QUARTERLY ACTIVITIES REPORT
PERIOD ENDED
31 MARCH 2015

Snapshot of Medusa:

- Un-hedged, low cost, gold producer focused on organic growth in the Philippines
- Growth underpinned by improving cash flow from Co-O Mine (narrow vein underground)
- FY 2014-15 gold production guidance of 95,000 to 100,000 ozs
- Current Mineral Resources comprise
  - Co-O Mine:
    Indicated 590k ozs at 11.8 g/t gold;
    Inferred 820k ozs at 9.2 g/t gold
  - Bananghilig Deposit:
    Indicated 770k ozs at 1.5 g/t gold;
    Inferred 370k ozs at 1.4 g/t gold
- Current Probable Reserves :
  Co-O Mine 450k ozs at 7.22 g/t gold
- Co-O Mine Resources and Reserves to be maintained at current levels
- Excellent exploration upside in 489 km^2 of tenements. Revised Exploration Budget for FY 2014/15 of US$12M

Board of Directors:

Andrew Teo (Non-executive Chairman)

Raul Villanueva (Executive Director)

Ciceron Angeles (Non-executive Director)

Robert Weinberg (Non-executive Director)

Management

Geoff Davis (Chief Executive Officer)

Rob Gregory (Chief Operating Officer)

Gary Powell (Manager Geology & Resources)

Peter Alphonso (Company Secretary)

Capital Structure:

Ordinary shares:	207,794,301
Unlisted options:	3,200,000

Listing:

ASX (Code: MML)

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OVERVIEW:

Co-O MINE PRODUCTION

- **Production:** 23,940 ounces at a head grade 5.84 g/t gold, cash costs of US$391 per ounce and All In Sustaining Costs ("AISC") of US$1,073 per ounce (December 2014 quarter of 26,859 ounces at a head grade of 5.56 g/t gold and cash costs of US$380 per ounce. AISC was US$989 per ounce).
- **Production guidance**: for the year to 30 June 2015, 95,000 to 100,000 ounces.
- **Mill performance:** gold recovery averaged 94% (September 2014 quarter 93%).
- **Development:** Averaged 1,521 horizontal and 1,038 vertical metres per month for the quarter. All stopes will be new design stopes by end September.
- **Shaft haulage:** L8 Shaft upgrade completed on 13 January. The ramp up to the new total mine haulage capacity of 60,000 dry tonnes per month ("dtpm") progressed satisfactorily. L8 March production achieved 30,792 dtpm, an average increase of 484dtpd.
- **Life of mine haulage:** Service Shaft approved and commenced. Cost of US$10 million over 17 months with a payback of approximately 1.4 years. Long term haulage planning continuing concurrent with comprehensive underground drilling between Levels 12 and 16.

Co-O MINE EXPLORATION

- Geological re-interpretations clearly demonstrate the potential for extensions to mineralisation down plunge to the east.
- Underground drilling results include 7.95m @ 6.36 g/t Au, 2.4m @ 43.5 g/t Au, 1.85m @ 70.5 g/t Au, 1.0m @ 30.1 g/t Au, and 0.6m @ 59.0 g/t Au.
- Surface exploration at North Tinago, South Agsao and West Road 17 veins.

TAMBIS REGION

- **Bananghilig Deposit:** Re-interpretations nearing completion. Resource modelling to commence
- **Guinhalinan Prospect:** Field work confirming continuity of mineralised stratigraphy, discovery of gold anomalous basement and areas of alluvials.

FUTURE POWER SECURITY

- Company to expedite exploration after terminating Swan Energy Pty Ltd Heads of Agreement.
- Power station providers will be sought upon successful exploration.

CORPORATE & FINANCIALS (unaudited)

- Total cash and bullion on hand at the end of quarter of approximately US$15.5 million.

PROJECT OVERVIEW

The locations of the Company's projects are shown on Figure 1.

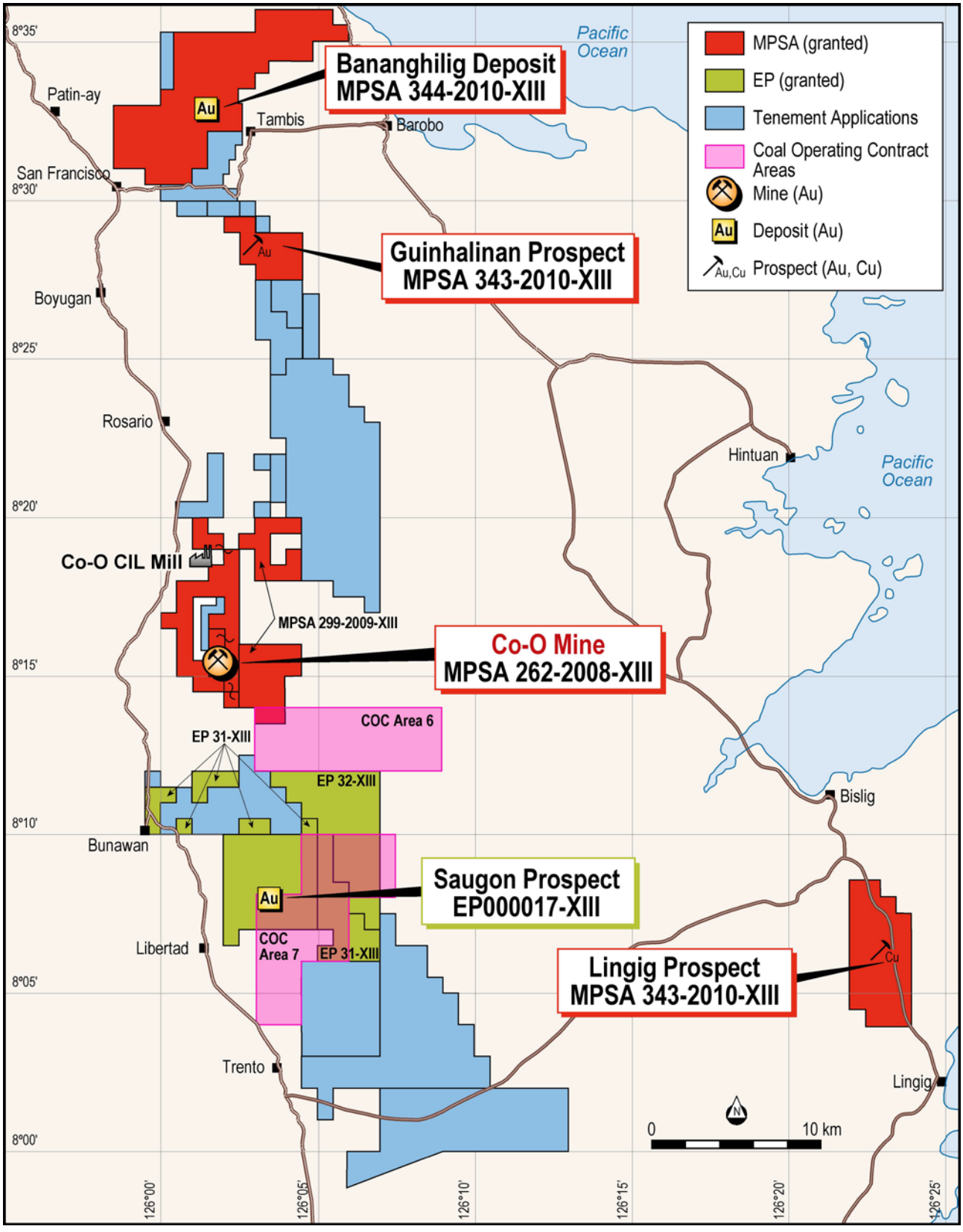

Figure 1. Location diagram showing the Company's Co-O mine and mill operations, tenement areas and main project areas.

Co-O MINE

Production

The production statistics for the March 2015 quarter and comparatives for the previous four quarters are summarised in Table I below.

Table I. Gold production statistics

Description	Unit	Qtr ended 31 Mar 2015	Qtr ended 31 Dec 2014	Qtr ended 30 Sep 2014	Qtr ended 30 Jun 2014	Qtr ended 31 Mar 2014
Tonnes mined	WMT	157,489	174,658	160,851	153,238	146,017
Ore milled	DMT	135,725	160,251	140,234	129,074	140,879
Head grade	g/t	5.84	5.56	5.02	4.99	4.20
Recovery	%	94%	93%	92%	85%	85%
Gold produced	ozs	23,940	26,859	21,018	17,615	16,200
Cash costs (1)	US$/oz	$391	$380	$382	$431	$398
Gold sold	ozs	17,169	28,190	22,491	22,766	15,843
Average gold price received	US$	$1,217	$1,204	$1,272	$1,292	$1,299

Note:

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

The Company produced 23,940 ounces of gold for the quarter, at an average head grade of 5.84 g/t gold and cash costs of US$391 per ounce, inclusive of royalties and local business taxes.

