has sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration, and to the activity which they are undertaking, to qualify as a "Competent Person" as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Powell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Information in this report relating to **Ore Reserves** is based on, and fairly represents, information and supporting documentation compiled by Dr Spero Carras of Carras Mining Pty Ltd. Dr Carras is a Fellow of the Australasian Institute of Mining & Metallurgy and has 30 years of experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Carras consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



❑ Share Capital

- Ordinary shares: 207,794,301
- Unlisted options: 3,740,500
- Market capitalisation (at 25 Oct 2017): ~ **US\$62M**

❑ Balance Sheet / Financial Growth

- Cash and cash equivalent (at 30 Sep 2017): **US\$16.8M**
- Unhedged, No Senior Debt.

❑ Substantial Shareholders (at 30 Sep 2017)

- Ruffer LLP Group 13.07%
- Arbiter Partners Capital Management LLC 11.41%

51% of shares institutionally held

Investment Highlights



❑ Proven developer/operator

- Co-O Mine
- +10 year history; 727,000 ounces produced
- #2 primary gold producer in the Philippines

❑ Significant mineral inventory (Co-O Mine)

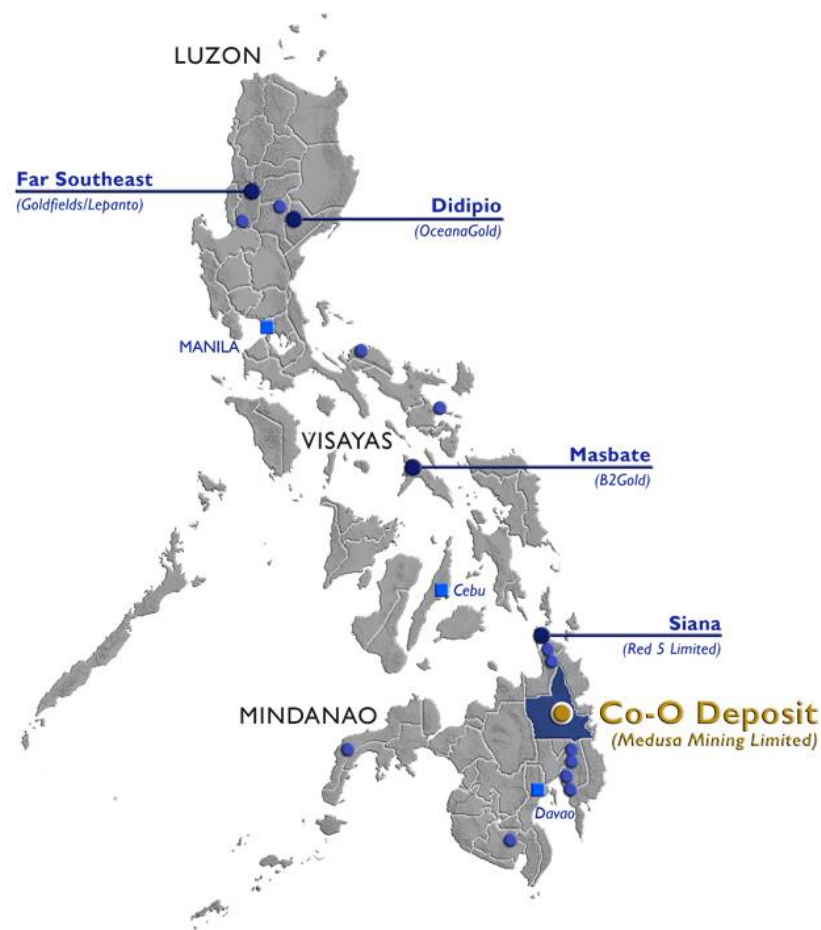
- 859Koz Resources
- 345Koz Reserves (30 April 2017)

❑ Strong growth potential

- Co-O mine hoisting capability expansion
- Maintaining +6,000m Qtr-on-Qtr development

❑ Licence to Operate

- ISO 14001 Certified
- DENR engagement
- CSR and Environmental Stewardship



Strategic Plan from July 2016



- ❑ Upgrade / Expand Co-O Mine Infrastructure (Ventilation, dewatering)
- ❑ Drill off a more robust Ore Reserve and Resource
- ❑ Self fund the expansion work
- ❑ Improve Ounce Production Profile
- ❑ Grow the Cash Position
- ❑ Un-constrain mine with E15 Shaft



