



QUARTERLY ACTIVITIES REPORT

PERIOD ENDED

30 June 2018

Snapshot of Medusa:

- Un-hedged, high grade gold producer focused on growth in the Philippines and Asia Pacific
- No long-term debt

Board of Directors:

Andrew Teo
(Chairperson and Interim CEO)

Raul Villanueva
(Executive Director)

Roy Daniel
(Non-executive Director)

Peter Hepburn-Brown
(Non-executive Director)

Executive Management:

Raul Villanueva
(President, Philippine subsidiaries)

David McGowan
(Chief Operating Officer)

Peter Alphonso
(Chief Financial Officer/Company Secretary)

James P. Llorca
(General Manager, Geology & Resources)

Patrick Chang
(Corporate Development Officer)

Capital Structure:

Ordinary shares: 207,794,301
Unlisted options: 6,030,000

Listing:

ASX (Code: MML)



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OVERVIEW:

Co-O MINE PRODUCTION

- **Production:** 22,835 ounces at average head grade of 5.74 g/t gold (Mar 2018 qtr: 22,918 ounces at average grade of 6.36 g/t gold).
- **Cash Costs:** US\$595 per ounce (Mar 2018 qtr: US\$568 per ounce).
- **All-In-Sustaining-Costs ("AISC"):** US\$1,278 per ounce (Mar 2018 qtr: US\$1,073 per ounce).
- **Mill Performance:** gold recovery averaged 94.5% (Mar 2018 qtr: 94.8%).
- **Mine Development:** Total advance was 7,566 metres of horizontal and vertical development (Mar 2018 qtr: 6,242 metres).
- **Mine Infrastructure Projects:**
 - E15 Service Shaft - completed sinking operation and commenced fitting out.
 - Development of internal hoisting winzes. E43 at the 10 level and fitted out to commence hoisting, E48 Winze and 10 level and being fitted out for hoisting duties. E35 winze continued development past the 9 level.
- **Full Year Production:** 95,705 ounces at an AISC of US\$1,083 per ounce was above the improved production guidance of 85,000 to 95,000 ounces and in-line with AISC guidance of between US\$1,000 to US\$1,150 per ounce.

Co-O MINE EXPLORATION

Underground resource drilling

Total drilling for the quarter was 10,690 metres, an increase of 35% from last quarter. The breakdown is as follows:

- Reserve drilling at Levels 6 & 7 from 27 drill holes totalled 2,848 metres.
- Resource definition drilling at Level 8, from 18 drill holes totalled 7,842 metres.
- Results from the resource drilling include 1.45 metres @ 95.06 g/t gold, 2.00 metres @ 8.84 g/t gold, 1.25 metres @ 20.43 g/t gold, and 0.20 metres @ 420.17 g/t gold.

REGIONAL & NEAR MINE EXPLORATION

- **Near Mine Exploration (MinEx):** Reconnaissance activities within the mine environs identified two promising drill targets.
- **Epithermal Gold and Porphyry Cu-Au projects:** An earn in agreement (EIA) was signed with Ellenkey Gold Pty Ltd on two exploration projects in Central Queensland, Australia. These projects have drill ready targets that is expected to be drill tested in the next quarter.

CORPORATE & FINANCIALS

- Total cash and cash equivalent of gold on metal account at the end of the quarter was approximately US\$15.1 million (Mar 2017 Qtr: US\$18.1 million), after incurring higher capex associated with the E15 shaft and interest and tax payments.
- Retirement of Managing Director Boyd Timler on 6 July 2018, promotion of David McGowan to Chief Operating Officer and appointment of Patrick Chang as Corporate Development Officer.
- Appointment of Peter Hepburn-Brown as Non-Executive Director.

TENEMENT PROJECT OVERVIEW

The locations of the Company's Tenement on Figure 1.

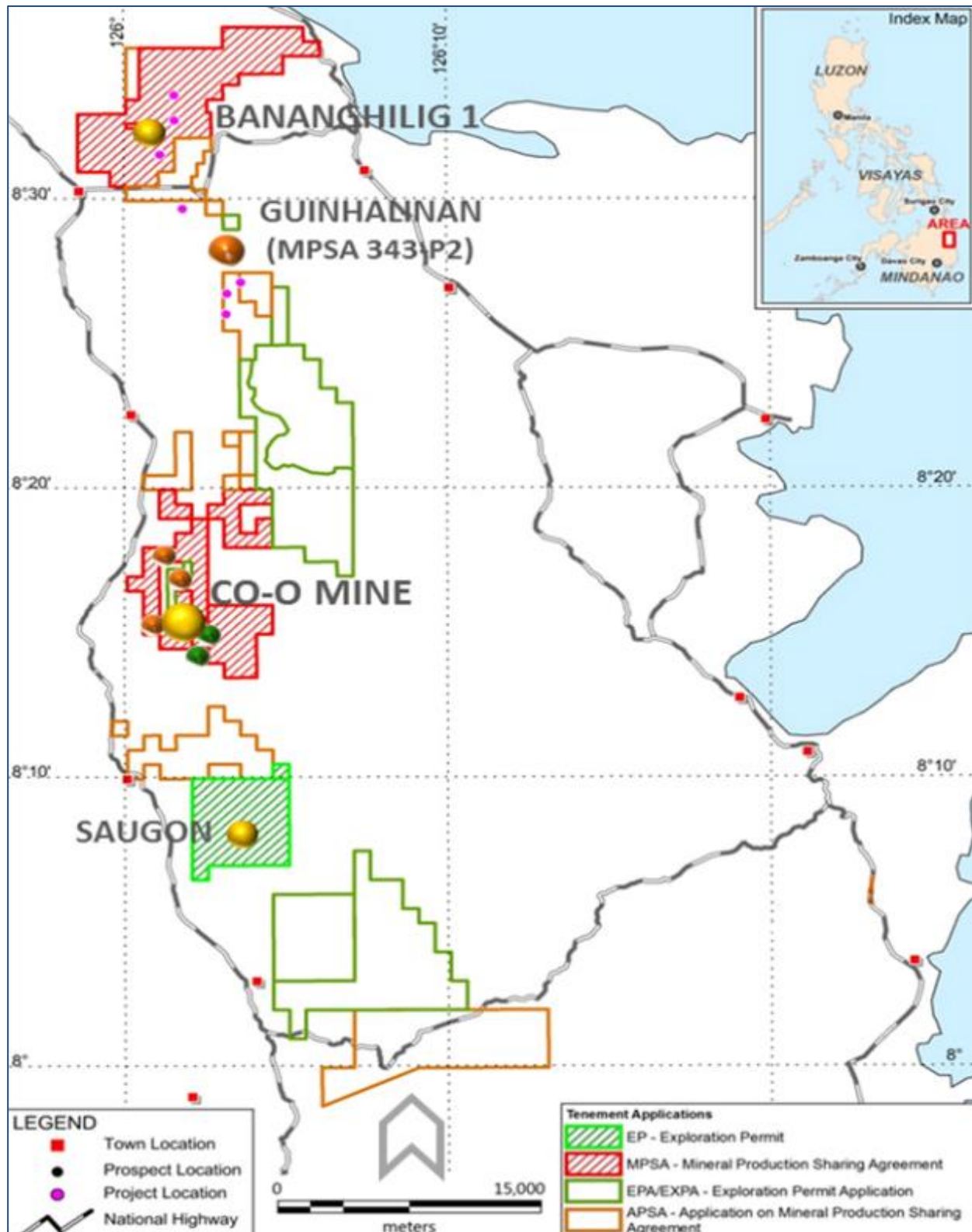


Figure 1: Location diagram showing the company's Tenements covering the Co-O mine and mill operations areas.

Co-O MINE

PRODUCTION

The production statistics for the June 2018 Quarter and comparatives for the previous three quarters as well as Year-to-Date 2017/18 are summarised in Table I below.

Table I. Gold production statistics

Description	Unit	Sep 2017 Quarter	Dec 2017 Quarter	Mar 2018 Quarter	Jun 2018 Quarter	YTD 2017/18
Ore mined	WMT	143,317	129,624	134,707	142,752	550,400
Ore milled	DMT	121,616	124,916	118,495	129,962	494,989
Head grade	g/t	6.59	6.67	6.36	5.74	6.33
Recovery	%	94.6%	94.9%	94.8%	94.5%	94.7%
Gold produced	ounces	24,896	25,056	22,918	22,835	95,705
Gold sold	ounces	27,602	25,550	20,468	22,435	96,056
U/G development	metres	6,371	5,765	6,242	7,566	25,944
Cash costs ^(*)	US\$/ounce	\$565	\$523	\$568	\$595	\$562
All-In-Sustaining-Costs ("AISC")	US\$/ounce	\$973	\$1,025	\$1,073	\$1,278	\$1,083
Average gold price received	US\$/ounce	\$1,274	\$1,281	\$1,335	\$1,293	\$1,293
Cash & cash equivalent	US\$M	\$16.8M	\$16.7M	\$18.1M	\$15.1M	\$15.1M

Note:

(*) Net of capitalised development costs and includes royalties and local business taxes.

The Company produced 22,835 ounces of gold for the quarter, at an average head grade of 5.74 g/t gold from 129,962 tonnes of ore processed. Tonnes processed were restricted by mine ore hoisting, while mill feed grade was influenced by the quality and proportion of development ore in the mill feed blend.

Total ore mined for the quarter was up on the previous quarter, with improved utilisation of the L8 Shaft for hoisting.

The mine completed a total of 7,566 metres of horizontal and vertical development. Development continued on Level 10.

All-In-Sustaining-Costs ("AISC") for the June 2018 quarter were US\$1,278 per ounce of gold.