All In Sustaining Costs ("AISC") for the quarter was US$1,073 per ounce of gold and includes discretionary exploration expenditure of US$3.1 million. (December 2014 Quarter: AISC of US$989 per ounce, including discretionary exploration expenditure of US$2.9 million).

The increase in cash costs and AISC is due to reduced ounces from a combination of the following factors:

- shut down of the L8 Shaft for the upgrade until 13 January;
- ramp up of activities following L8 Shaft upgrade from 14 January; and
- commencement of 40 additional drives and subsequent 20 stopes to fill the upgraded L8 Shaft capacity.

Production Guidance

On 20 November 2014 the Company advised a targeted full year's production to 30 June 2015 of between 95,000 to 100,000 ounces at a cash costs of US$400 to US$450 per ounce and AISC of US$900 to US$1,000 per ounce. The year to date production (9 months to 31 March 2015) stands at 71,817 ounces.

The Co-O budget for 2015/16 financial year is currently in preparation and the production guidance for next year will be announced during the current quarter.

Co-O Operations

Shaft Haulage

The upgraded L8 Shaft has operated satisfactorily since it was completed on schedule on 13 January 2015.

Fine tuning of the procedures and techniques for the time taken for interchange between the ore hoisting skips and the men and materials cages has steadily improved to the planned 15 minutes.

Ramp up of production to meet the increased capacity of 1,400 tpd is progressing to schedule with the L8 shaft production achieved in March totalling 30,792 tonnes, averaging 1,184 tpd (up from an average of 700tpd). This will continue to increase as new stopes are developed and tramming bottlenecks are resolved as discussed further below.

As announced on 9 April 2015, the new Service Shaft at a cost of US$10 million with a life of approximately 10 years and an estimated payback of 1.4 years was approved. The shaft will have a rope guided cage capable of transporting 30 personnel and up to 3 tonnes of load, which includes all underground equipment which will no longer have to be broken down and re-assembled for underground transportation.

Underground Alimak rising work has commenced and surface works have commenced during April.

Studies of the options for the long term haulage alternatives to Level 16 are still in progress, and are subject to comprehensive drilling between Levels 12 and 16.

Underground Mining

The mine operated as planned during the quarter. There has been no significant disruption to mining other than the scheduled shutdown and upgrade for the L8 Shaft from 21 December 2014 to 13 January 2015 that proportionally resulted in more lost time this quarter than the previous December quarter due to the delayed start. Following the commissioning, increased development of 40 new headings and subsequently 20 new stopes were commenced to meet the increased capacity of 1,400 dtpd.

Development of a tramming loop at the base of the L8 shaft has commenced to allow the locomotives to unload and proceed, easing congestion to cope with the doubling of production. This will be completed during the next quarter. Additional locomotives and battery packs have been ordered to meet increased production.

The 420 Hp dewatering pump capable of pumping water from Level 8 to surface has been operating intermittently during the quarter. Whilst the pump is working as designed, the sump system requires constant de-silting. A short term sludge pump is installed, and a more permanent de-silting solution is being investigated. The backup staged pumping system is in place and there is no risk of flooding.

The winze that was completed to Level 10 is now being equipped with an internal hoist to Level 9. This winze is in close proximity to the L8 shaft and will be used for the construction of the de-silting station above. A second winze/internal shaft is being sunk on the GHV to Level 10. This will enable development of Levels 9 and 10 predominantly on ore.

A ventilation review was undertaken during the quarter resulting in planned improvements to be undertaken in coming months. A second 85 kW axial flow fan will be installed in parallel with the existing fan to provide immediate improvement for Levels 1 to 5. A second ventilation district will be established for Levels 6 to 8 and a new centrifugal fan installed at surface. Additional ventilation will result in improved efficiencies and costs due to more rapid clearing of blast fumes and improved conditions aiding productivity.

New stoping protocols for design, operation and payment have been implemented. A blocking raise for every new stope is now installed to the level at the top of each stope prior to final wire frame design. Previously a sub level was established and the raise was developed in parallel. The new system allows better control of dilution with increased knowledge of splits and pinch zones allowing internal pillars to be optimally designed.

The contract remuneration system has been modified to ‘payment for volume blasted’ from previous ‘payment for tonnes drawn and trammed’. This removes the tendency for overdrawing of stopes which increased unplanned dilution, as well as providing a more reconcilable measuring system for payment and control. This system is being introduced on all new stopes developed, and benefits will be fully integrated by end of September quarter once all “old design” stopes are completed.

Mill

Improvements to the milling circuit continued during the quarter including:

(i) Leaching Circuit: the two new pre-leach tank are being commissioned; and

(ii) Gold recoveries improved marginally from 93% to 94% due to mill operational improvements.

A partial SAG mill re-line was undertaken during the lull in mine production in early January and the remaining re-lining job was completed in March.

A mill review, similar to the mine review conducted in the September 2014 quarter, was conducted in March. Whilst the mill is achieving close to optimal recoveries, opportunities for greater efficiencies and cost reductions as well as refined maintenance planning are being reviewed now that the mine production is approaching the mill capacity.

Co-O Mine Geology

Re-interpretation of the vein systems was previously reported in the September and December 2014 quarterly reports.

The key points from the ongoing re-interpretations and re-modeling of the geology of the Co-O Mine over the last 2 years to date, are:

(i) The 3 main veins, Central, Jereme and GHV are continuous over a strike length of at least 1.5 kilometres, and are open down-plunge to the east (Figs 2 and 5). Although only the GHV resource model is shown in Figure 2, it is also representative of the sub-parallel, Jereme and Central Veins.

(ii) The horizontal strike length of the best mineralised core of the vein system is approximately 800 metres, and this core plunges to the east at approximately -30° from horizontal, as depicted on Figure 2. Economic mineralisation does occur outside the core zone, but is less consistent.

(iii) The Co-O diatreme breccia (refer 2012 Annual Report) disrupts the up-dip component of some of the steeply, north dipping vein mineralisation in some down-plunge positions (Figs 2 and 5). In addition, a consistent shatter zone of approximately 50-100 metres width has now been identified peripheral to the diatreme, within which the veins' continuity and characteristics dissipate and are generally not economic to mine.

(iv) Proximal to the eastern part of the Co-O vein system, the near surface underside of the diatreme and shatter zone's flare dips shallowly at approximately 10° to the south, becoming steeper to approximately 50° dip with increasing depth, diverging away from the north-dipping veins, hence the veins are interpreted to be open down-plunge (Fig. 5).

(v) Some resource shapes currently extend (and are open) to beyond Level 12 (550 metres below Level 1). Additional drilling in the zone between Levels 12 and 16 will investigate the case for an L16 Shaft to Level 16 (750 metres below Level 1).

(vi) Comparison with other similar epithermal vein systems, such as the Vera Nancy system in North Queensland, which has so far produced approximately 2.6 million ounces and is currently mined by Evolution Mining Limited, shows significant similarities as shown in Figure 4. The Vera Nancy system has an overall strike length of up to 4 kilometres (Co-O has so far been mined over 1.5 kilometres), a similar shallow plunge to its mineralisation, and a similar vertical extent of economic mineralisation.

Co-O Mine Drilling

Underground diamond drilling continued using two large contract rigs for exploration from drill chambers at Level 5-40W and Level 8-19E (Fig. 3), and four smaller Company-owned portable rigs for pre-development drilling at Levels 2, 6 and 8.

A total of 24 drill holes were completed for an advance of 4,891 metres, of which resource definition drilling totalled 11 drill holes for an advance of 4,159 metres.

Significant results obtained during the quarter are reported in Table II and shown on the longitudinal projection and composite Level 8 plan of the Co-O Mine (Figs 2 and 3).

A drilling programme is about to commence at the recently developed Level 8 drilling chambers to intercept the depth extensions of the mineralised vein system between Levels 8 to Level 12 (-200m to -400m RL) and Levels 12 to Level 16 (-400m to -600m RL). The programme is designed to investigate the down-plunge extent of the main ore shoots to the east of the current L8 Shaft and planned Service Shaft positions, beneath the flare of the diatreme (Figs 2 and 5).