Production: Quarter on Quarter

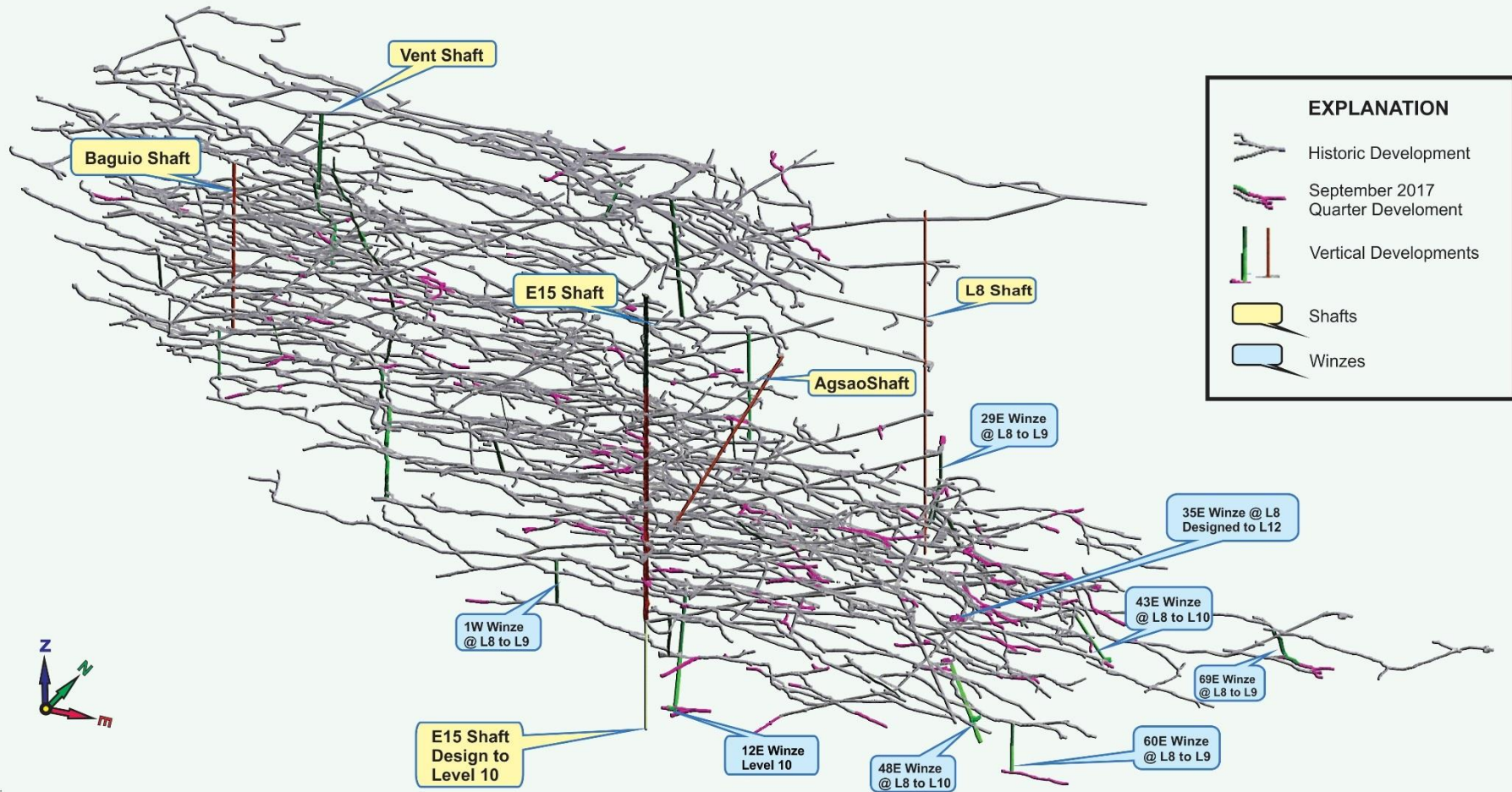


Description	Unit	Sep 2016 Quarter	Dec 2016 Quarter	Mar 2017 Quarter	Jun 2017 Quarter	Sep 2017 Quarter
Ore mined	WMT	149,394	134,740	140,865	139,967	143,317
Ore milled	DMT	132,371	120,731	122,960	123,670	121,616
Head grade	g/t	5.26	4.75	4.93	6.38	6.59
Recovery	%	94.5%	94.2%	94.3%	94.4%	94.6%
Gold produced	ounces	21,157	17,350	18,390	23,846	24,896
Gold sold	ounces	21,152	17,909	17,837	22,296	27,602
U/G development	metres	4,960	5,758	6,004	5,671	6,371
Cash costs (*)	US\$/oz	\$592	\$625	\$644	\$539	\$565
All-In-Sustaining-Costs	US\$/oz	\$1,334	\$1,498	\$1,555	\$1,180	973
Average gold price received	US\$/oz	\$1,315	\$1,219	\$1,229	\$1,252	1,274
Cash & cash equivalent	US\$M	\$19.6M	\$12.9M	\$10.6M	\$11.5M	\$16.8M

□ Consistent JunQ and SepQ results for 2017

- 48,742 ounces gold for last 2 quarters
- SepQ grade of 6.59 g/t (reserve grade of 6.54)
- Exceeded mine development over past 12 months

