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25 September 2015

ANNUAL MINERAL RESOURCES AND ORE RESERVES UPDATE STATEMENT

(ASX: MML)

Medusa Mining Limited ("Medusa" or the "Company"), through its Philippines affiliate, Philsaga Mining Corporation ("Philsaga"), advises that it has completed the annual review and update to its Mineral Resource and Ore Reserve estimates for the twelve month period ending 30 June 2015.

Key Points:

As advised on 4 September 2015,

- The Indicated Resource ounces increased by 2% to 604,000 ounces at a 3% higher grade of 12.2 g/t gold;
- The Inferred Resource ounces decreased by 34% to 545,000 ounces at a 6% lower grade of 9.2 g/t gold; and
- Total Mineral Resource ounces decreased by 19% to 1,149,000 ounces at a 1% higher grade of 10.2 g/t gold.

In this reserve announcement, Probable Reserves have decreased by 4% to 427,000 ounces at a 1.5% higher grade of 7.33 g/t gold using a gold price US\$1,150 per ounce (US\$100 lower compared to the gold price used in 2014).

MINERAL RESOURCES

The Company recently announced an update to its Mineral Resource estimates on 4 September 2015, and this announcement includes that statement.

Co-O Mine

Total Inferred and Indicated Mineral Resources for the Co-O Mine are now estimated at 3.50 million tonnes at a grade of 10.2 g/t gold for a total 1.15 million ounces gold, compared to the estimate reported on 25 September 2014 of 4.34 million tonnes at a grade of 10.1 g/t gold for a total 1.41 million ounces gold (Table I).

The changes in the Co-O Mine resources are primarily due to:

- mining depletion of 105,000 ounces (98,359 ounces recovered), plus untreated, mined low grade material;
- inclusion of further underground drilling results and development, resulting in an upgrade in the classification of Inferred Resources to Indicated Resource;
- reduction of some interpreted vein thicknesses at depth, in the inferred category based on vein development in the upper levels;
- the addition of a higher proportion of internal waste to reflect the discontinuous nature of some veins;
- application of a revised lower cut-off grade to use an accumulation of 3.2 gram*metres/tonne to incorporate a minimum mining width above cut-off grade;
- improved survey practice, resulting in better stope definition, and
- revision of availability of in-situ pillars due to mining access.

Despite the mining depletion of 105,000 ounces in FY2015, the amount of ounces in the Indicated Resource category remains largely unchanged, at a slightly higher grade. This is a result primarily of conversion from Inferred to Indicated by infill drilling and development, rather than extensional resource drilling.

Bananghilig and Saugon Projects

Total Inferred and Indicated Mineral Resources for the Bananghilig Gold Deposit (24.52 million tonnes at a grade of 1.44 g/t gold) and Saugon Gold Deposit (81,500 tonnes at a grade of 5.97 g/t gold), remain unchanged from 2013, and were prepared and first disclosed under the JORC Code 2004. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The re-interpreted Bananghilig Deposit geology will be used for a revised resource estimate to be completed by the end of December 2015.

ORE RESERVES

Co-O Mine

A detailed review of all Co-O Mine and milling production data, including mining and metallurgical performances to determine appropriate physical mining parameters, cut-off grades and dilutions has been completed for this latest update to the Mineral Resource and Ore Reserve statement. (Table II).

The Co-O Mine Probable Ore Reserves are now estimated at 1.81 million tonnes at a grade of 7.33 g/t gold for a total 427,000 ounces gold compared to the estimate reported on 25 September 2014 of 1.92 million tonnes at a grade of 7.22 g/t gold for a total 446,000 ounces gold.

A comparison between the current ore reserves and that stated for 30 June 2014 shows a decrease in Probable Ore Reserves of 4.3% or 19,000 ounces gold.

The changes in the Co-O Mine Ore Reserves are primarily due to: mining depletion; modified vein interpretations through increased geological knowledge of the different vein sets obtained by further underground mapping and drilling, a lower mining recovery applied to remnant ore in some historical stopes and pillars, and reporting at a lower gold price of US\$1150/oz compared to FY2014's gold price of US\$1250/oz.