Table II. Co-O Mine underground drill hole results since 31 December 2104 of ≥ 0.5 metres at ≥ 3 g/t gold

(Refer Appendix A for JORC Code, 2012 Edition - Table 1 Report)

Hole Number	East [4]	North [4]	RL [4]	Depth (metres)	Azim (°)	Dip (°)	From (metres)	Width [2] (metres)	Gold Grade [1,3] (uncut) (g/t gold)
UNDERGROUND EXLORATION DRILL HOLES - LEVEL 2									
L2-6W-002	613947	913076	101	40.2	212	3	4.95	1.00	3.24
L2-6W-004	613949	913075	101	30.0	171	3	21.10	0.50	3.11
UNDERGROUND EXLORATION DRILL HOLES - LEVEL 3									
L3-17W-009	613893	913226	50	507.2	204	-37	469.45	1.15	8.20
L3-17W-010	613897	913226	51	419.4	171	-31	168.40	1.05	7.00
							292.00	3.70	2.96
							306.85	7.95	6.36
L3-17W-012	613897	913226	50	501.7	172	-42	375.25	2.65	8.93
UNDERGROUND EXLORATION DRILL HOLES - LEVEL 5									
L5-40W-004	613591	913078	-40	497.7	184	-6	258.75	0.50	3.42
							265.55	2.35	5.65
UNDERGROUND EXLORATION DRILL HOLES - LEVEL 6									
L6-23E-005	614232	912955	-93	78.8	201	3	69.20	1.40	13.15
L6-23E-006	614234	912954	-93	80.6	180	3	6.85	1.00	3.59
UNDERGROUND EXLORATION DRILL HOLES - LEVEL 8									
L8-19E-023	614213	913142	-192	418.0	277	3	338.00	0.60	3.45
L8-19E-025*	614217	913136	-193	452.2	144	-22	29.65	0.40	12.97
L8-19E-028	614217	913136	-193	434.8	164	-36	226.80	2.40	43.55
L8-19E-029	614213	913136	-192	431.8	198	-41	141.35	0.50	36.77
							220.30	1.85	70.49
							235.20	1.00	30.13
L8-19E-032	614217	913135	-193	489.2	152	-32	104.05	1.20	4.73
							176.00	0.60	58.97

Notes:

* Drill hole previously reported in December 2014 quarterly report. Additional assay results received since last quarterly report.

1. Composited intercepts' 'weighted average grades' calculated by using the following parameters:
   (i) no upper gold grade cut-off applied;
   (ii) lower cut-off grade of 3.0 g/t gold;
   (iii) high-grade samples (≥ 300 g/t gold) within composited interval are individually reported; and
   (iv) ≥ 0.5 metres down hole intercept width at ≥ 3.0 g/t gold, or
   (v) ≥ 6 gram.metres,and
   (vi) maximum of 1.0 metre of down-hole internal dilution at ≤ 3 g/t gold.
2. Intersection widths are downhole drill widths not true widths;
3. Assays are by Philsaga Mining Corporation's laboratory; and
4. Grid coordinates are rounded and based on the Co-O Mine Grid. RL is elevation, rounded in metres relative to Mine Datum.

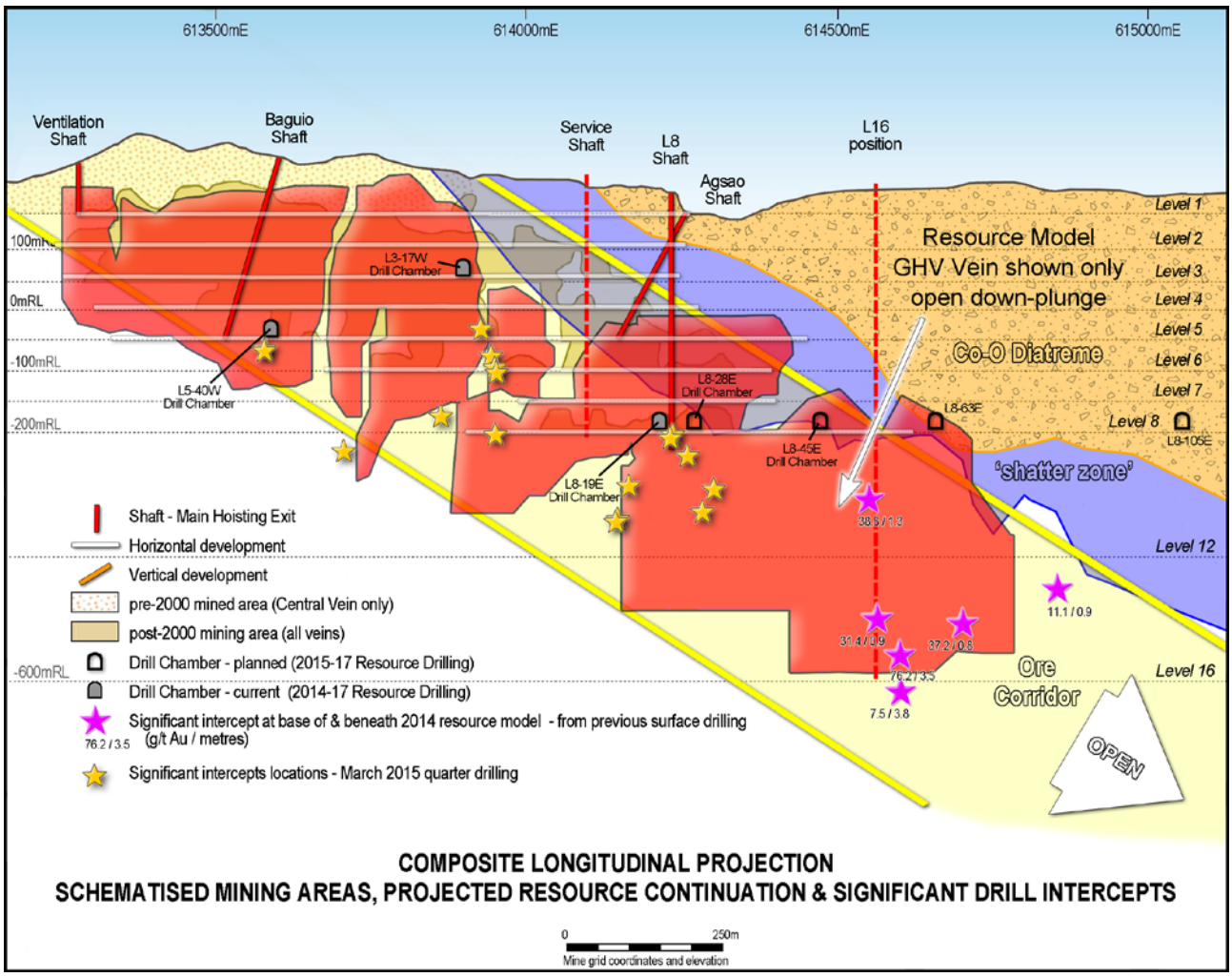

Figure 2. Co-O Mine composite longitudinal projection showing the Resource Model (2014) for the GHV vein, and the projected down-plunge continuation of the mineralisation corridor, and significant drill intercepts locations