Development Investment



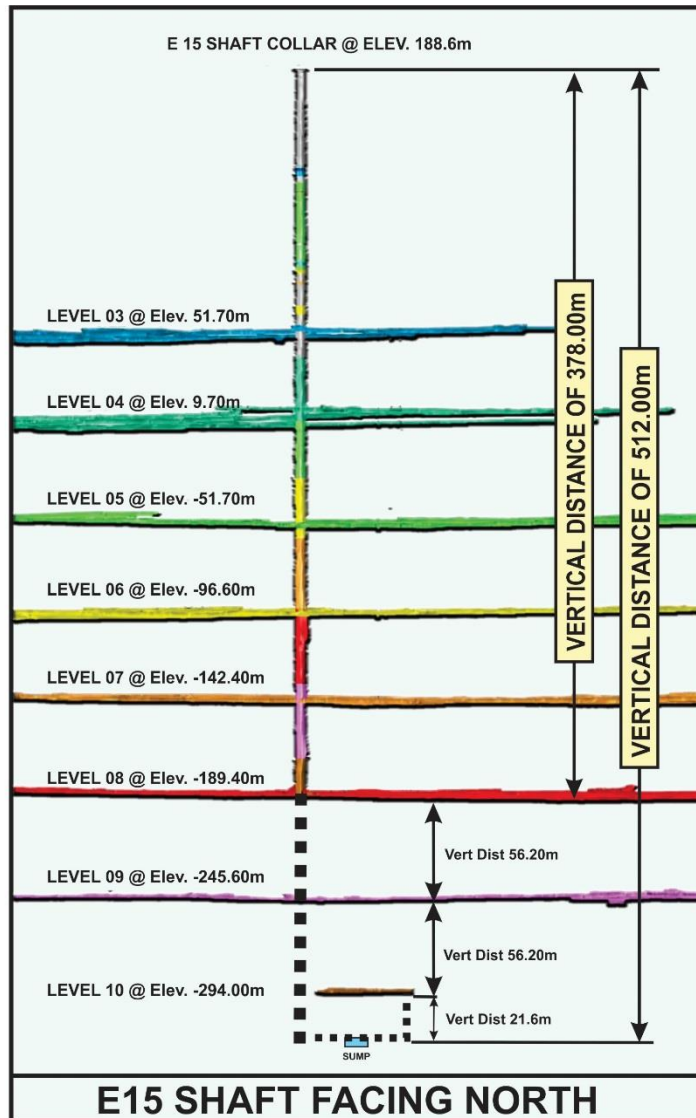
□ FY16-17 Mine Development

- 22,400m development 55,400m resource drilling

□ SepQ17

- 6,371m development 3,994m resource drilling Winze; 12E, 29E, 43E, 48E & 35E

E 15 Service Shaft

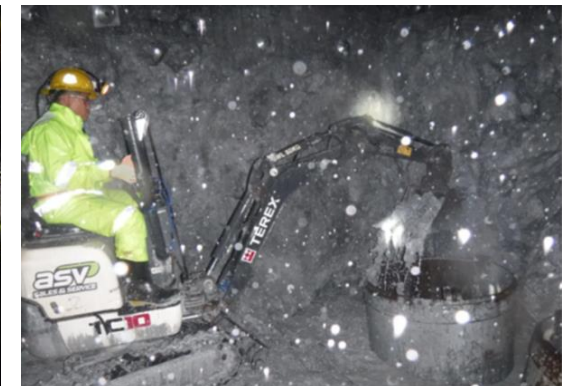


Completion Schedule

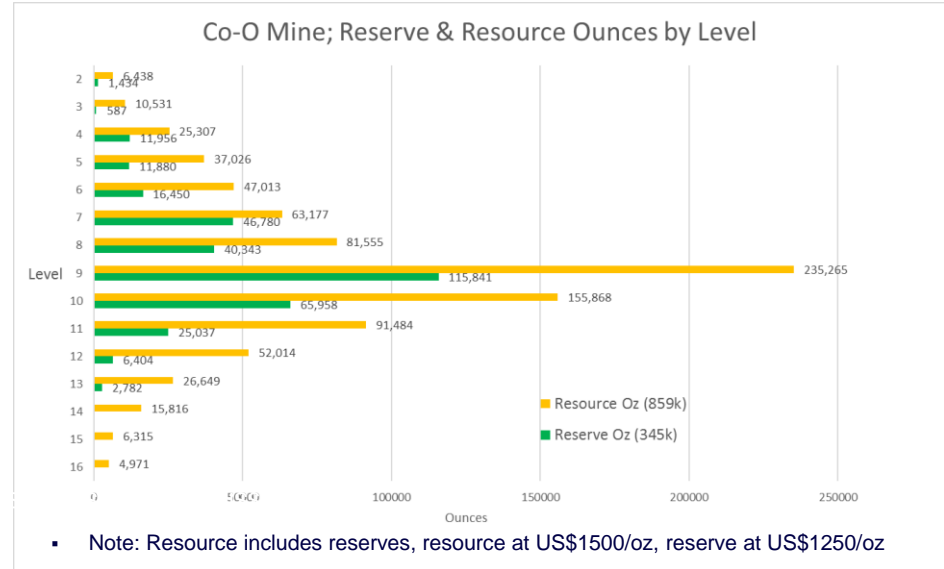
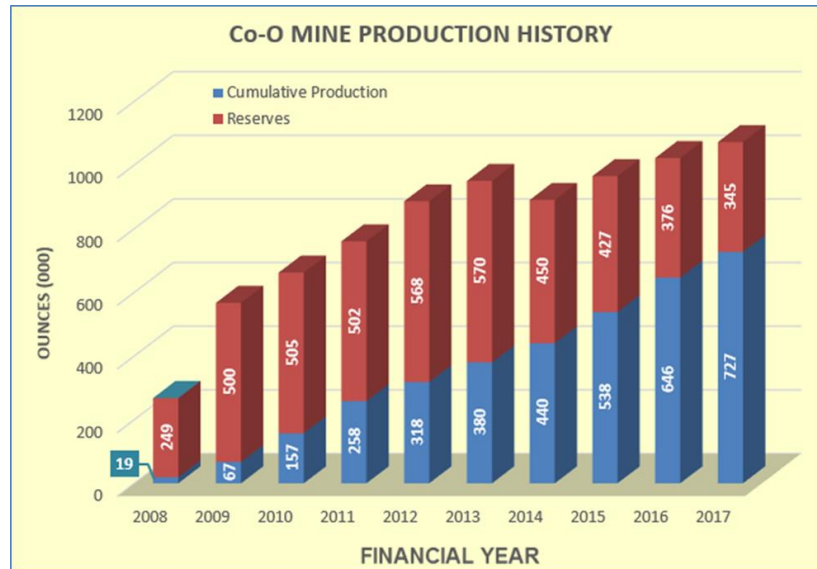
- Restart Sinking Nov16
- Level 6 30 June 17
- Level 8 30 Sept 17
- Level 10 ~January 18
- Guides, Shaft Steel ~MarQ 18
- Commission ~April 18