Table I. Mineral Resources and Ore Reserves estimates at 30 June 2015

Deposit	Category	Tonnes ⁴	Grade ⁴ (g/t gold)	Gold ⁴ (ounces)
MINERAL RESOURCES ^{1,2}				
Co-O Resources ¹ (JORC Code 2012)	Indicated	1,546,000	12.2	604,000
	Inferred	1,958,000	8.6	545,000
Total Co-O Resources	Indicated & Inferred	3,504,000	10.2	1,149,000
Bananghilig Resources ³ (JORC Code 2004)	Indicated	16,060,000	1.5	766,000
	Inferred	8,460,000	1.4	370,000
Total Bananghilig Resources	Indicated & Inferred	24,520,000	1.4	1,136,000
Saugon Resources ³ (JORC Code 2004)	Indicated	47,500	7.0	10,700
	Inferred	34,000	4.6	5,000
Total Saugon Resources	Indicated & Inferred	81,500	6.0	15,700
Total Resources	Indicated	17,653,500	2.4	1,380,700
Total Resources	Inferred	10,452,000	2.7	920,000
TOTAL RESOURCES	Indicated & Inferred	28,156,500	2.6	2,300,700
ORE RESERVES ²				
Co-O Reserves ² (JORC Code 2012)	Probable	1,811,000	7.33	427,000
TOTAL RESERVES	Probable	1,811,000	7.33	427,000

Notes:¹ Resources are inclusive of Reserves.² Co-O mineral resources and ore reserves estimated under guideline of JORC Code 2012.³ Bananghilig and Saugon Mineral Resources were previously prepared and first disclosed under the JORC Code 2004, and have not been updated to comply with JORC Code 2012 on the basis that the information has not materially changed since it was last reported.⁴ Rounding to the nearest 1,000 may result in some slight discrepancies in totals**Mineral Resources:****Co-O:**

- a minimum lower cut-off of 3.2 gram*metres/tonne accumulation, which incorporates a minimum mining width above cut-off grade;
- various upper cut-off gold grades up to 300 g/t gold have been applied to different veins, and
- a gold price of US\$1,500 has been applied

Bananghilig:

- a lower cut-off of 0.8 g/t gold has been applied, and various upper cuts

Saugon:

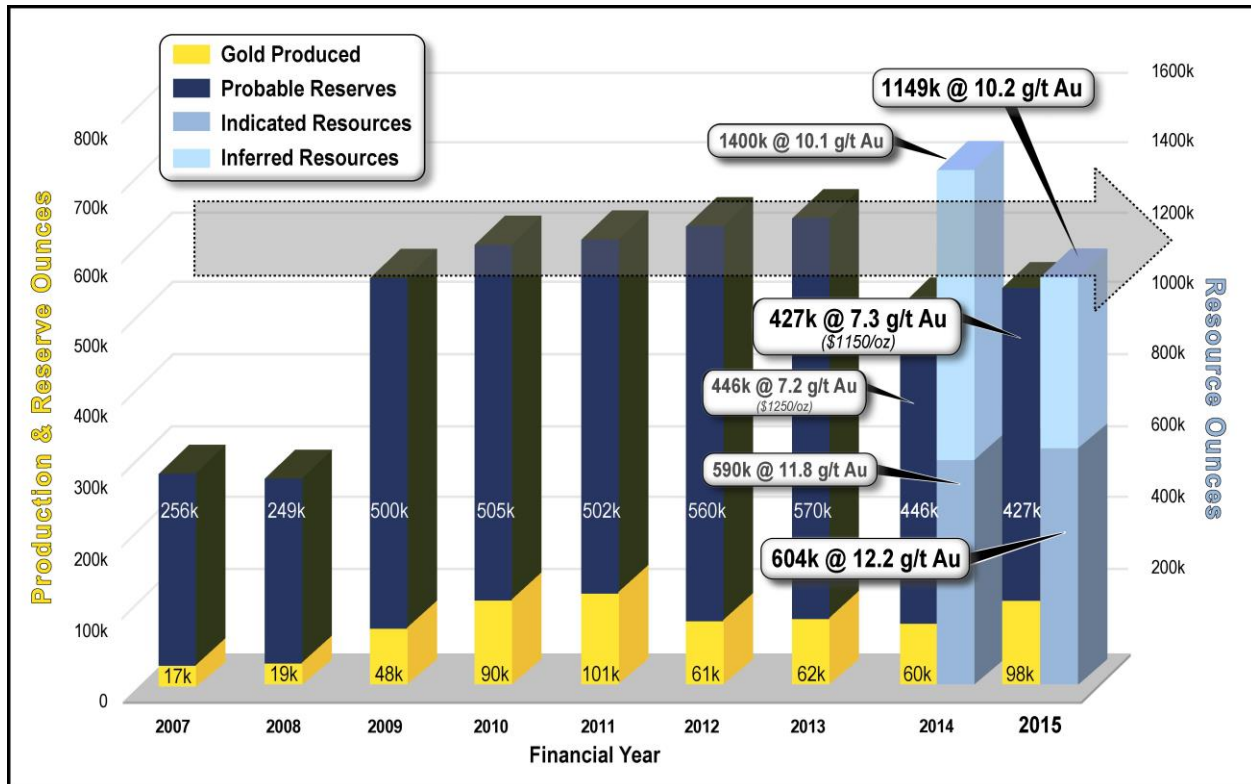
- a lower cut-off of 2.0 g/t gold has been applied