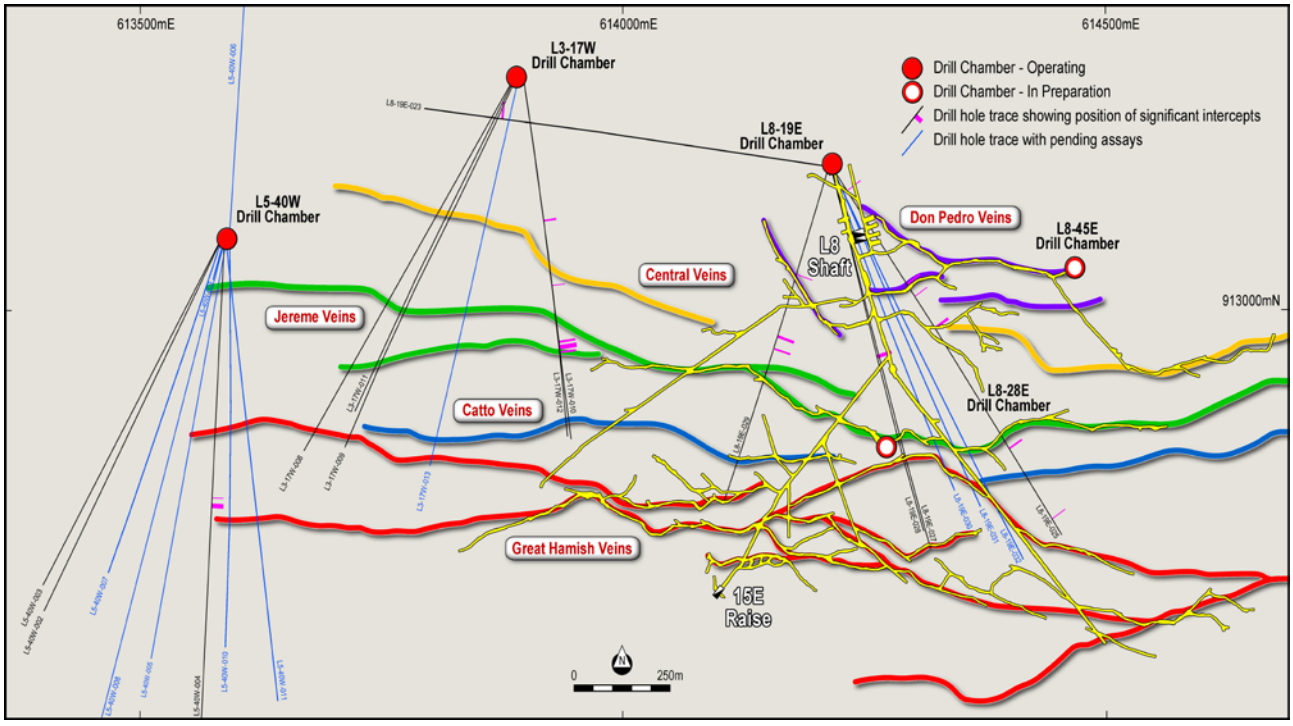

Figure 3. Co-O Mine composite drill hole projection plan at Level 8 showing drill chambers and significant drill intercepts received during the quarter

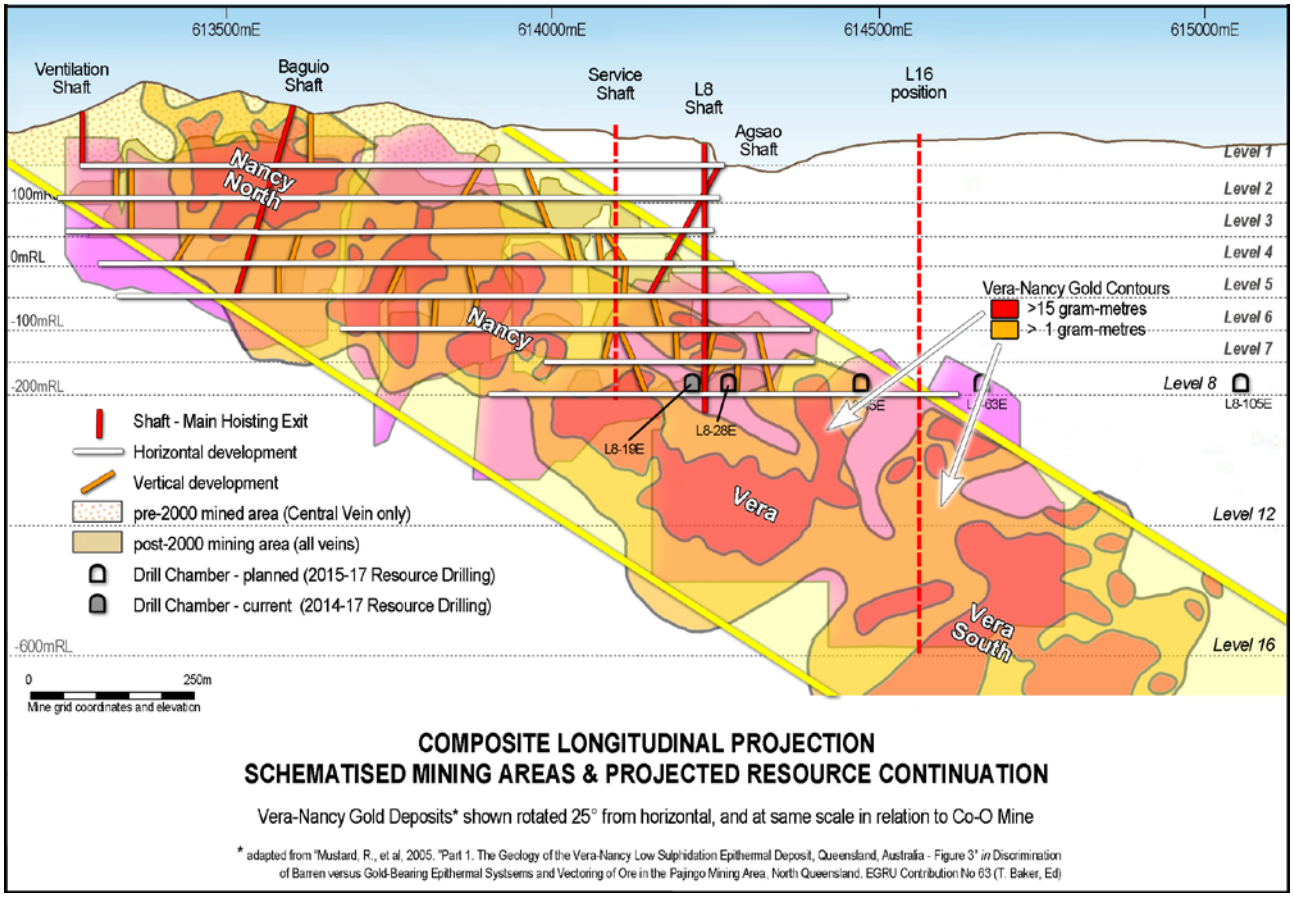

Figure 4. Longitudinal projection showing the Co-O vein system with the superimposed Vera Nancy vein system