Milestones

- L8; 74% of rock work completed



Resources & Reserves (at 30 April 2017)



Resources (Co-O Mine)

- 2.18M tonnes @ 12.29 g/t for 859,000 ounces gold
- 76% of Indicated converts to Probable Reserve

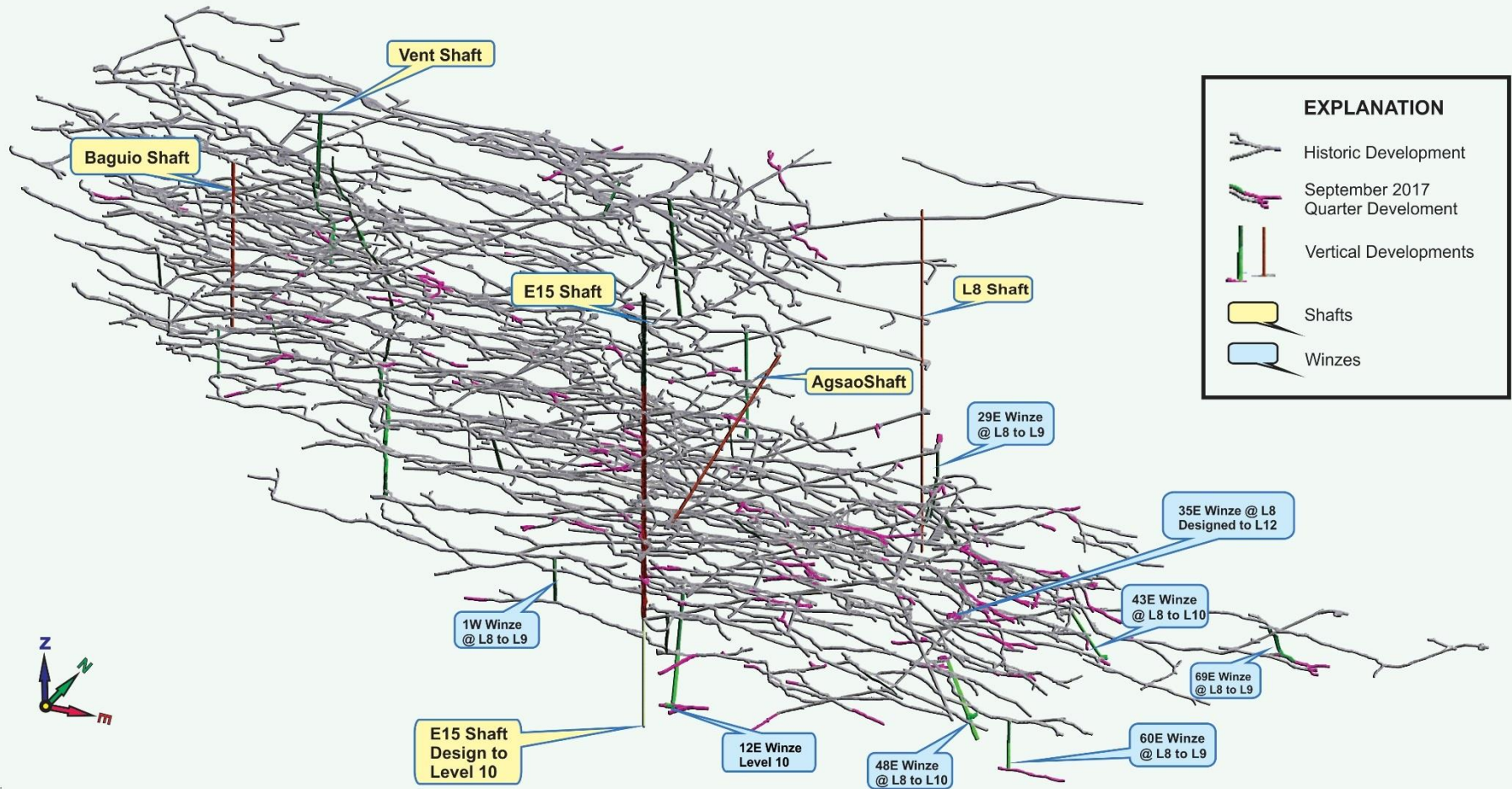
Reserve (Co-O Mine)