The June 2018 quarter AISC also includes some exceptional costs:

- E15 Service Shaft hardware and surface civil works for future infrastructure (shaft steel, level bridges, buildings, etc.); and
- additional development metres.

Production Shafts

Overall material hoisted was 146,054 tonnes (DMT) for ore and waste combined, a significant improvement over the past two quarters.

- **Level 8 Shaft:**

Improved utilisation of the shaft for hoisting, helped to improve hoisted tonnes through the L8 Shaft, more than offsetting the reduced haulage through the other shafts.

- **Agsao Inclined Shaft:**

Material hoisted is in line with previous quarter, utilisation was down with less productions available in the upper levels.

- **Baguio Inclined Shaft:**

Material hoisted is slightly down on the previous quarter, with less productions available in the upper levels.

- **Portals:**

Reduced hoisting through the old portals with less ore available from Level 3.

- **L8 Winzes:**

29E and 12E Winzes continued to hoist material from Level 9 and Level 10 to Level 8. The 43E Winze has now reached the Level 10 and being fitted out for hoisting operations from level 10.

The 48E Winze is at Level 10 with loading chutes currently being constructed ready for fitting to Level 9 and Level 10.

The 35E Winze has reached 84 metres, platform was developed on Level 9 and is now continuing to Levels 10, 11 and 12.

For the June 2018 quarter, there was a total of 364 metres of development on Level 10.

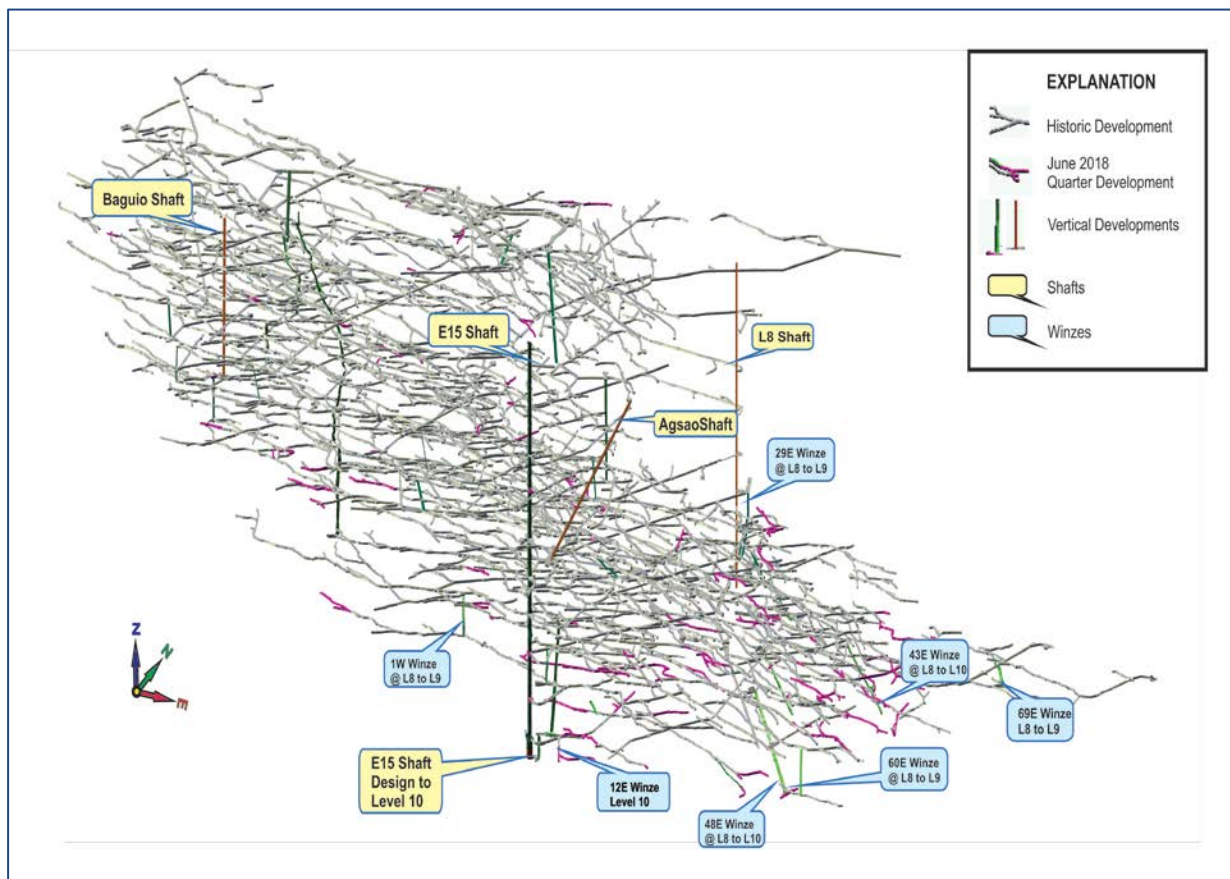


Figure 2: 3D Isometric view of Co-O mine showing all historic mine development, plus the June 2018 Quarters horizontal development in Pink, also showing the primary vertical development in Brown and Green. E15 is shown here at Level 10, with design to Level 10 sump (+18 metres).

E15 Service Shaft

E15 Service Shaft excavations have been completed and installation of the shaft hardware has commenced.

Milestones achieved during the June 2018 quarter were:

- sinking completed, achieving a depth of 506 metres;
- drawbridge have been installed on Levels 4, 6, 7, 8 and 9;
- construction the ring beam completed on Level 10;
- bottom of shaft connection to sump completed and pumping system operational; and
- fabrication of lower shaft steel work continued with deliveries expected in July.

Processing Plant

The process plant throughput was 129,962 tonnes at a grade of 5.74 g/t gold, tonnes are up compared to previous quarter, while grade is down on the previous quarter (118,495 tonnes at a grade of 6.67 g/t gold). The processing plant throughput remains limited by the mine hoisting production. The process plant continued with good recoveries to 94.5% for the quarter (Mar 2018 quarter: 94.8%).

HEALTH, SAFETY & ENVIRONMENT

There were no environmental issues reported for the quarter.

The LTIFR for the 12 months ending June 2018 rose to 1.27 (incidents per million-man hours).

A review of safety inspections and audits has commenced with expectations of improving the safety management systems.

Co-O MINE GEOLOGY

Co-O Mine Drilling

For the June 2018 quarter, a total of 10,690 metres was drilled which is an increase of approximately 35% from the previous quarter. The breakdown of the drilling meterage is from Levels 6, 7, and 8. The resource drilling from Level 8 downward totalled 7,842 metres while the reserve definition drilling from Levels 6 and 7 aggregated 2,848 metres.

The underground drilling campaign from Level 8 targeting resource definition between Levels 8 to 14 (Figure 4) continued over this quarter with good results. This program is targeting to increase and upgrade the current mineral resource base and intercept the depth and strike extensions of the mineralized vein system between Levels 8 to 14 (-200m to -500m RL).

Significant results obtained during the Quarter are reported in Table II and relative positions shown in longitudinal section in Figures 4 and 5.

Table II. Co-O Mine underground drill hole results ≥ 3 gram-metres/tonne gold
(Refer Appendix A for JORC Code, 2012 Edition - Table 1 Report)

Hole Number	East	North	RL	Depth (metres)	Azim (°)	Dip (°)	From (metres)	To (metres)	Width (metres)	Gold (g/t)	Accumulations (gm*m)
UNDERGROUND RESOURCE DRILLING - LEVEL 6											
L6-29E-001	614289	913003	-93	150	28	1	34.20	34.60	0.40	4.74	1.90
							142.20	142.70	0.50	3.08	1.54
L6-58E-002	614565	912853	-89	200	41	0	145.35	145.55	0.20	5.77	1.15
							153.20	154.20	1.00	4.49	4.49
							154.20	154.40	0.20	420.17	84.03
							174.65	175.00	0.35	3.77	1.32
L6-62E-001	614604	912806	-88	200	50	1	112.80	113.00	0.20	10.53	2.11
							127.60	127.80	0.20	3.45	0.69
							182.40	182.65	0.25	18.91	4.73
							183.45	183.70	0.25	3.36	0.84
UNDERGROUND RESOURCE DRILLING - LEVEL 7											
L7-35E-001	614367	913088	-141	118	148	1	21.80	22.00	0.20	4.07	0.81
L7-38E-001	614349	912845	-137	121	324	0	67.20	67.75	0.55	4.26	2.34
							68.45	68.90	0.45	11.40	5.13
							75.60	75.80	0.20	22.40	4.48
							75.80	76.65	0.85	10.03	8.53
							77.60	78.60	1.00	11.03	11.03
							119.40	120.25	0.85	3.40	2.89
L7-39E-001	614393	912852	-138	75	356	2	12.20	12.40	0.20	11.70	2.34
							37.10	38.10	1.00	3.37	3.37
							38.10	38.30	0.20	21.66	4.33
							41.20	41.40	0.20	11.74	2.35
							43.60	43.80	0.20	12.66	2.53
							58.60	58.90	0.30	23.06	6.92
							58.90	59.25	0.35	7.37	2.58
L7-39E-002	614392	912852	-138	75	323	0	11.20	11.40	0.20	10.44	2.09
							39.65	39.85	0.20	3.10	0.62
							48.35	48.60	0.25	84.99	21.25
							48.60	49.60	1.00	4.29	4.29
L7-52E-003	614523	912973	-139	151	71	-1	13.20	13.65	0.45	43.43	19.54
							19.15	19.45	0.30	4.21	1.26
							31.30	31.60	0.30	10.38	3.11
							31.60	32.60	1.00	10.47	10.47
							114.30	114.80	0.50	36.49	18.25
L7-54E-001	614520	912876	-137	151	47	0	86.60	86.90	0.30	3.98	1.19
							131.05	132.05	1.00	16.90	16.90
							132.05	132.25	0.20	7.17	1.43
							141.60	141.85	0.25	6.00	1.50
L7-65E-001	614662	912765	-135	150	14	-1	52.50	52.70	0.20	9.17	1.83
							76.00	76.35	0.35	31.77	11.12
L7-65E-002	614662	912765	-135	151	26	0	54.85	55.20	0.35	6.41	2.24
UNDERGROUND RESOURCE DRILLING - LEVEL 8											
L8-2W-025	613991	913098	-189	554	216	-32	311.35	312.35	1.00	6.35	6.35
L8-2W-026	613994	913098	-189	551	166	-31	53.75	54.00	0.25	7.83	1.96
							106.00	106.30	0.30	4.93	1.48
							194.40	194.70	0.30	3.83	1.15
							320.50	320.95	0.45	3.13	1.41
L8-2W-028	613994	913099	-189	551	147	-34	401.50	402.50	1.00	7.03	7.03
L8-2W-029	613993	913098	-189	551	165	-37	248.05	248.45	0.40	7.13	2.85
							251.10	251.90	0.80	5.40	4.32
L8-2W-030	613993	913098	-189	551	175	-41	76.75	77.75	1.00	79.25	79.25
							250.10	251.10	1.00	6.60	6.60
L8-45E-045	614466	913036	-191	550	169	-28	429.00	429.25	0.25	3.47	0.87
L8-45E-046	614466	913036	-191	551	175	-31	126.70	127.70	1.00	15.26	15.26