Ore Reserves:

Ore Reserves are a subset of Mineral Resources

Co-O:

- minimum mining widths of 1.25 metres (stopes $\geq 50^\circ$) and 1.5 metres (stopes $< 50^\circ$) have been applied, and where the vein width was equal to or greater than the minimum mining width, an extra 0.25 metres dilution was added to the hanging wall,
- a further 10% dilution has been allowed for slabbing in mining of low angle stopes under draw,
- shape dilution of 5% of extra tonnage at 2 g/t gold applied, for extra development and to reflect pinch and swell of veins, and faulting,
- 85% mining recovery for stopes < 10 g/t gold,
- 90% mining recovery for stopes ≥ 10 g/t gold,
- 25% recovery factor for sill pillars in empty stopes are included in reserve, at a grade of 7g/t gold, to reflect current selective mining practice,
- 30% recovery factor has been applied to remnant ore blocks, at their respective stope grades,
- stopes containing <500 tonnes were removed to account for ore loss,
- a cut-off grade of 2.0 g/t gold has been applied for development ore,
- a cut-off grade of 3.8 g/t gold has been applied to developed stopes,
- a cut-off grade of 4.5 g/t gold has been applied to un-developed stopes,
- a gold price of US\$1,150 has been applied.



Graph 1: Production, Ore Reserves and Mineral Resources status since 2007, demonstrating the Co-O Mine's history of increasing resources and replacing mine depletion.

NOTES: FY2007 to FY2013 – Ore Reserve ounces are classified under JORC Code 2004 guidelines.

FY2014, & FY2015 – Mineral Resource and Ore Reserve ounces are classified under JORC Code 2012 guidelines.

FY2015 reserves estimated using gold price of \$1,150/oz (FY2014 reserves at \$1,250/oz)

Geoff Davis, Chief Executive Officer of Medusa, commented:

It is pleasing to note in this period of low gold prices that when we use a reserve estimation gold price that is US\$100 per ounce lower than last year's, in conjunction some other technical adjustments, that we only lose 4% of our reserves, and hence we have now maintained our reserves at approximately the same level for the last 7 years.

As the understanding of the deposit has increased and new lower levels in the mine are being accessed and developed, it is apparent that we now have the flexibility to adjust cut-off grades to suit the gold price environment to ensure we only mine profitable ounces. This policy is being actively pursued in the mine operations and is being reflected in the increasing head grade at the mine.

The drilling from Level 8 for the period 2015-17 in combination with development on Levels 9 and 10 should continue to replace the mine's reserves (and resources) on an annual basis".