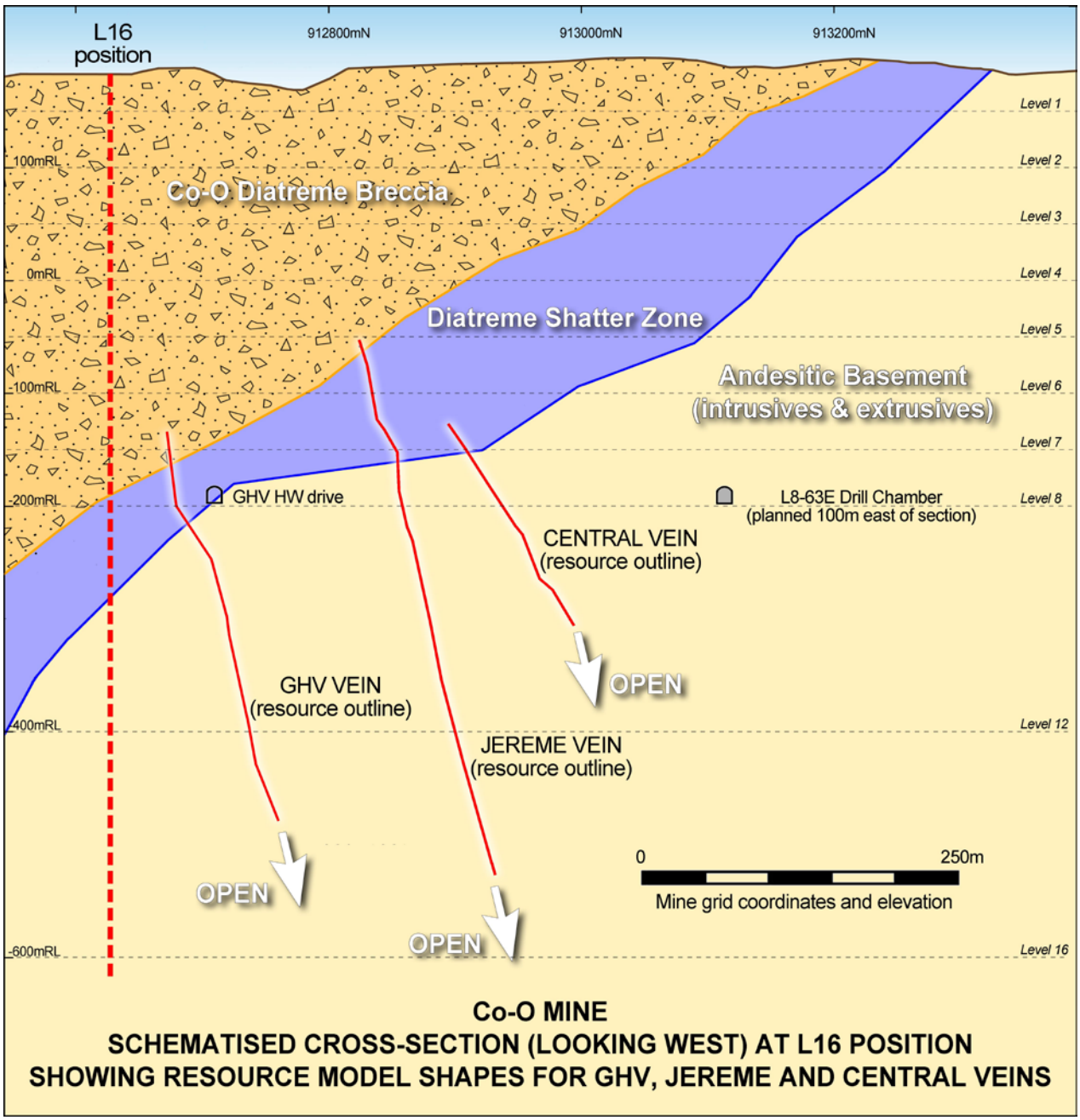

Figure 5. Cross-section through the L16 position

HEALTH, SAFETY & ENVIRONMENT

The Lost Time Accident Frequency Rate is 0.34 for the 9 month period to 31 March 2015. There were 2 lost time accidents during the March quarter, the first for the FY.

There were no environmental breaches during the March 2015 quarter.

Co-O SURFACE EXPLORATION

Induced Polarisation Survey

Processing of the data obtained from last year's Induced Polarisation/Resistivity and Ground Magnetics survey has been completed and a preliminary report submitted to the Company during the quarter. The report will be reviewed to determine potential targets for further exploration.

Reconnaissance Programmes

Detailed geological mapping, trenching and sampling programmes are on-going proximal to the Co-O Mine environs at North Tinago, South Agsao and West Road 17. A drilling programme has been planned to investigate mineralisation encountered so far at the West Road 17 prospect area, and is anticipated to commence later in the year.

TAMBIS REGION

The Tambis Project comprising the Bananghilig Gold Deposit and the B2 Discovery area (Figs 1 and 7) is operated under a Mining Agreement with Philex Gold Philippines Inc. over Mineral Production Sharing Agreement ("MPSA") 344-2010-XIII, which covers 6,262 hectares.

BANANGHILIG GOLD DEPOSIT

The announcement of 12 September 2011 summarises the Tambis regional geological setting, local geological setting, deposit description and mineralisation. Additional information is contained in the September 2011 quarterly report dated 24 October 2011, drilling updates on 17 January 2012, 8 August 2012, 21 November 2012, and 02 April 2013, operations update on 08 July 2013, and resource estimation updates on 29 January 2013 and 08 August 2013.

Geological re-interpretation

The Bananghilig Deposit is currently undergoing a geological review and re-interpretation. The re-interpretation has identified subtle discrete domains within the main resource area, which are anticipated to provide better resource modelling and grade parameters, and which will be applied during the upcoming resource re-estimation.

B2 Discovery Area

The 'down-hole' geophysics survey planned to commence during the December 2014 quarter was delayed due to the unavailability of the contract survey crew and equipment. The geophysical contractor is in the process of mobilising equipment to the Philippines and the Company is now anticipating that the survey will commence sometime during the June 2105 quarter.

REGIONAL EXPLORATION

GUINHALINAN GOLD PROSPECT

Background

The Guinhalinan Gold prospect location is shown on Figures 1 and 6 within granted MPSA 343-2010-XIII which is subject to a Mines Operating Agreement with Das-Agan Mining Corporation, who will receive a 3% gross royalty on all production from the MPSA.

The mineralisation is generally associated with silicification of limestone-rich horizons within a sequence of calcareous grits and siltstones. The outcrops of silicified material vary from massive fine-grained silica replacement with sphalerite and galena to friable, limonitic and siliceous material in sub-crop.

The sediments comprise an old calcareous sequence which dip eastwards towards the projected position of the Barobo Fault. This sequence has been traced for at least 12.5 kilometres and hosts skarn mineralisation at Kamarangan.

The Usa porphyry copper and the Alikway base metal skarn prospects are located 2.0 kilometres and 1.5 kilometres respectively to the south and southeast of Guinhalinan and close to the projected position of the Barobo Fault.

Field programme

Details of the completed soil sampling programme are contained in the 28 January 2015 announcement and the December 2014 quarterly report.

To date, field investigation has identified at least three different styles of gold mineralisation, namely:

(i) Sediment-hosted, Carbonate Replacement Gold (+base-metals) mineralisation (CRG)

The south-western gold in soil anomalism is related to a shallow, east-dipping impure limestone unit(s). Gold mineralisation is associated with silica replacement of carbonate facies rocks such as limestone and impure limestone unit(s), in association with pyrite, galena and lesser sphalerite.

(ii) Alluvial gold occurrence

At the eastern half of the soil geochemistry survey, the gold in soil anomalism appears to be associated predominantly with a sub-horizontal, polymictic conglomerate unit containing pebble to boulder size clasts of mineralised CRG and possibly detrital gold. This unit is discordant with, and post-dates the limestone unit(s) hosting the CRG mineralisation. It continues to the northwest and southeast and may be an important indicator for locating further primary CRG mineralisation along strike.

(iii) Quartz-carbonate veins

The third style of mineralisation identified is related to quartz-calcite vein stockworks within argillically altered basement rocks. The soil anomalism in the north-western part of the soil survey is most likely derived from the manifestation of this style of mineralisation.

Follow-up of the soil anomalies includes detailed geological and regolith mapping, and sampling of the regolith and underlying stratigraphy, to identify scout drilling targets.