Hole Number	East	North	RL	Depth (metres)	Azim (°)	Dip (°)	From (metres)	To (metres)	Width (metres)	Gold (g/t)	Accumulations (gm*m)
							131.40	131.65	0.25	9.79	2.45
							148.75	149.45	0.70	8.41	5.89
							163.75	164.35	0.60	3.44	2.06
							176.05	176.25	0.20	136.28	27.26
							178.45	178.70	0.25	3.48	0.87
							193.35	193.65	0.30	4.36	1.31
							326.65	327.05	0.40	12.11	4.84
L8-45E-047	614466	913037	-191	551	175	-37	118.35	118.55	0.20	3.78	0.76
							118.75	119.00	0.25	6.78	1.70
							128.90	129.10	0.20	28.21	5.64
							147.40	147.90	0.50	17.00	8.50
							241.85	242.10	0.25	55.60	13.90
							242.10	242.70	0.60	6.70	4.02
							242.70	243.05	0.35	10.43	3.65
							243.05	244.05	1.00	26.30	26.30
							319.90	320.45	0.55	4.97	2.73
L8-45E-048	614465	913037	-191	551	181	-42	404.50	404.75	0.25	4.97	1.24
							105.55	106.05	0.50	3.17	1.59
							130.85	131.30	0.45	4.34	1.95
							131.30	132.30	1.00	3.26	3.26
							145.55	145.90	0.35	7.03	2.46
							280.70	281.10	0.40	9.77	3.91
							306.40	307.15	0.75	15.57	11.68
							403.30	403.80	0.50	18.50	9.25
L8-45E-049	614465	913038	-192	41	202	-42	406.10	406.45	0.35	5.70	1.99
							2.85	3.55	0.70	5.67	3.97
L8-45E-050	614463	913039	-191	600	241	-50	33.60	33.80	0.20	21.77	4.35
							5.30	5.65	0.35	20.94	7.33
							44.30	44.55	0.25	4.16	1.04
							132.80	133.80	1.00	3.18	3.18
							133.80	134.35	0.55	5.97	3.28
L8-45E-051	614462	913037	-191	551	230	-27	134.35	135.10	0.75	4.91	3.68
							2.70	3.30	0.60	8.67	5.20
							44.75	45.35	0.60	8.23	4.94
							45.60	45.90	0.30	42.63	12.79
							119.65	120.40	0.75	29.33	22.00
L8-45E-052	614467	913037	-191	551	156	-31	169.40	169.65	0.25	3.17	0.79
							140.90	141.35	0.45	12.17	5.48
							161.10	161.60	0.50	6.75	3.38
							165.40	166.00	0.60	4.43	2.66
							188.10	189.10	1.00	7.40	7.40
							191.60	192.05	0.45	6.47	2.91
							371.10	371.65	0.55	117.46	64.60
							371.65	372.30	0.65	44.83	29.14
							372.30	372.55	0.25	6.33	1.58
							417.80	418.55	0.75	5.45	4.09
							460.45	461.45	1.00	3.82	3.82

Notes:

- Composited intercepts' 'Accumulations' calculated by using the following parameters:
 - Accumulations = grade X width
 - no upper gold grade cut-off applied;
 - lower cut-off grade of 3.0 g/t gold; and
- Intersection widths are downhole drill widths not true widths;
- Analysis is carried out by Philsaga Mining Corporation's laboratory; Inter-laboratory check assays are carried out with an independent accredited commercial laboratory (Intertek Philippines, Manila) on a regular basis every quarter.
- Grid coordinates are rounded and based on the Co-O Mine Grid. RL is elevation, rounded in metres relative to Mine Datum.

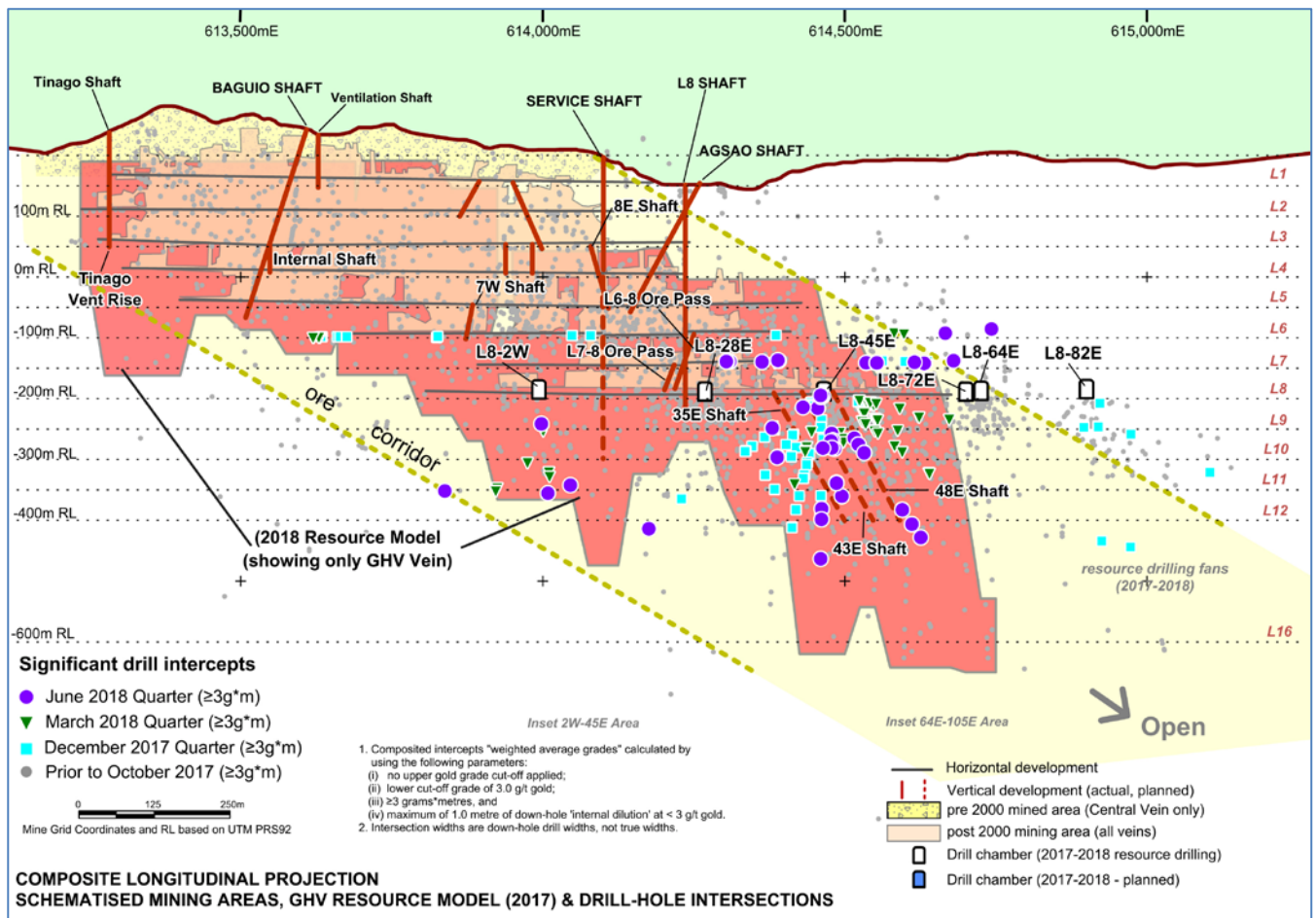


Figure 4: Co-O Mine Longitudinal Projection showing composited mining depletion, vertical development, Ore Reserves limits, and significant drill intercept locations (including previously reported). Note that the ore reserve limits are updated with the 2017 Resource Model.

Figures 5 show a more detailed location of the significant results. The numbers represent grade*metres (far right column on table II). The June 2018 quarter's drilling, continues to return very high-grade assay results of narrower veins.

Note, the close spacing of results reflects there are multiple veins and the drill station is close to the structures (See Figure 5).