- 1.64M tonnes @ 6.54 g/t for 345,000 ounces gold

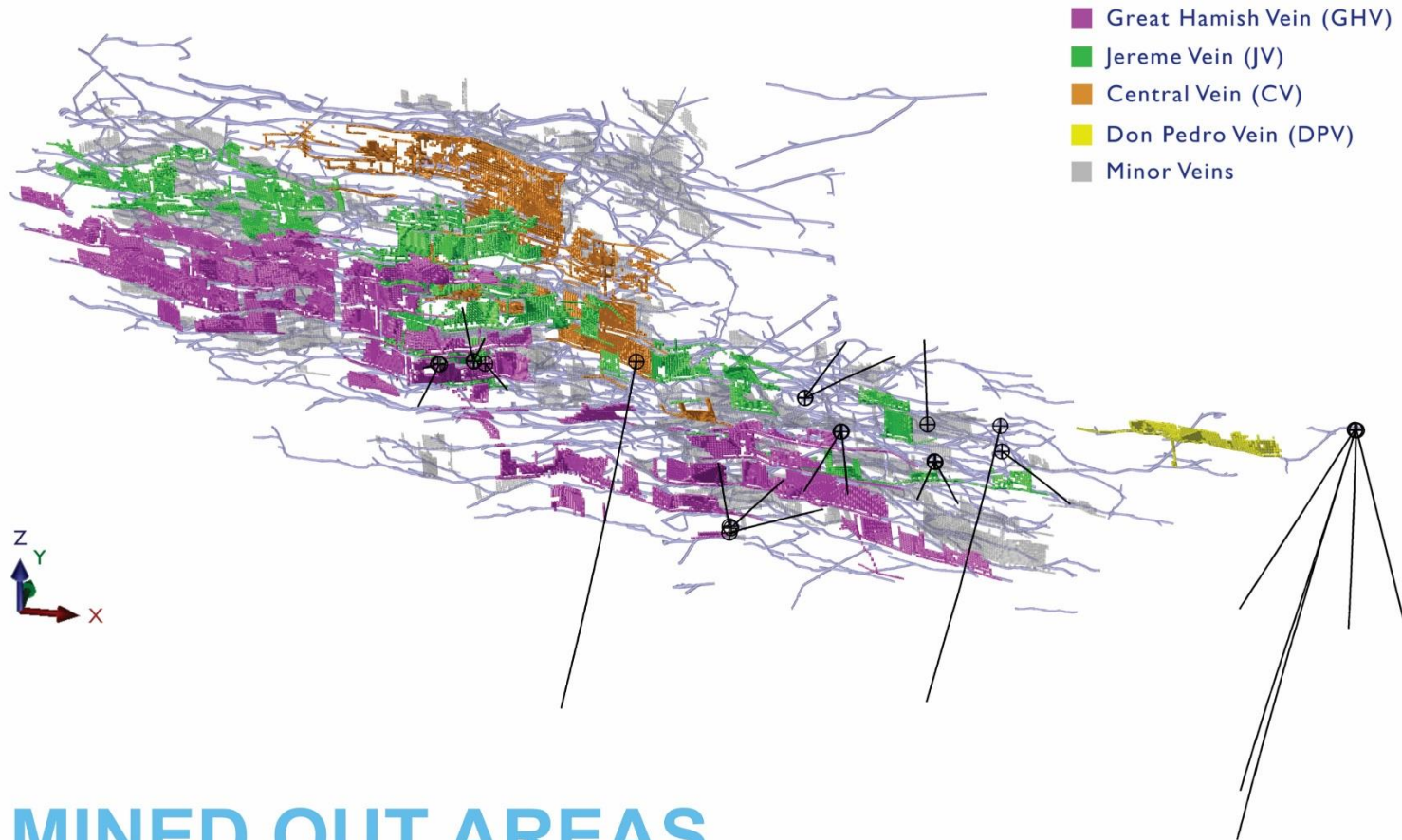
Historic replacement of reserves: 4-fold