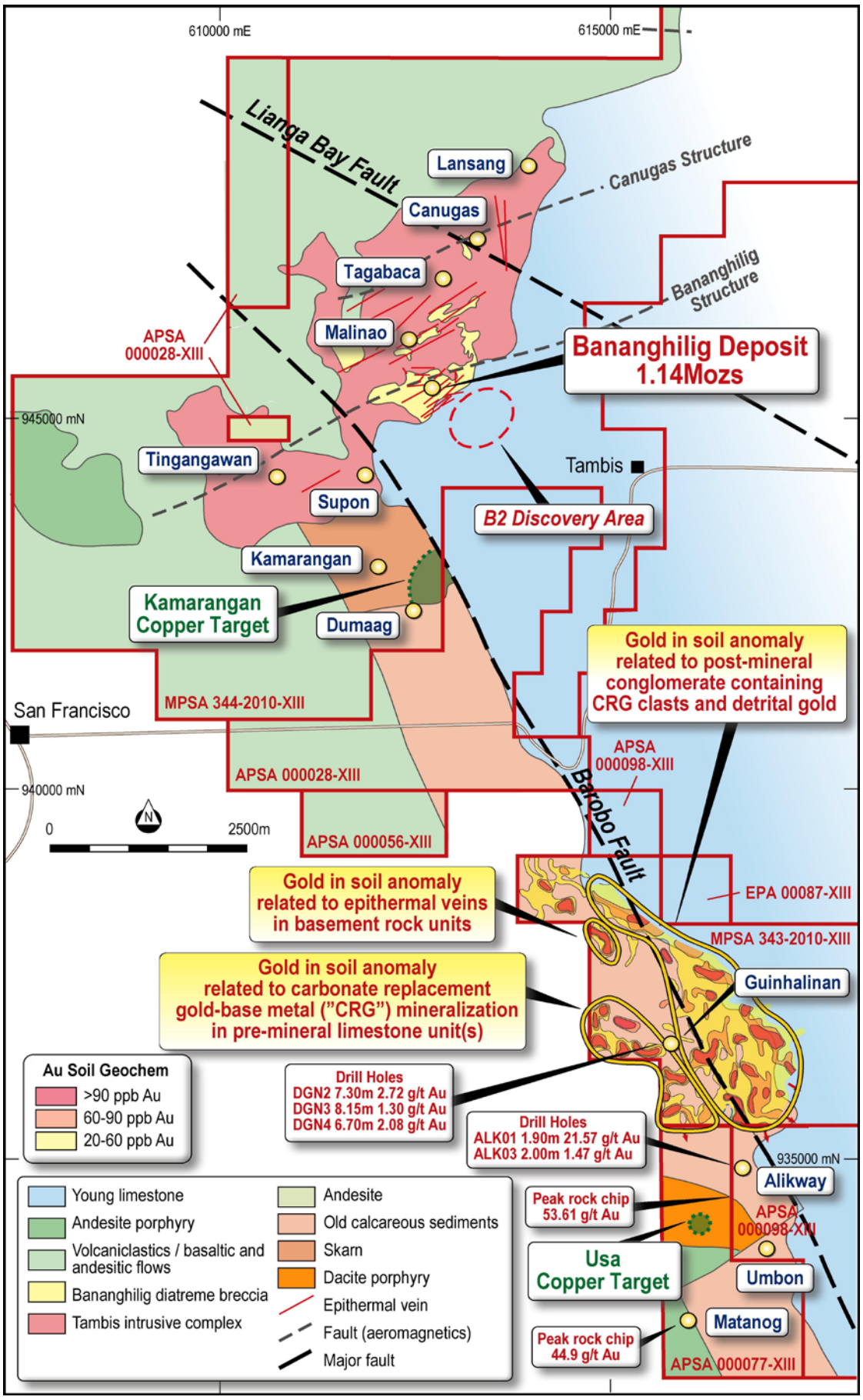

Figure 6. Tambis regional map showing the Bananghilig Deposit and the Guinhalinan prospect with the contoured gold in soil geochemistry anomalies.

LINGIG COPPER PROJECT

The Lingig copper project is located within the southern parcel of MPSA 343-2010-XIII (Fig 1).

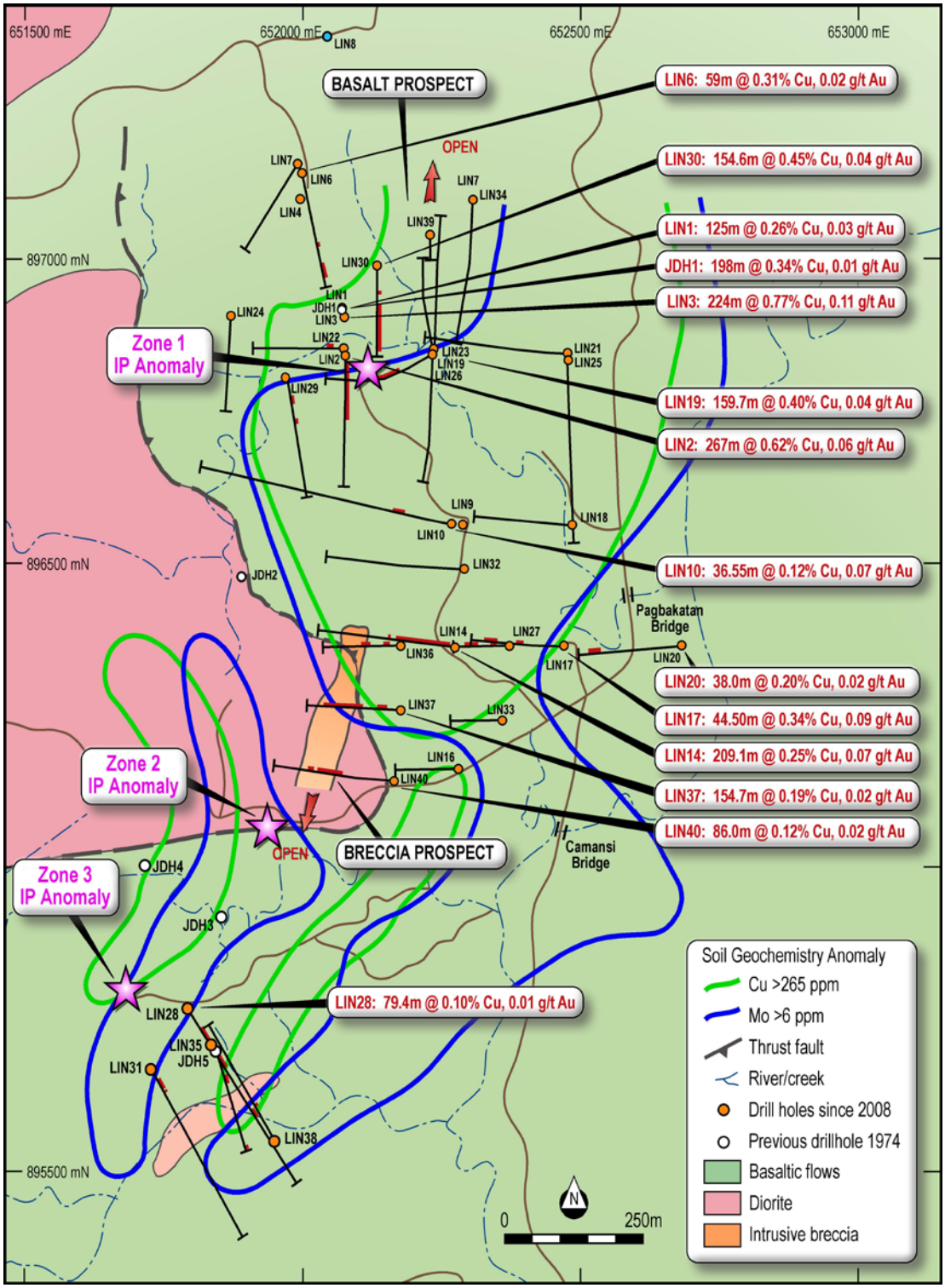

Figure 7: Lingig interpreted geology showing drill hole locations, copper (Cu) and molybdenum (Mo) soil geochemistry anomalies, and three IP anomalies.

Geological Setting

Drilling has intersected copper mineralisation in two settings. Additional information and maps are contained in the announcements dated 9 October 2009 and 7 May 2010.

There are three known copper mineralisation zones in Lingig, namely Zone 1 (Au-bearing porphyry related Cu), and Zones 2 and 3 (magmatic-hydrothermal breccia-hosted Cu with porphyry-related Cu) as shown in Figure 8.

Exploration

Data processing and interpretation of the data obtained from the ground Induced Polarisation, Resistivity and Ground Magnetics survey completed in 2013 was undertaken by an independent geophysical consultant. Two aligned NE-trending IP high chargeability zones have been identified (Fig. 7).

A drilling programme has been planned to commence during the June 2015 quarter to investigate the IP anomalies.

COAL EXPLORATION

As announced on 18 December 2014, the Company has been granted 9 Coal Operating Contracts totalling 9,000 hectares within two areas immediately adjacent to the east side of the Co-O operations (Fig. 1). Multiple coal seams have been drilled, outcrop sampled and assessed by previous explorers.

The Company signed a Heads of Agreement ("HOA") with Swan Energy Pty Ltd of Perth ("Swan"), Western Australia in December 2014, to build, own and operate a 30 MW power station as the exclusive power supplier to the Company's operations.

In order to expedite the exploration phase, the Company has terminated its exclusive agreement with Swan until the coal exploration has been completed or progressed to the level where the Company is satisfied that there is a high probability that sufficient coal resources required to support a power station will be defined, following which a power provider will be sought on a similar basis to the previous HOA.

Additional geological and other information is contained in the 18 December announcement. Previous work classified the coal in both areas as sub-bituminous B to high volatile bituminous A coal rank using the American Society for Testing and Materials ("ASTM"). Average heating values are approximately 6,500 BTU/lb with some seams up to 8,200 BTU/lb. Economic seam thicknesses are 1 to 2metres.

EXECUTIVE ORDER ON MINING SECTOR REFORMS IN THE PHILIPPINES AND EXECUTIVE ORDER ON EXTRACTIVE INDUSTRIES TRANSPARENCY IN THE PHILIPPINES

There are no changes to the status of these reforms since last reported in the 2014 Annual Report dated 30 September 2014.

FINANCIALS (unaudited)

As at 31 March 2015, the Company had total cash and cash equivalent in gold on metal account of approximately US$15.5 million (31 Dec 2014: US$13.6 million).

The Company sold 17,169 ounces of gold at an average price of US$1,217 per ounce in the March 2015 quarter (December 2014 quarter: 28,190 ounces sold at an average price of US$1,204 per ounce).