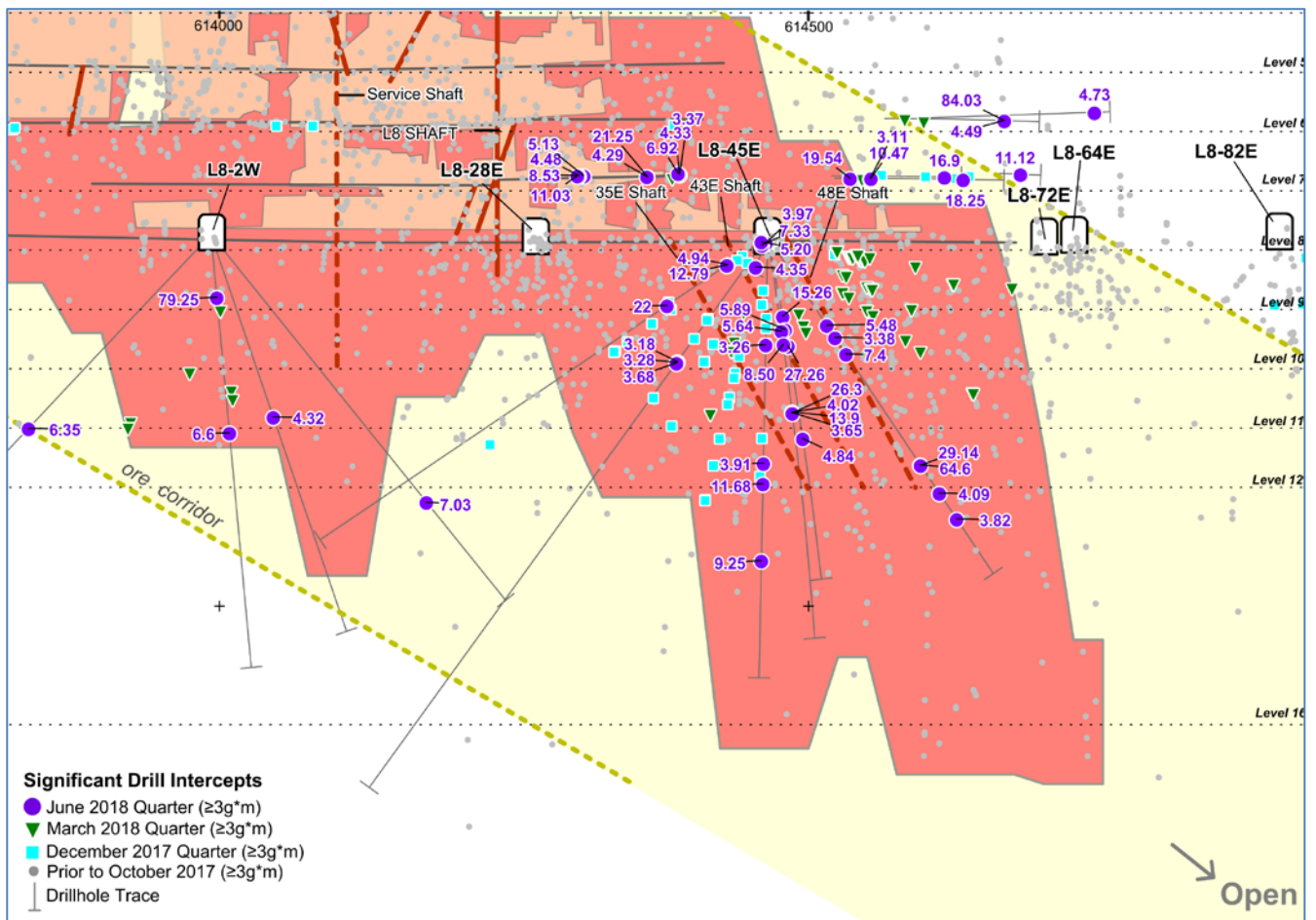


Figure 5: Significant Drill Intercepts.

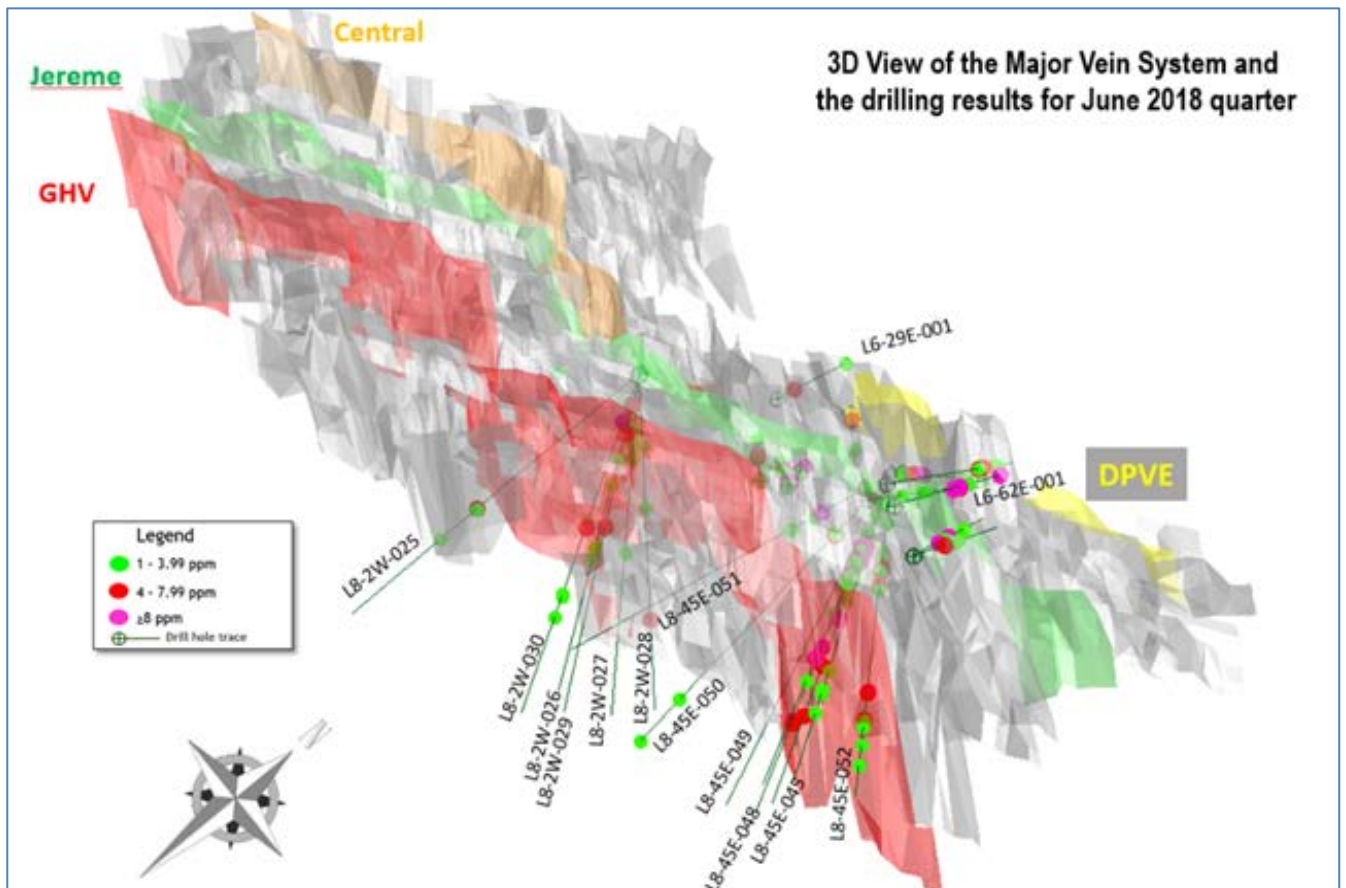


Figure 6: 3D View of CoO Vein System and Significant Drill Intercept for this 4th Quarter.