71% Reserve L9 and above, 88% Resource L11 and above

Development Investment

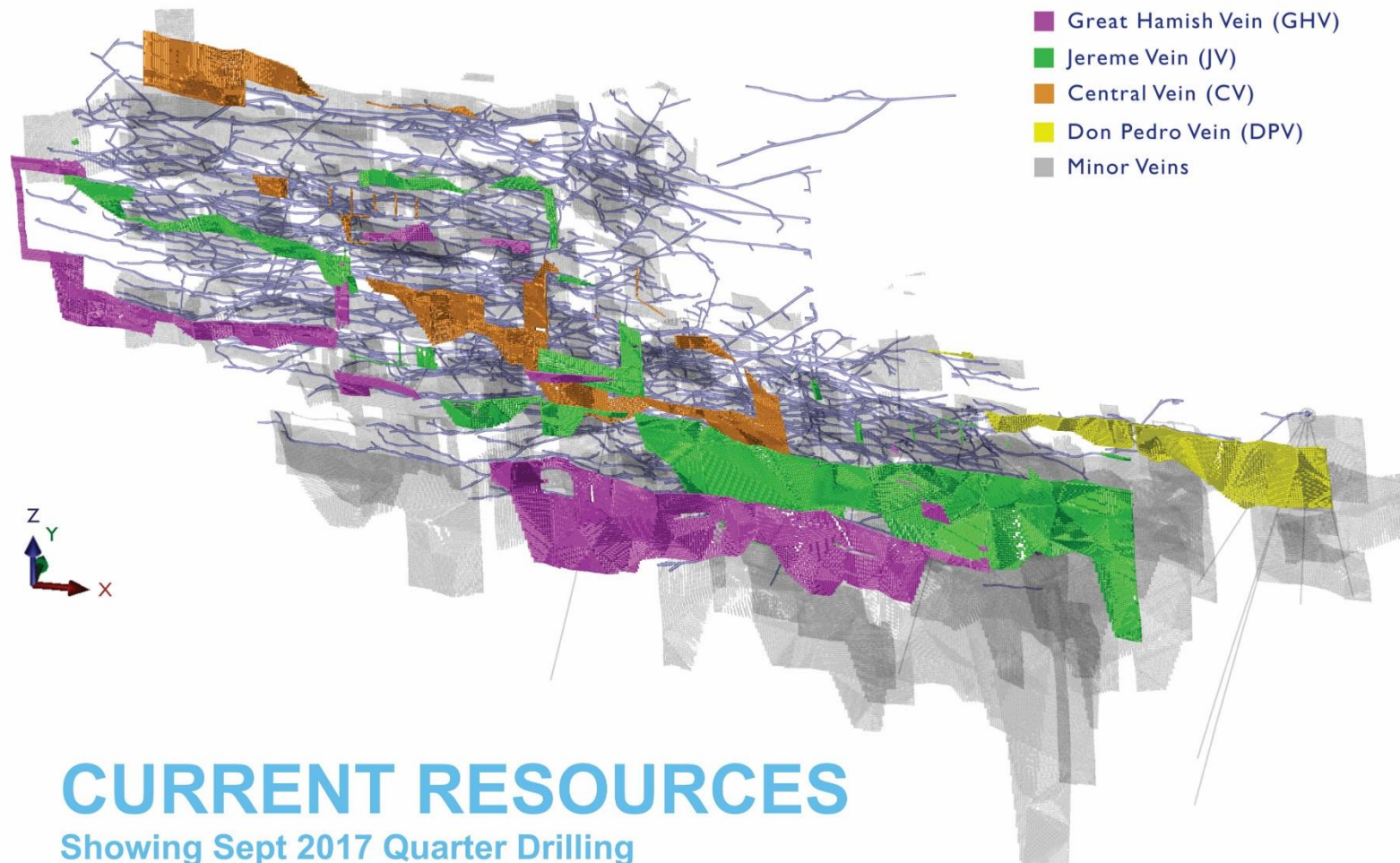


Development Investment

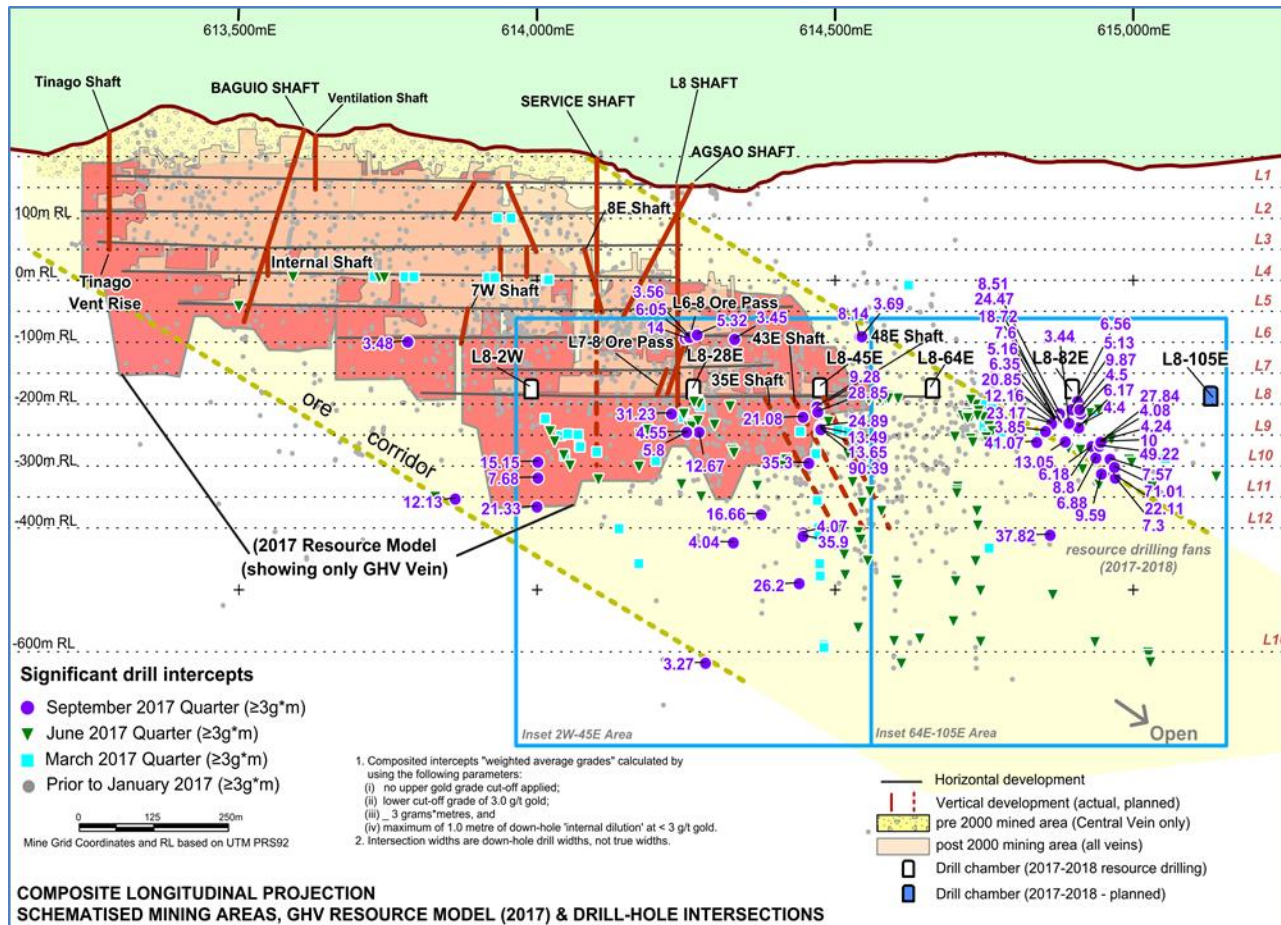