During the March 2015 quarter, the Company incurred;

- Exploration expenditure, including underground diamond drilling, of US$3.1 million (December 2014 quarter: US$2.9 million);
- US$2.2 million on capital works, associated sustaining capital at the mine and mill and infrastructure (December 2014 quarter: US$2.1 million); and
- US$9.3 million on continued mine development (December 2014 quarter: US$9.6 million); and
- Corporate overheads of US$1.8 million (December 2014 quarter: US$1.7 million)

JORC CODE 2012 COMPLIANCE - CONSENT OF COMPETENT PERSONS

Medusa Mining Limited

Information in this report relating to **Exploration Results** has been reviewed and is based on information compiled by Mr Gary Powell who is a member of The Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Powell is a full time employee of Medusa Mining Limited 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.

Cube Consulting Pty Ltd

The information in this report that relates to **Mineral Resources** is based on, and fairly represents information and supporting documentation compiled by Mr Mark Zammit, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Zammit is employed by Cube Consulting Pty Ltd and has sufficient 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". Mr Zammit consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Carras Mining Pty Ltd

The Information in this report relating to **Ore Reserves** is based on information 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.

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	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tolls 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.*	• 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: 1.5 to 3m stope face channel samples are submitted for analytical analysis. • 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	• *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).*	• For underground drilling, larger rigs including LM-55 and Diamec U6, collar holes using HQ/HQ3 drill bits (core diameter 61-63mm) until ground conditions require casing off, then reduce to NQ/NQ3 drill bits (core diameter 45-47mm). For the smaller portable rigs, drill holes are collared using TT46 drill bits (core diameter 35mm) or LTK60 drill bits (core diameter 44mm). • For surface holes, drillholes are collared using PQ3 drill bits (core diameter 83mm) until competent bedrock (typically <50 metres). The holes are then completed using either HQ3 or NQ3 drill bits depending on ground conditions. • A core orientation trial commenced during September 2013 with mixed success, using the Ezy-Mark™ front-end core orientation tool. Prior to September 2013, no core orientation was carried out. During the December 2014 quarter, the Company purchased core orientation tools and are now being used for the resource definition drill holes.
Drill sample recovery	• *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.*	• For each core run, total core length is measured with the recovery calculated against drilled length. Recovery averaged ~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. No sampling bias has been observed.
Logging	• *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 mature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• 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 are 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 Jul 2010, all drill core has been photographed. The drill core obtained prior to July 2010 has a limited photographic record.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *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.* • *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• 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. • 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. • For all sample submissions to Philsaga's site laboratory, a CRM (Certified Reference Material) sample, a Blank Material sample (<0.005ppm Au), and a sample duplicate are inserted into every batch of 20 pulp samples. • 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	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tolls, 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.* • *Nature of quality control procedures adopted (eg standards, blacks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples are submitted to the Philsaga's laboratory located at the processing plant site. Gold analysis is by fire assay technique using 30g charge and AAS finish. For samples with gold results of >5 g/t Au, Fire Assay method with gravimetric finish is applied. Since Oct 2010, drill sample duplicate pulps were resubmitted for Ag, Cu, Pb, Zn analysis by the aluminium black metal method. All sample preparation and analysis techniques are appropriate for this style of mineralisation. The quality of sample preparation and analysis is to international standard. • The company's laboratory employs industry standard QA/QC procedures during sample preparation and analysis by using internal CRMs, blanks and duplicates. The laboratory undergoes regular audits by independent consultants. As a laboratory procedure, occasional batches of crushed core sample rejects and/or duplicate pulps are selected for re-submission to an independent laboratory (Intertek Philippines, Manila) for gold analysis.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent sampling has been undertaken by independent personnel, however visual inspections to validate mineralisation with assay results has occurred on a regular basis by independent and alternative company personnel to 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	• *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.* • *Specification of the grid system used.*	• 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

Criteria	JORC Code explanation	Commentary
	• *Quality and adequacy of topographic control.*	from the Philippine Reference System of 1992 (PRS92). • Topographic 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 have been audited by independent licensed surveyors in August 2011 and accuracy is ±5mm.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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* • *Whether sample compositing has been applied.*	• Exploration drillholes are located initially on a 50m and 100m grid spacing. For resource definition drilling the sectional spacing is at least 50m with 25m sectional spacing for underground holes. • Sufficient drilling has been completed to support the Mineral Resource and Ore Reserve estimation procedures. • Sample compositing has not been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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 assesses and reported if material.*	• Mineralisation is hosted within narrow, typically <2m wide quartz veins. The orientation 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 NW-NE quadrant. Surface drillholes are 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	• *The measures taken to ensure sample security.*	• Drilling is supervised by company 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	• *The results of any audits or reviews of sampling techniques and data.*	• Dr Rudy Obial from R.C. Obial & Associates routinely undertakes site visit reviews and provides consulting advice for the onsite laboratory upgrades and QA/QC. These regular reviews form part of the continual improvement for the site laboratory. • Cube has undertaken an independent review of available QA/QC data and concluded that the sample data is of a high standard and appropriate 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	• *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.*	• The Co-O mine tenement is operated under a Mineral Production Sharing Agreement ("MPSA") MPSA No. 262-2008-XIII, which covers 2,538.8 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	• *Acknowledgement and appraisal of exploration by other parties.*	• The Co-O mine was originally developed in 1989 by Banahaw Mining and Development Corporation ("BMDC"), a wholly owned subsidiary of Musswellbrook Energy and Mines Pty Ltd. The operation closed in 1991 and was placed on 'care and maintenance' until its purchase by Philsaga Mining Corporation ("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 has since been actively exploring the Co-O tenements.
Geology	• *Deposit type, geological setting and style mineralisation.*	• 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	• *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:* o *Easting and northing of the drill hole collar* o *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *Dip and azimuth of the hole* o *Down hole length and interception depth* o *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 form the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Detailed information in relation to the drill holes re tabulated in Table II of this report, and include: Easting, northing and RL of the drillhole collars in both the local mine grid and PRS92 Zone 5 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. • 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	• *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.*	• No top cutting of assays was done for the reporting of exploration results. • Short lengths of high-grade (≥ 300 g/t Au) assays included within composited intercepts, are reported separately. • Metal equivalent values are not reported.
Relationship between mineralisation widths and intercept lengths	• *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').*	• 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 NW-NE quadrant. Underground drill holes are orientated in various directions and dips, depending on location of the drilling chambers and rig access to intersect the various mineralised veins at different locations within the mining area. • All drill results are downhole intervals due to the variable orientation of the mineralisation.

Criteria	JORC Code explanation	Commentary
Diagrams	• *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.*	• A longitudinal section is included in this announcement showing significant assay results locations. (Fig. 2) Tabulated intercepts are also included in this announcement. In addition, an underground level plan (Fig. 3) is included, which shows the locations of the drill chambers from where previous drilling has been conducted, and the drill chambers, drill trace projections of drilling completed during this reporting period and locations of significant intercepts for resource drill holes as tabulated in Table II.
Balanced reporting	• *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.*	• All DD drillholes with significant results are reported in this announcement (Table II).
Other substantive exploration data	• *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.*	• No other substantive exploration data has been acquired or considered meaningful and material to this announcement.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions of depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling area, provided this information is not commercially sensitive.*	• Mineralisation is still open to the east, and west 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. • Figure 2, located within the main body of this announcement, is a long section of the Co-O mine showing significant drill intercepts in relation to the mine workings. Figure 3 also shows the recent drilling conducted in plan view (projected to Level 8) with significant intercepts locations in relation to interpreted veins and possible extensions.