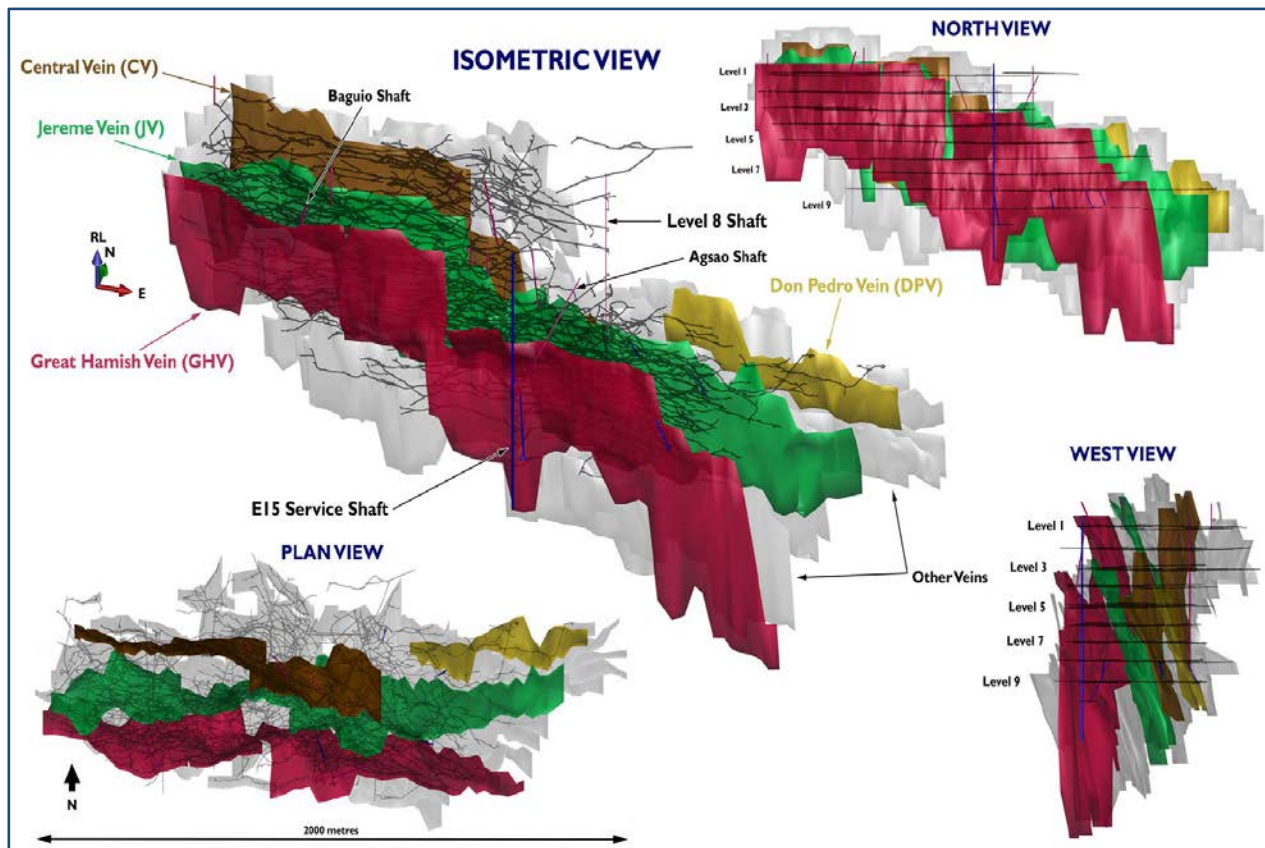


Figure 7: 3D Isometric vein with plan, section long-section views of; GHV & GHVHW, JV & DPV

As in-fill drilling below Level 8 and step-out drilling down-dip to the east continues, it is expected resources on the Great Hamish, Jereme and Don Predro Veins will continue to expand.

With the near completion of the E15 Shaft and un-constrained access to Level 9 and 10, the Company intends to establish newer, more ideally located drilling stations for continued expansion of the Co-O resources.

Co-O SURFACE EXPLORATION

Near Mine Surface Exploration (Minex)

Ongoing data mining and review identified two potential drillable prospect located within a 3 km distance from Co-O Mine. These prospects are located within PMC's approved tenement designated as MPSA 262 Parcel 2, and are referred to as the Royal Crowne Vein and Durian prospects (Figure 8).

The Royal Crowne Vein Prospect

The Royal Crowne Vein Prospect corresponds to a 200+ metres projected vein segment along the northern portion of the 1,500 metres long Sinug-ang vein system that has not been fully tested by drilling. The Royal Crowne Vein structure, is located at about 3km NNW of Co-O Mine within a historic small-scale mining (SSM) site noted for its high-grade (i.e. > 5gpt gold) narrow intermediate sulphidation gold-sulphide vein deposits (Figure 9). A 4-hole, 1,000 metre scout drilling program is proposed to test the strike, depth and grade continuity of the Royal Crowne Vein.

The Durian Prospect

The Durian Prospect is located about 1 kilometre north of Co-O Mine (Figure 3) and is defined by an oblong-shaped moderate to high IP chargeability anomalous zones with coincident low resistivity anomalous zones. The geometry of the IP chargeability anomaly suggests potential gold epithermal vein mineralisation associated with either a diatreme structure and/or a shallow intrusion. The Co-O vein deposit is located peripheral to the southern portion of the IP chargeability anomaly. This suggests a possible genetic association with analogous mineralised vein structures potentially forming along the remaining peripheral portions of the IP chargeability anomaly. A 6-hole, 1,520 metre scout drilling program is proposed to test the west and east portions of this IP chargeability anomaly.

Reconnaissance Exploration within MPSA 299

Geologic mapping of MPSA 299 Parcel 1 remains in progress and the Company will report any drill targets when identified.

REGIONAL EXPLORATION (NEW PROJECT GENERATION)

The compilation, screening and selection of potential new projects remain an ongoing activity.

Epithermal Gold and Porphyry Cu-Au projects (Queensland, Australia):

An earn in agreement (EIA) was signed with Ellenkay Gold Pty Ltd on two exploration projects in Central Queensland, Australia. These projects have drill ready targets that is expected to be drill tested in the next quarter.

The Hill 212 (EPM 26217) exploration project is an epithermal gold-silver opportunity approximately 30 kilometres east of Mt Coolon. The Mt Clark West (EPM 26008) exploration project is a porphyry copper-gold opportunity approximately 24 kilometres northwest of Nebo. Both projects have well defined drill targets generated through previously completed geochemical and geophysical work programs (Figure 11).

Further details on the projects and EIA can be found in the Company's ASX announcement made on 5 July 2018.

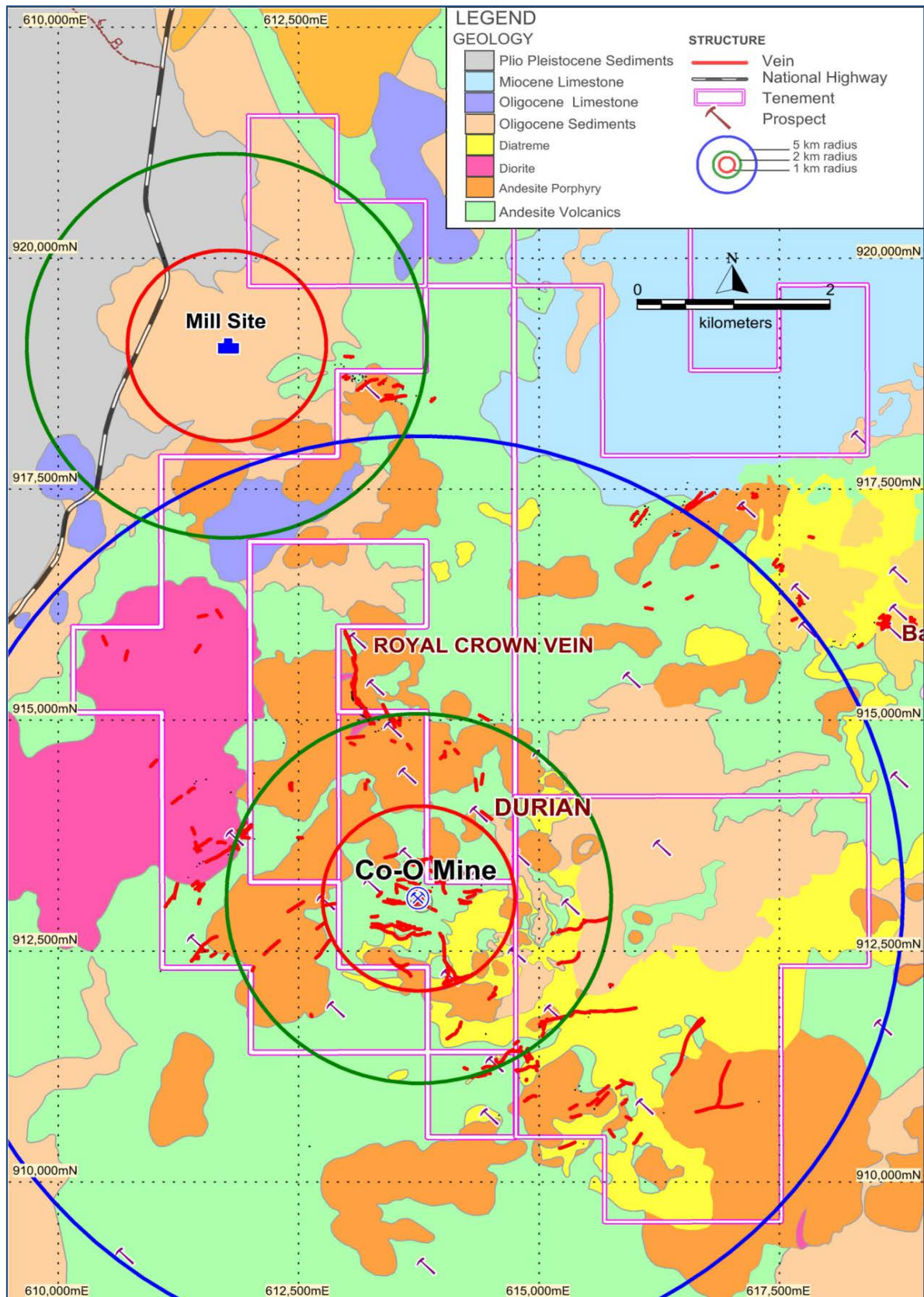


Figure 8: Updated geologic map of the the Co-O Mine District showing the location of Durian Prospect in relation to Co-O Mine and other prospects within.