MINED OUT AREAS
Showing Sept 2017 Quarter Drilling

Development Investment

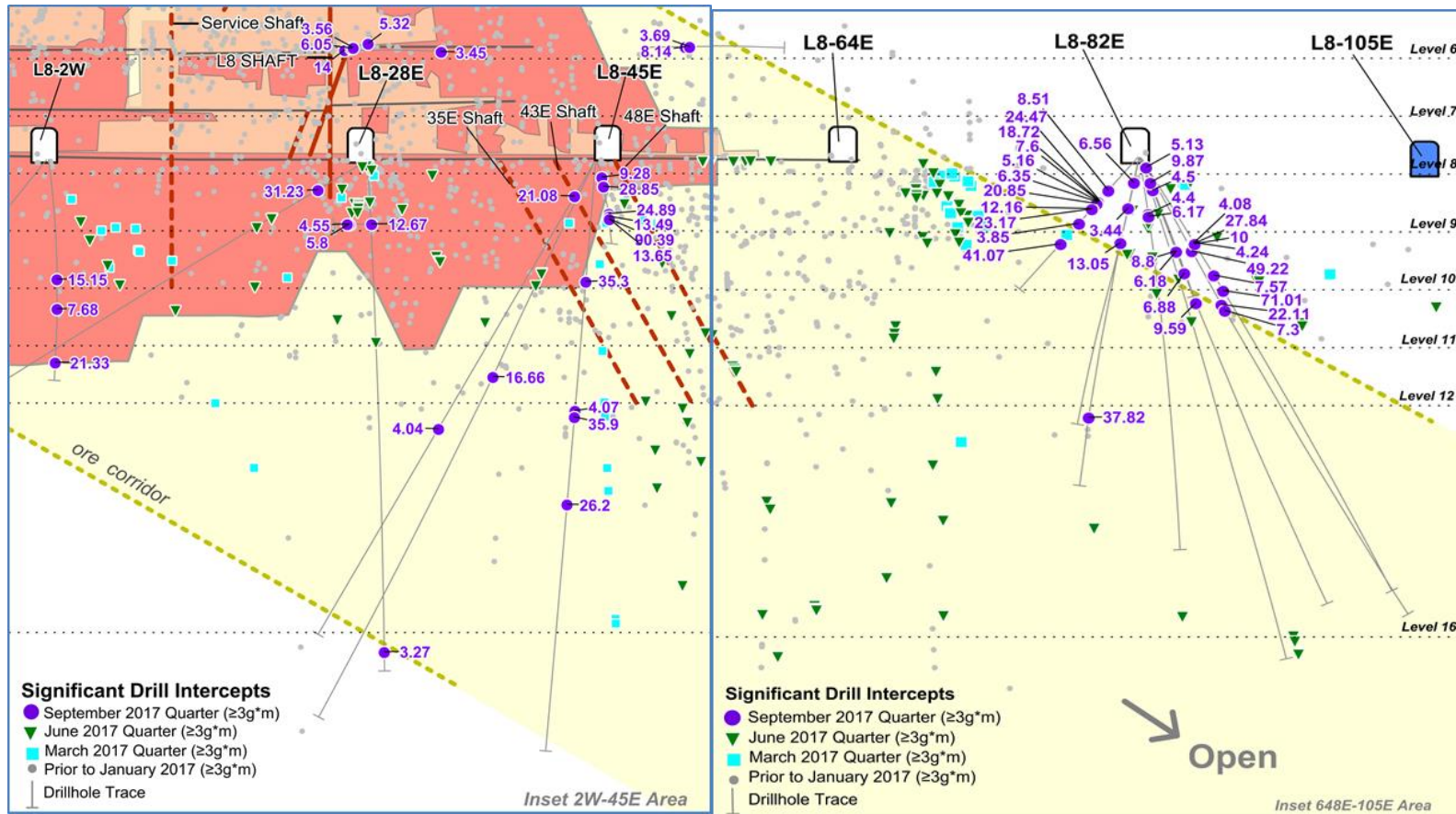


Co-O Mine (long-section view)