APPENDIX B
Guinhalinan – 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	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld 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 mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (e.g 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g 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 (e.g submarine nodules) may warrant disclosure of detailed information.*	• Soil samples obtained by clearing the sampling area of organic and surficial material and digging down to the B horizon. 1.5-2.5 kg samples were collected from the B horizon (0.3-1.0 metre below surface), placed in plastic sample bags, and submitted to an independent laboratory for drying and sieving to obtain -80 mesh (-177 micron) size fraction for analysis. • No other types of samples were obtained for the purposes of this report. • The B Horizon is easily recognised and is confirmed prior to sampling. • Soil sampling carried out to industry standard to obtain 1.5-2.5 kg representative samples of the B horizon, from which 250 gram subsamples are obtained after drying and sieving to -80 mesh, then pulverised prior to analysis.
Drilling techniques	• *Drill type (e.g core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g 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).*	• No drilling was carried out during this reporting period
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise 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.*	• No drilling was carried out during this reporting period
Logging	• *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.*	• No drilling was carried out during this reporting period

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all 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.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Soil samples were submitted whole to Intertek Philippines' laboratory for drying (105°C) and sieved to collect the -80 mesh (-177 micron) size fraction. The oversize reject is stored for a minimum 3 months at the laboratory. • Original sample sizes ranged from 1.5 to 2.5 kg. • Samples were not split prior to submitting to the laboratory. After drying and sieving, samples were split using a riffle splitter to obtain 250 gram subsamples for analysis. • The nature, quality and appropriateness of the sample preparation techniques are to industry standard practice. • For all soil sample submissions to Intertek Philippines laboratory: Certified Reference Material and Blank Material samples (<0.005ppm Au) and Field Duplicate samples are each inserted into every batch of soil sample submissions at ratio of 1 of each for every 22 consecutive soil samples. • Duplicate samples are collected in the field at every 22nd consecutive sample intervals. • Soil sample sizes typically vary between 1.5-2.5kg depending on visually estimated content of fine material (<177 micron). Samples sizes are considered to be appropriate with respect to the nature and tenor of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of quality control procedures adopted (e.g standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All samples are submitted to Intertek Philippines, an independent ISO17025 accredited laboratory. • Gold analysis is by classical fire assay technique using 30g charge and AAS finish with detection limit of 10ppb Au. • Ag, Cu, Pb, Zn, As and Mo analysis is by Aqua Regia digest and ICP-OES finish. • All sample preparation and analysis techniques are appropriate for this style of mineralisation. The quality of sample preparation and analysis is of international standard. • The Company used no geophysical or other analytical tools for the purposes of this report. • Intertek Philippines is an independent commercial laboratory, which employs industry standard QA/QC procedures during sample preparation and analysis using internal standards, blanks and duplicates. Data from their QA/QC is made available and reviewed.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Independent and alternative company personnel on a regular basis verify significant intersections. • No drilling was carried out during this reporting period • Laboratory results are received as hardcopy and in digital form. Hardcopies are kept off-site. Digital data is imported into dedicated mining software programs and validated. • Digital database is backed up on regular basis, with copies kept off site. The database is secured by password with access limited to specified personnel. • There is no adjustment to assay data.
Location of data points	• *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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Suitably experienced personnel obtain sample location coordinates using handheld GPS instruments. • UTM PRS92 (Philippine Reference System of 1992). • Topographic control is obtained using published government (NAMRIA) 1:50000 topographic plans in conjunction with minor detailed control (+/- 0.1m) using Total Station instruments.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• Soil samples are collected at 50 metre spacings on grid lines spaced 100 metres apart. • Soil sampling density is considered appropriate to establish sufficient continuity for definition of areas warranting additional sampling and/or drilling. • Sample compositing has not been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Orientation of regional geology and structures were used to plan the soil sampling programme. • The orientation of the soil geochemistry anomalies obtained from the programme ratifies the orientation of the soil sampling grid.
Sample security	• *The measures taken to ensure sample security.*	• Soil samples are collected in tagged plastic bags, and stored in a lockable room at the end of each day, and prior to transportation to the laboratory. The samples are transported using Company vehicles and accompanied by company personnel to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Audits have been conducted by independent consultants on sampling techniques, laboratory procedures, and database management on an intermittent basis. Alternative company personnel carry out regular reviews of sampling techniques. Results of the audits confirm that the laboratories and protocols are industry standard and results within acceptable tolerance limits. • Sampling techniques and database management is of 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	• *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 licence to operate in the area.*	• The Guinhalinan project is situated within one of two parcels of Mineral Production Sharing Agreement ("MPSA") 343-2010-XIII, and is operated under a Mining Agreement with Das-Agan Mining Corporation ("Das-Agan") covering a combined total 3,810 hectares. • Aside from the prescribed royalties payable to the Philippine government and the Indigenous People ("IP"), a royalty of 3% GSR is payable to Das-Agan on precious and base metal production from any mining activities within the MPSA. • The tenement is a granted mining and production sharing agreement with the Philippine government. • The Executive Order on Mining (EO-79) signed on 6 July 2012, by the President of the Philippines, will have no immediate impact on the Guinhalinan Project as the Company can continue to explore, conduct feasibility studies and planning. • New legislation on mining taxes and royalties is yet to be finalised for consideration by Congress.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No exploration information is known or available from any previous exploration by other parties. The outcropping mineralisation encountered to date was discovered by locals
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The mineralisation style is analogous to a sediment-hosted carbonate replacement gold deposit, and is located in the Eastern Mindanao Volcano-plutonic belt of the Philippines.

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No drilling was carried out during this reporting period
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g 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 results, the procedure used for such 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.*	• Data aggregation was not carried out for the purposes of this report. • Metal equivalent values are not reported.
Relationship between mineralisation widths and intercept lengths	• *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 (e.g 'down hole length, true width not known').*	• No drilling was carried out during this reporting period
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Refer to Figure 6 located in the main body of this report for the location and contours of the gold in soil geochemistry.
Balanced reporting	• *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.*	• Individual results are not report. Contours are derived using 3 population sets based on showing some degree of continuity between samples.
Other substantive exploration data	• *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.*	• The soil geochemistry anomalies appear to be consistent with observations made during regional and detailed mapping and sampling. • No other substantive exploration data has been acquired or considered meaningful and material to this report.
Further work	• *The nature and scale of planned further work (e.g tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The gold in soil geochemistry anomalies are still open to the NNW and SSE. The northeast margins of the eastern sub-corridor of anomalies are partially open to the northeast, although the tenor appears to lessen.\ • Additional soil sampling will be planned to extend the programme to investigate the areas of potential extensions to the soil anomalies. • Figure 7 highlights the areas open for possible extensions to the anomalies defined to date.

APPENDIX C: TENEMENT SCHEDULE (as at 31 March 2015)

Name	Tenement ID	Registered Holder	Company's Interest [1] at		Royalty [2]	Area (hectares) at	
			30 Sep 2014	19 Jan 2015		19 Jan 2015	31 Mar 2015
Co-O Mine	MPSA No. 262-2008-XIII	PMC	100%	100%	-	2,539	2,539
	MPSA No.299-2009-XIII	PMC	100%	100%	-	2,200	2,200
Co-O	APSA No. 00012-XIII	BMMRC	100%	100%	-	340	340
	APSA No. 00088-XIII	Phsamed	100%	100%	-	4,733	4,742
	APSA No. 00098-XIII	Philcord	100%	100%	1% NPI	507	507
	APSA No. 00099-XIII	Philcord	100%	100%	1% NPI	591	592
Saugon	EP 017-XIII	PMC	100%	100%	-	3,132	3,132
	EP 031-XIII	PMC	100%	100%	-	2,456	2,456
	EP 032-XIII	PMC	100%	100%	-	3,048	3,048
	EPA No. 00066-XIII	PMC	100%	100%	-	6,769	6,769
	EPA No. 00069-XIII	Phsamed	100%	100%	-	2,519	2,519
	EPA No. 00087-XIII	PMC	100%	100%	-	87	87
Tambis	MPSA No. 344-2010-XIII	Philex	100%	100%	7% NSR	6,208	6,208
Das-Agan	MPSA No. 343-2010-XIII	Das-agan	100%	100%	3% GSR	3,810	3,810
Apical	APSA No. 00028-XIII	Apmedoro	Earning 70% (JV)		-	1,236	1,235
Corplex	APSA No. 00054-XIII	Corplex	100%	100%	3% NSR	2,118	2,118
	APSA No. 00056-XIII	Corplex	100%	100%	-	162	162
	APSA No. 00077-XIII	Corplex	100%	100%	4% GSR	810	810
	EPA No. 00186-XIII [3]	Corplex	100%	100%	3% NSR	5,419	7,111 [3]
Sinug-ang	EPA No. 00114-XIII	Salcedo / PMC	100%	100%	-	190	190
Coal Project	COC Area 6	Philsaga	-	100%	-	4,000	4,000
	COC Area 7	Philsaga	-	100%	-	5,000	5,000

NOTES:

1. There have been no material changes to the Company's interest since 19 January 2015, except for one application (refer Note 3).
2. Royalties payable to registered holders, aside from the prescribed royalties payable to the Philippine government and the Indigenous People.
3. The Company decided to withdraw its application to reduce the application area to 5,419 hectares and to maintain 100% of the application area of 7,111 hectares.

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

Royalty

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