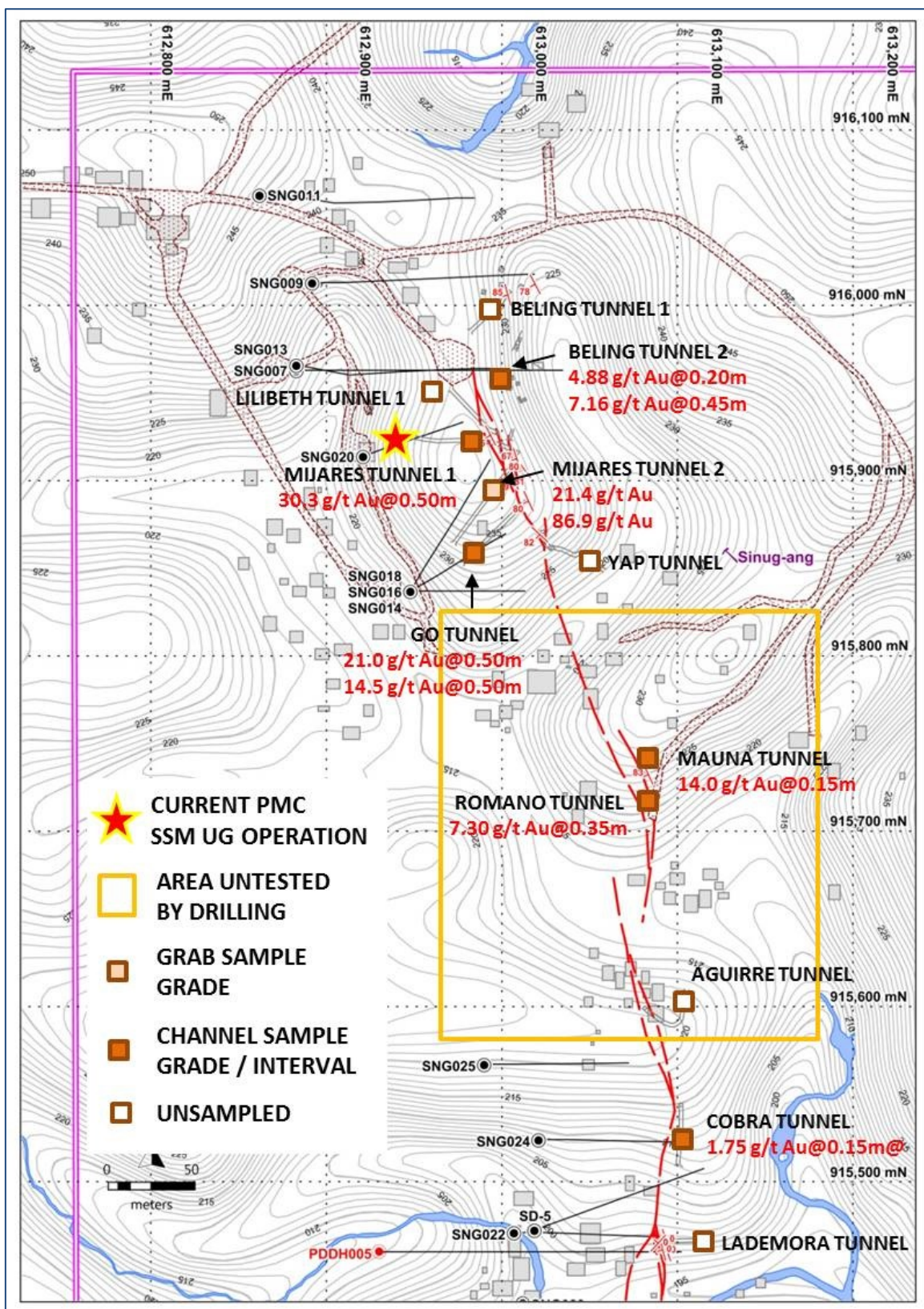


Figure 9. Map showing the location of high-grade small-scale mine workings and the projected undrilled segment of the Royal Crowne Vein in the Old Sinugang Area.

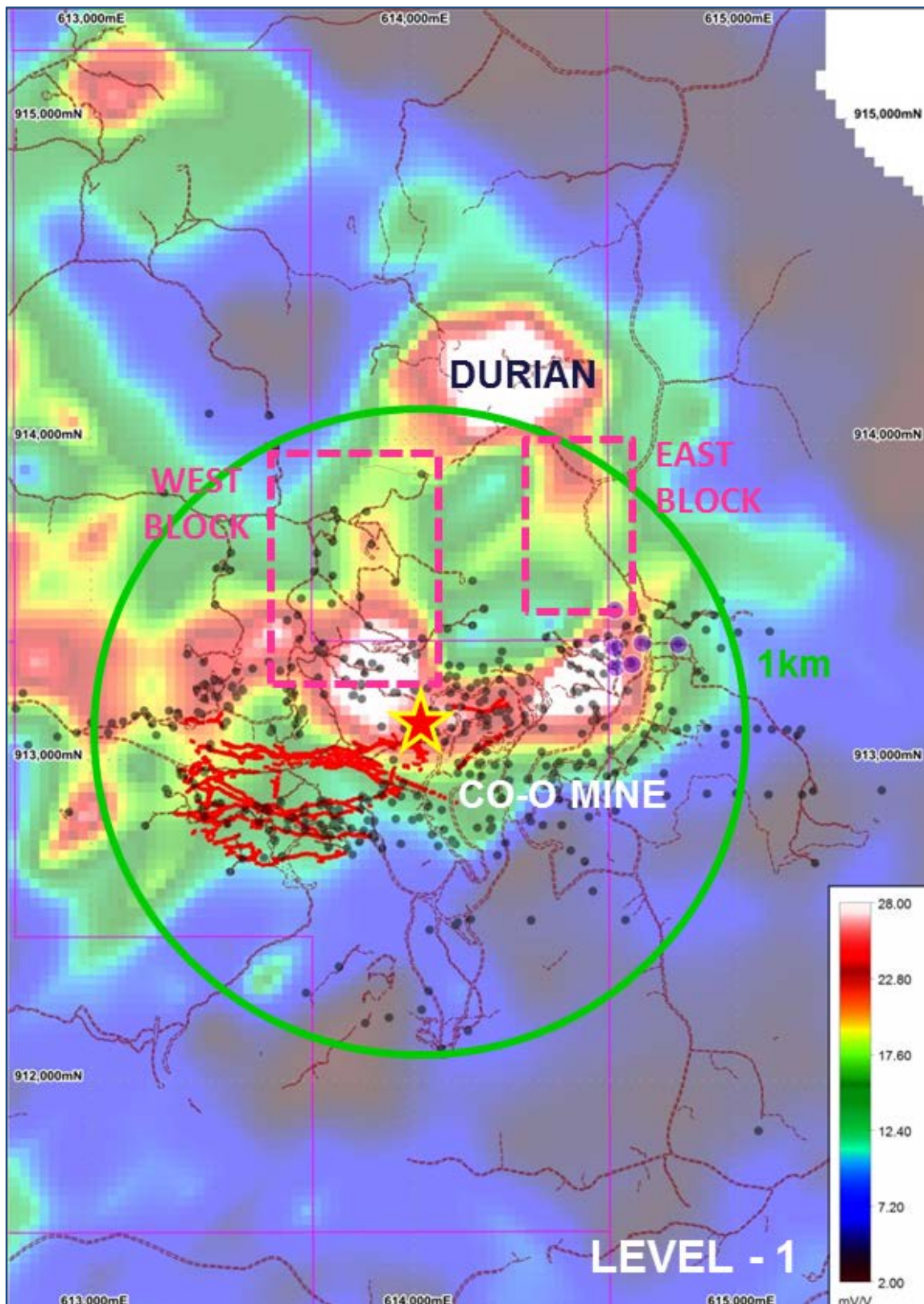


Figure 10. Map showing the IP chargeability anomaly within the Durian Prospect relative to Co-O Mine and vein deposit (projected at Level 1), and proposed areas to be drill-tested.

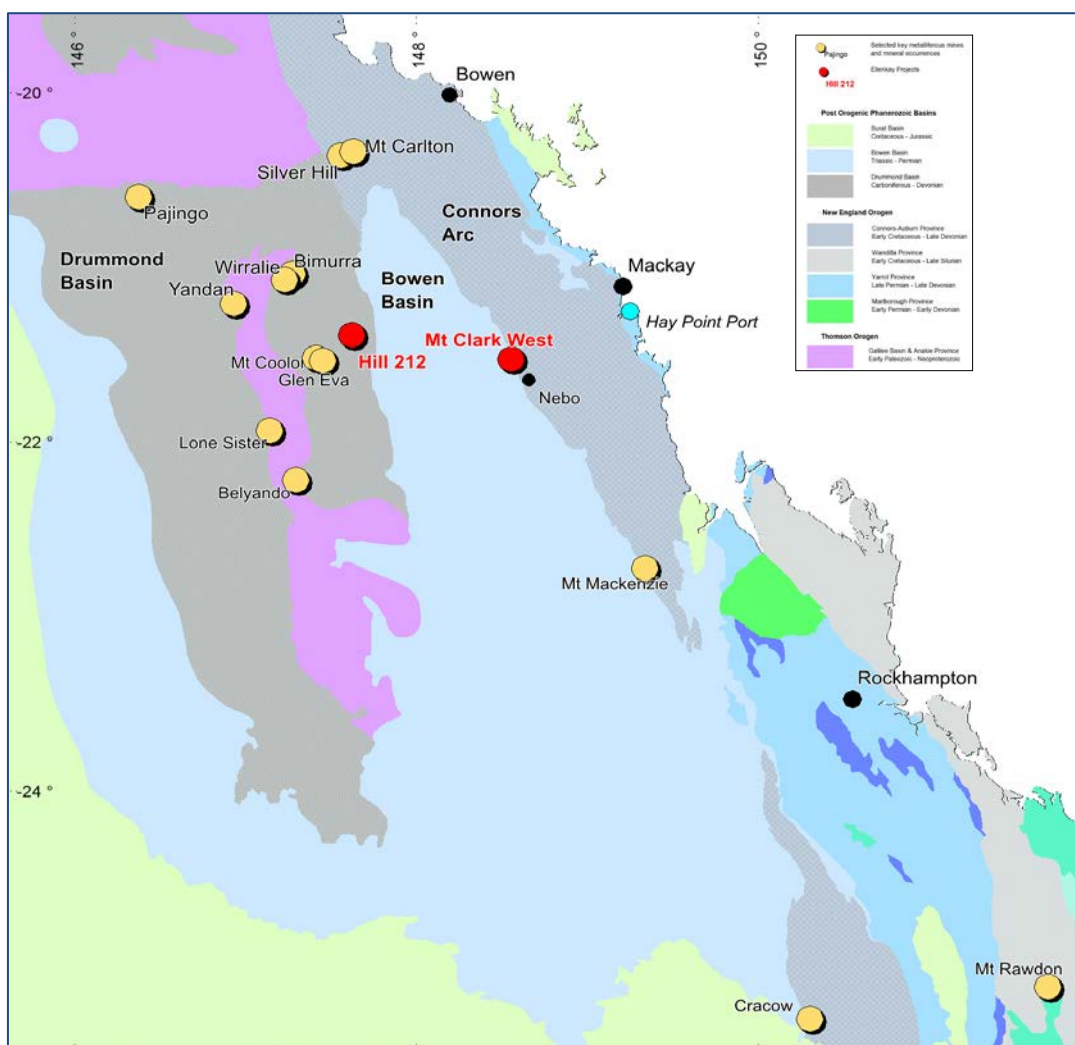


Figure 11: Location map showing the two projects (red dots)

FY19 OUTLOOK:

The Company is looking forward to providing FY19 outlook as we complete the final stages of development on the E15 service shaft.