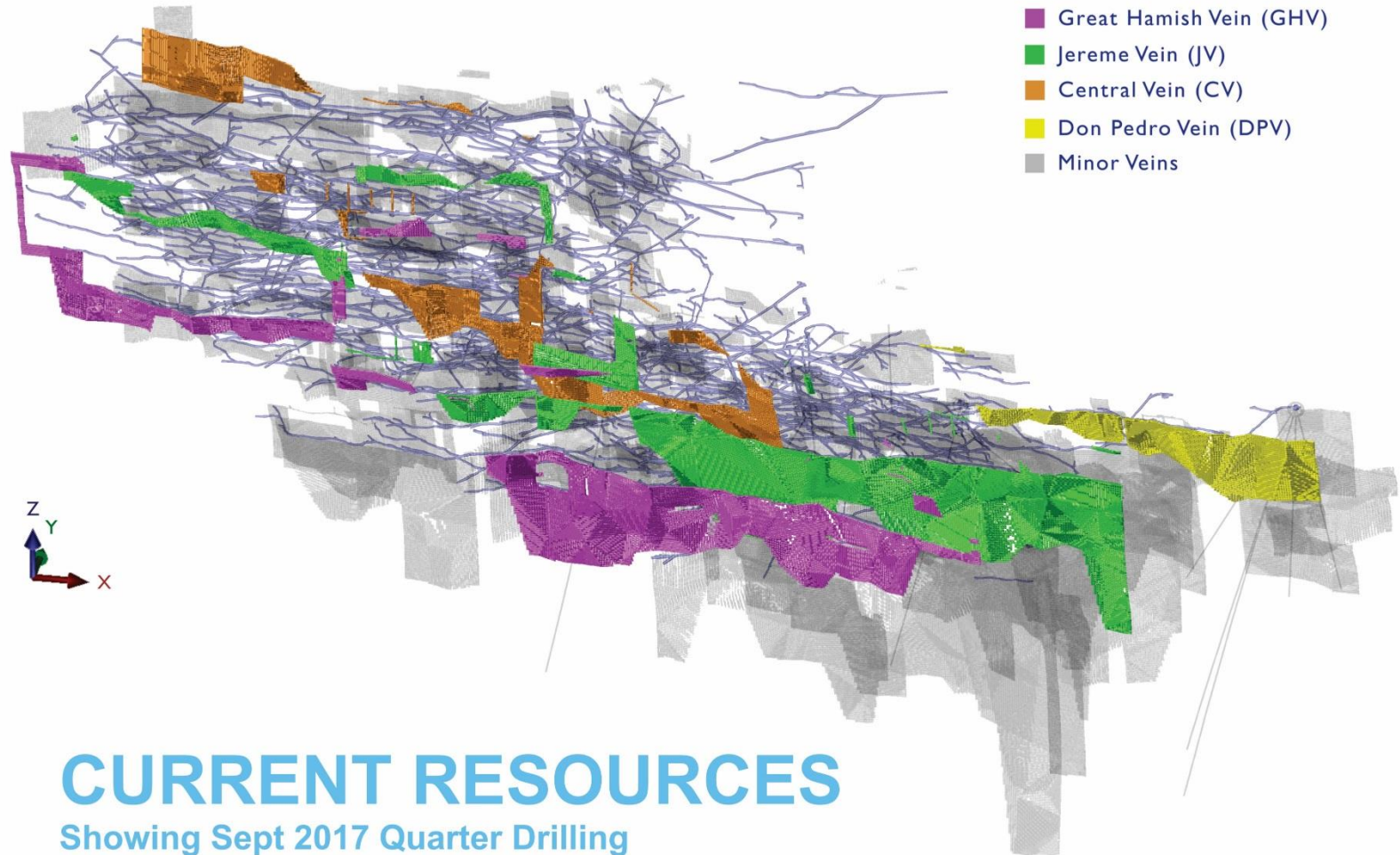
- ~1,000m W-E length per level
- Production to Level 9
- Developing L7 & L10
- Reserves to L12
- Resources to L16
- Ore body plunges to the east, stepping north
- SepQ17 results are $> 3.0\text{g}^*\text{m}$

Co-O Mine (long-section view)



- ❑ L8-28E; infill drilling on Main GHV
- ❑ L8-82E; step-out drilling on the Don Pedro and Jeremy veins
 - ❑ SepQ17 results reflect drill station is close to the veins
 - ❑ Results reflecting numerous veins and veinlets for each main system

Development Investment



Summary



- ❑ **SeptQ17:**
 - 24,869 ounces, AISC US\$973/oz
 - Cash position of US\$16.8M
 - Robust 345K ounces in Reserve (76% conversion)
 - Mine expansion projects complete (vent, dewatering)
 - E15 Shaft – minor scope creep
 - Self funded – capital projects
- ❑ **New leadership team, operationally focussed**
- ❑ **Philsaga Mining Corp. (MML) licence to operate**
- ❑ **FY guidance unchanged; 80-90k oz; US\$1,050-1,200/oz**

Questions



MEDUSA

www.medusamining.com.au

Board of Directors:

Andrew Teo (Non-executive Chairman)
Boyd Timler (Managing Director)
Raul Villanueva (Executive Director)
Ciceron Angeles (Non-executive Director)
Roy Daniel (Non-executive Director)

Management:

Peter Alphonso (Company Secretary / CFO)
James Llorca (Manager Geology and Resources)
Dave McGowan (General Manager, Engineering)

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