CORPORATE:

A number of changes to the Company's Board and Management occurred during the quarter.

As detailed in the ASX announcement made on 15th June, Managing Director Mr Boyd Timler has retired on 6 July 2018 and Chairman Mr Andrew Teo has assumed the role of Interim Chief Executive Officer while the search for a replacement CEO is undertaken. The Company's General Manager – Engineering, Mr David McGowan, was promoted to the role of Chief Operating Officer.

Mr Peter Hepburn-Brown also re-joined the Medusa Board as a Non-Executive Director.

In addition, The Company is pleased to announce the appointment of Mr Patrick Chang as Corporate Development Officer, focusing on business development opportunities and investor relations.

Mr Chang had worked on gold and iron ore operations as a geologist prior to his career in finance. During his ~7 year tenure as a Mining Analyst at Argonaut and Canaccord Genuity, Mr Chang primarily focused on the coverage of gold companies and has demonstrated a track record of identifying early stage opportunities.

Mr Chang holds a Master of Science Degree in Geology, a Master of Computer Science Degree and is a Chartered Financial Analyst. He is bilingual in English and Mandarin.

FINANCIALS (un-audited)

As at 30 June 2018, the Company had total cash and cash equivalent in gold on metal account of approximately US\$15.1 million (31 Mar 2018: US\$18.1 million).

The Company sold 22,435 ounces of gold at an average price of US\$1,293 per ounce in the June 2018 quarter (Mar 2018 quarter: 20,468 ounces sold at an average price of US\$1,335 per ounce).

During the June 2018 quarter, the Company incurred;

- exploration expenditure (inclusive of underground exploration) of US\$1.6 million (Mar 2018 quarter: US\$1.6M);
- US\$5.5 million on capital works (inclusive of new Service Shaft) and associated sustaining capital at the mine and mill (Mar 2018 quarter: US\$2.7M);
- US\$6.4 million on continued mine development (Mar 2018 quarter: US\$6.7M); and
- corporate overheads of US\$0.9 million (Mar 2018 quarter: US\$1.3M).

In addition to the expenses highlighted above, which form part of AISC of US\$1,278 per ounce for the June 2018 quarter (Mar 2017 quarter: AISC of US\$1,073 per ounce), the Company also expended cash in the following areas during the quarter:

- net increase in creditors/borrowings of approximately US\$0.6 million;
- decrease in warehouse inventory and receivables of around US\$0.9 million;
- movement of indirect value added tax (refundable in tax credits) of approximately US\$2.2 million; and
- tax and interest charges totalling approximately US\$2.1 million.

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JORC CODE 2012 COMPLIANCE - CONSENT OF COMPETENT PERSONS

Medusa Mining Limited

Information in this report relating to **Exploration Results** has been directed and reviewed by Mr James P Llorca, and is based on information compiled by Philsaga Mining Corporation's technical personnel. Mr Llorca is a Fellow of the Australian Institute of Geoscientists (AIG), also a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Chartered Professional in Geology of the AusIMM.

Mr Llorca is Manager of Geology and Resources, and is a full-time employee of Medusa Mining Limited, and has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activities for 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." Mr Llorca consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DISCLAIMER

This report contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Medusa, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements.

Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based.

You should not place undue reliance on forward-looking statements and neither Medusa nor any of its directors, employees, servants or agents assume any obligation to update such information.

APPENDIX A

Co-O Mine - JORC Code, 2012 Edition - Table 1 report

Section 1. Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handled XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverized to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Diamond (DD) core and stope face channel samples are the two main sample types. Diamond (DD) core samples: Half core samples for DD core sizes LTK60, NQ and HQ, and whole core samples for DD core sizes TT46. Stope and Development samples: Stope face channel samples are taken over stope widths of 1.5 to 3m, for both waste and mineralised material. DD drilling is carried out to industry standard to obtain drill core samples, which are split longitudinally in half along the core axis using a diamond saw, except for TT46 core. Half core or whole core samples are then taken at 1m intervals or at lithological boundary contacts (if >20cm), whichever is least. The sample is crushed with a 1kg split taken for pulverization to obtain four (4) 250g pulp samples. A 30g charge is taken from one of the 250g pulp packets for fire assay gold analysis. The remaining pulp samples are retained in a secure storage for future reference.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> For underground drilling, larger rigs (i.e. LM-55 and Diamec U6, U6DH), collar holes using HQ/HQ3 drill bits (core Ø 61mm/63mm) until ground conditions require casing off, then reduce to NQ/NQ3 drill bits (core Ø 45mm/47mm). For the smaller portable rigs, drill holes are collared using TT46 drill bits (core Ø 35mm) or LTK60 drill bits (core Ø 44mm). For surface holes, drillholes are collared using PQ3 drill bits (core Ø 83mm) until competent bedrock. The holes are then completed using either HQ3 or NQ3 drill bits depending on ground conditions. Drill core orientation is measured using the Ezy-Mark™ front-end core orientation tool.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measure taken to maximize sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> For each core run, total core length is measured with the recovery calculated against drilled length. Recovery averaged better than 95%, which is considered acceptable by industry standards. Sample recovery is maximised by monitoring and adjusting drilling parameters (e.g. mud mix, drill bit series, rotation speed). Core sample integrity is maintained using triple tube coring system. No known relationship has been observed to date between sample recovery and grade. Core recovery is high being >95%. No sampling bias has been observed.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Core samples have been logged geologically and geotechnically to a level of sufficient detail to support appropriate mineral resource estimation, mining and metallurgical studies. Lithology, mineralisation, alteration, oxidation, sulphide mineralogy, RQD, fracture density, core recovery is recorded by geologists, then entered into a digital database and validated. Qualitative logging is carried out on all drill core. More detailed quantitative logging is carried out for all zones of interest, such as in mineralised zones. Since July 2010, all drill core has been photographed. The drill core obtained prior to July 2010 has a limited photographic record.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or call core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> Except for TT46 drill core, all drill core is sawn longitudinally in half along the core axis using a diamond saw to predetermined intervals for sampling. Cutting is carried out using a diamond saw with the core resting in a specifically designed cradle to ensure straight and accurate cutting. No non-core drill hole sampling has been carried out for the purposes of this report.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Development and stope samples are taken as rock chips by channel sampling of the mining face according to geological boundaries. The sample preparation techniques are to industry standard. The sample preparation procedure employed follows volume and grain size reduction protocols (-200 mesh) to ensure that a representative aliquot sample is taken for analysis. Grain-size checks for crushing and pulverizing are undertaken routinely. For PQ/PQ3, HQ/HQ3, NQ/NQ3 and LTK60 core, the remaining half core is retained for reference. The TT46 drill core is whole core sampled. Core sample submission sizes vary between 2-5kg depending on core size, sampling interval, and recovery. The assay sample sizes are considered to be appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> All drill core and stope face samples from the mine are submitted to Philsaga Mining Corporation's (PMC) Assay Laboratory, located at the mill site. Samples are prepared and assayed in the laboratory. Gold is assayed by the fire assay method, an industry standard commonly employed for gold deposits. It is a total-extraction method and of ore-grade category. Two assay variants are used based on gold content: the FA30-AAS for Au grades < 5g/t, and FA30-GRAV for Au grades > 5g/t. Both sample preparation and analytical procedures are of industry standards applicable to gold deposits. A QAQC system has been put in place in the PMC Assay Laboratory since 2006. It has been maintained and continually improved up to the present. The quality control system essentially, utilises certified reference materials (CRMs) for accuracy determination at a frequency of 1:60 to 1:25. For precision, duplicate assays are undertaken at 1:20 to 1:10 frequency. Blanks are determined at 1:50 or 1 per batch. Samples assayed with lead button weights outside the accepted range of >25 to <35 grams, are re-assayed after adjustment of the flux. Inter-laboratory check assays with an independent accredited commercial laboratory (Intertek Philippines, Manila) are undertaken at a frequency of 1 per quarter. Compatibility of assay methods with the external laboratory is ensured to minimize variances due to method differences. The QAQC assessment showed that the CRMs inserted for each batch of samples, generally had accuracy within the acceptable tolerance levels. Duplicate assays generally returned assays within $\pm 20\%$ MPRD for FY2016. Replicate assays of CRMs, showed good precision within < 10% at 95% confidence level, which is within acceptable limits for gold analysis. Intermittent analytical biases were shown but were well within the accepted tolerance limits.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Visual inspections to validate mineralisation with assay results has occurred on a regular basis. Independent and alternative company personnel on a regular basis verify significant mineralised intersections. All drilling is diamond drilling and no twinning of holes has been undertaken. The majority of drilling is proximal to mine development and intersections are continually being validated by the advancing mine workings. Geological logging of drill core and drilling statistics are hand written and transferred to a digital database. Original logs are filed and stored in a secure office. Laboratory results are received as hardcopy and in digital form. Hardcopies are kept onsite. Digital data is imported into dedicated mining software programs and validated. The digital database is backed up on a regular basis with copies kept onsite.
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Suitably qualified surveyors and/or experienced personnel, using total station survey equipment locate all drillhole collars. Coordinates are located with respect to Survey Control Stations (SCS) established within the project area and underground. A local mine grid system is used which has been adapted from the Philippine Reference System of 1992 (PRS92).

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Topographic and underground survey control is maintained using located SCS, which are located relative to the national network of geodetic control points within 10km of the project area. The Company's SCS were audited by independent licensed surveyors (Land Surveys of Perth, Western Australia) in April 2015 and they found no gross errors with the survey data. Land Surveys have since provided independent services to assist mine survey to establish and maintain SCS to a high standard, as the mine deepens. Accuracy is considered to be appropriate for the purposes of mine control.
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> Prior to 2015, surface exploration drillholes were located initially on a 50m and 100m grid spacing, and for resource definition drilling the sectional spacing is at least 50m with 25m sectional spacing for underground holes. Since 2015, resource drilling is conducted wholly from underground with minimum intercept spacing for the major veins of 40m x 40m for Indicated and 80m x 80m for Inferred categories. Sufficient drilling and underground face sampling has been completed to support Mineral Resource and Ore Reserve estimation procedures. Sample compositing has not been applied to exploration data for the purposes of reporting.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> Mineralisation is hosted within narrow, typically <2m wide quartz veins. Orientations of the veins are typically E-W, with variations from NE-SW to NW-SE, with dips varying from flat-lying to steep dipping to the north. Surface drillholes were generally drilled towards the S and vary in dip (-45° to -60°). Underground drill holes are orientated in various directions and dips, depending on rig access to intersect the various mineralised veins at different locations within the mining area. Due to the nature of this style of mineralisation and the limited underground access for drilling, drilling may not always intersect the mineralisation or structures at an optimum angle, however this is not considered to be material. A good understanding of the deposit geometry has been developed through mining such that it is considered that any sampling bias is recognised and accounted for in the interpretation.
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Drilling is supervised by Philsaga mine geologists and exploration personnel. All samples are retrieved from the drill site at the first opportunity and taken to a secure compound where the core is geologically logged, photographed and sampled. Samples are collected in tagged plastic bags, and stored in a lockable room prior to transportation to the laboratory. The samples are transported using company vehicles and accompanied by company personnel to the laboratory.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> In May 2017, Intertek Testing Services Phils, Inc. conducted and reported on an independent review of available QA/QC data. There were procedural issues identified by the audit that were immediately rectified. The Laboratory is currently on the conversion of the ISO 14001: 2015 version. A follow up independent audit by a third party is scheduled in May 2018. Since October 2016, the Philsaga laboratory was visited several times by Mr JP Llorca. As of 2016, the Company conducts its own QAQC using the Acquire database management software. This work is carried out on site by Philsaga GIS personnel trained and experienced in QAQC protocols. The accuracy of the gold determinations was predominantly within the tolerance limits for both PMC laboratory and the independent checking laboratory. The precision of assay is better for the independent laboratory and as such, where diamond drilling assays exist for both laboratories, results from the independent laboratory have been used, in preference to PMC assays, for Mineral Resource estimation. Sampling techniques and database management is to industry standard.

Section 2. Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	<ul style="list-style-type: none"> The Co-O mine is operated under Mineral Production Sharing Agreements ("MPSA") MPSAs 262-2008-XIII and 299-2009-XIII, which covers a total of 4,739 hectares. Aside from the prescribed gross royalties payable to the Philippine government (2%) and the Indigenous People (1%), no other royalties are payable on production from any mining activities within the MPSA.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgement and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> The Co-O mine was originally developed in 1989 by Banahaw Mining and Development Corporation ("BMDC"), a wholly owned subsidiary of Musselbrook Energy and Mines Pty Ltd. The operation closed in 1991 and was placed on 'care and maintenance' until its purchase by PMC in 2000. PMC recommissioned the Co-O mine and began small-scale mining operations. Medusa Mining Ltd ("MML") listed on the ASX in December 2003, and in December 2006, completed the acquisition of all of PMC's interests in the Co-O mine and other assets including the mill and numerous tenements and joint ventures. MML, through PMC, has since been actively exploring the Co-O tenements.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style mineralisation. 	<ul style="list-style-type: none"> The Co-O deposit is an intermediate sulphidation, epithermal gold (+Ag ±Cu±Pb±Zn) vein system. The deposit is located in the Eastern Mindanao volcano-plutonic belt of the Philippines.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> Easting and northing of the drill hole collar Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar Dip and azimuth of the hole Down hole length and interception depth Hole length If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not distract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> Detailed information in relation to the drill holes forming the basis of this Mineral Resource estimate is not included in this report on the basis that the data set is too large and the information has been previously publicly reported. The information is not material in the context of this report and its exclusion does not detract from the understanding of this report. For the sake of completeness, the following background information is provided in relation to the drill holes. Easting, northing and RL of the drillhole collars are in both the local mine grid, PRS92 and UTM WGS84 Zone 51 coordinates. Dip is the inclination of the hole from the horizontal. For example, a vertically down drilled hole from the surface is -90°. Azimuth is reported in magnetic degrees, as the direction toward which the hole is drilled. Magnetic North <-1° west of True North. Down hole length is the distance from the surface to the end of the hole, as measured along the drill trace. Interception depth is the distance down the hole as measured along the drill trace. Intersection width is the downhole distance of a mineralised intersection as measured along the drill trace.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade result, the procedure used for aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No top cutting of assays is done for the reporting of exploration results. Short lengths of high-grade assays are included within composited intercepts. Metal equivalent values are not reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The majority of drilling is oriented approximately orthogonal to the known orientation of mineralization. However, the intersection length is measured down the hole trace and may not be the true width. The orientation of the veins is typically E-W, with variations from NE-SW to NW-SE with dips varying from flat-lying to steep to the north. Surface drillholes are generally orientated towards the S and vary in dip (-45° to -60°). Underground drill holes are orientated in various directions and dips, depending on rig access to intersect the various mineralised veins at different locations within the mining area.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> All drill results are downhole intervals due to the variable orientation of the mineralisation.
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported these should include but not limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> A longitudinal section is included showing significant assay results locations (Figure 2). Tabulated intercepts are not included as they have been previously reported.
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> Significant intercepts have previously been reported for all DD drillholes that form the basis of the Mineral Resource estimate. Less significant intercepts have not been reported since the drilling is carried out within the mine environs.
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> No other substantive exploration data has been acquired or considered meaningful and material to this announcement.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions of depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling area, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Recent drilling focused on the eastern geological limits of GHV from Levels 9 to 14 with less than favourable results due to the disruptive diatreme. However, the GHV shows mineralisation at L16. Also, from L-9 to 14, the northern veins indicate the favourable mineralisation. Mineralisation is still open to the east, and at depth. Underground exploration and development drilling will continue to test for extensions along strike and at depth to the Co-O vein system.

APPENDIX B: TENEMENT SCHEDULE (as at 30 June 2018)

Name	Tenement ID	Registered Holder	Company's Interest at		Royalty ¹	Area (hectares) at	
			31 Mar 2018	30 Jun 2018		31 Mar 2018	30 Jun 2018
Co-O Mine	MPSA 262-2008-XIII	PMC	100%	100%	-	2,539	2,539
	MPSA 299-2009-XIII	PMC	100%	100%	-	2,200	2,200
Co-O	APSA 00012-XIII	BMMRC	100%	100%	-	340	340
	APSA 00088-XIII	Phsamed	100%	100%	-	4,742	4,742
	APSA 00098-XIII	Philcord	100%	100%	1% NPI	507	507
	APSA 00099-XIII	Philcord	100%	100%	1% NPI	592	592
Saugon	EP 017-XIII	PMC	100%	100%	-	3,132	3,132
	EPA 00066-XIII	PMC	100%	100%	-	6,769	6,769
	EPA 00069-XIII ²	Phsamed	100%	100%	-	2,519	2,519
	EPA 00087-XIII ²	PMC	100%	100%	-	87	87
Tambis	MPSA 344-2010-XIII	Philex	100%	100%	7% NSR	6,208	6,208
Apical	APSA 00028-XIII	Apmedoro	Earning 70% (JV)		-	1,235	1,235
Corplex	APSA 00054-XIII	Corplex	100%	100%	3% NSR	2,118	2,118
	APSA 00056-XIII	Corplex	100%	100%	-	162	162
	APSA 00077-XIII	Corplex	100%	100%	4% GSR	810	810
	EPA 00186-XIII	Corplex	100%	100%	3% NSR	7,111	7,111
Sinug-ang	EPA 00114-XIII	Salcedo/PMC	100%	100%	-	190	190

NOTES:

1. Royalties payable to registered holders, aside from the prescribed royalties' payable to the Philippine government and the Indigenous People.
2. Awaiting for approval and confirmation by MGB of area reduction.

ABBREVIATIONS:

Tenement Types

MPSA	Granted Mineral Production Sharing Agreement	APSA	Application for Mineral Production Sharing Agreement
EP	Granted Exploration Permit	EPA	Application for Exploration Permit

Registered Holders

PMC	Philsaga Mining Corporation	Philex	Philex Gold Philippines Incorporated
BMMRC	Base Metals Mineral & Resources Corporation	Das-Agan	Das-Agan Mining Corporation
Phsamed	Phsamed Mining Corporation	Apmedoro	APMEDORO Mining Corporation
Philcord	Mindanao Philcord Mining Corporation	Salcedo	Neptali P. Salcedo
Corplex	Corplex Resources Incorporated		

Royalty

NPI	Net Profit Interest	GSR	Gross Smelter Royalty
NSR	Net Smelter Royalty		