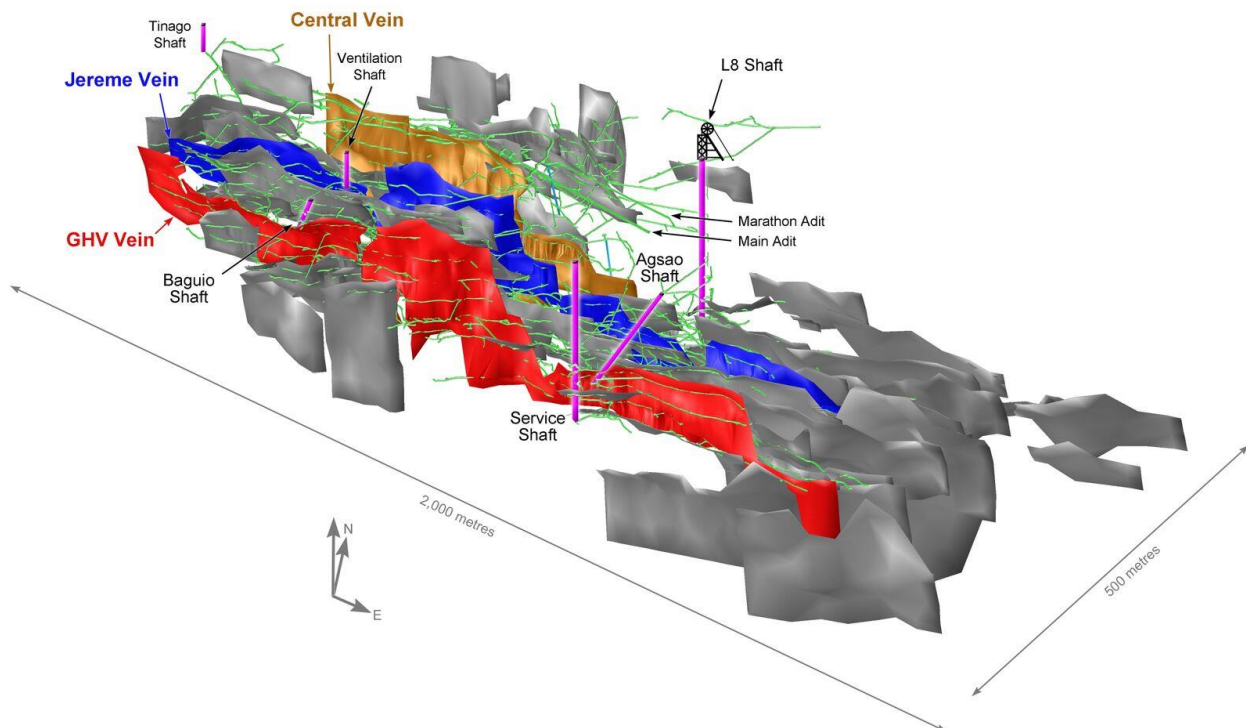


Figure 1: Perspective view of the Co-O Mine's 2015 resource model, major veins and underground development

Mineral Resource and Ore Reserve Assumptions

Mineral Resources are reported inclusive of Ore Reserves, and includes all exploration and resource definition drilling information up to 31 May 2015, and has been depleted for mining to 30 June 2015.

Gold price assumptions used to estimate Mineral Resources and Ore Reserves are:

- Mineral Resources: US\$1,500/oz gold
- Ore Reserves: US\$1,150/oz gold

JORC Code 2012 Requirements

This annual statement of Mineral Resources and Ore Reserves has been prepared in accordance with the JORC Code 2012 for the Co-O Mine only.

The Mineral Resources for the Bananghilig and Saugon deposits were first disclosed under the JORC Code 2004 and have not been updated to JORC Code 2012 requirements. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Revised interpretations for the Bananghilig deposit will be used for an update to the resource estimate to be completed by the end of December 2015 and reported in accordance with JORC Code 2012.

The Company's Mineral Resources and Ore Reserves summaries are tabulated in Table I.

Material Information for the individual projects, including a Material Information Summary pursuant to ASX Listing Rules 5.8 and 5.9 and the Assessment and Reporting Criteria in accordance with JORC Code 2012 requirements, is included below and in Appendix A to this announcement.

DISCUSSION

CO-O MINERAL RESOURCES

Figure 1 is a perspective view of the Co-O resource model showing the major veins (GHV, Jereme and Central Veins) and associated sub-parallel and link veins, and development as at 30 June 2015.

Underground Drilling

Indicated Category

In FY2015, the focus of underground drilling and development was to upgrade resources, which had previously been classified as Inferred, into the Indicated category. This programme was successful, in that the current Indicated Resource is relatively unchanged compared to the FY2014 Indicated Resource, despite the fact that 105,000 ounces gold has been depleted by mining during FY2015.

Inferred Category

There was limited drilling to the east and down plunge, which focussed on extensions to the deposit. Drilling at the western part of the deposit, did not intercept any additional significant mineralisation. As a consequence of this, there has not been an overall increase in the total resource.

Current development has focussed on establishing drill chambers on Level 8, to accommodate the newly acquired deeper capacity drilling rigs, for a programme of deep drilling for strike extensions to the east and down plunge extensions.

It is anticipated that this drilling will commence in October 2015, and complete 15,000 to 20,000 metres of diamond coring aimed at increasing the total mineral resource (Figure 2).

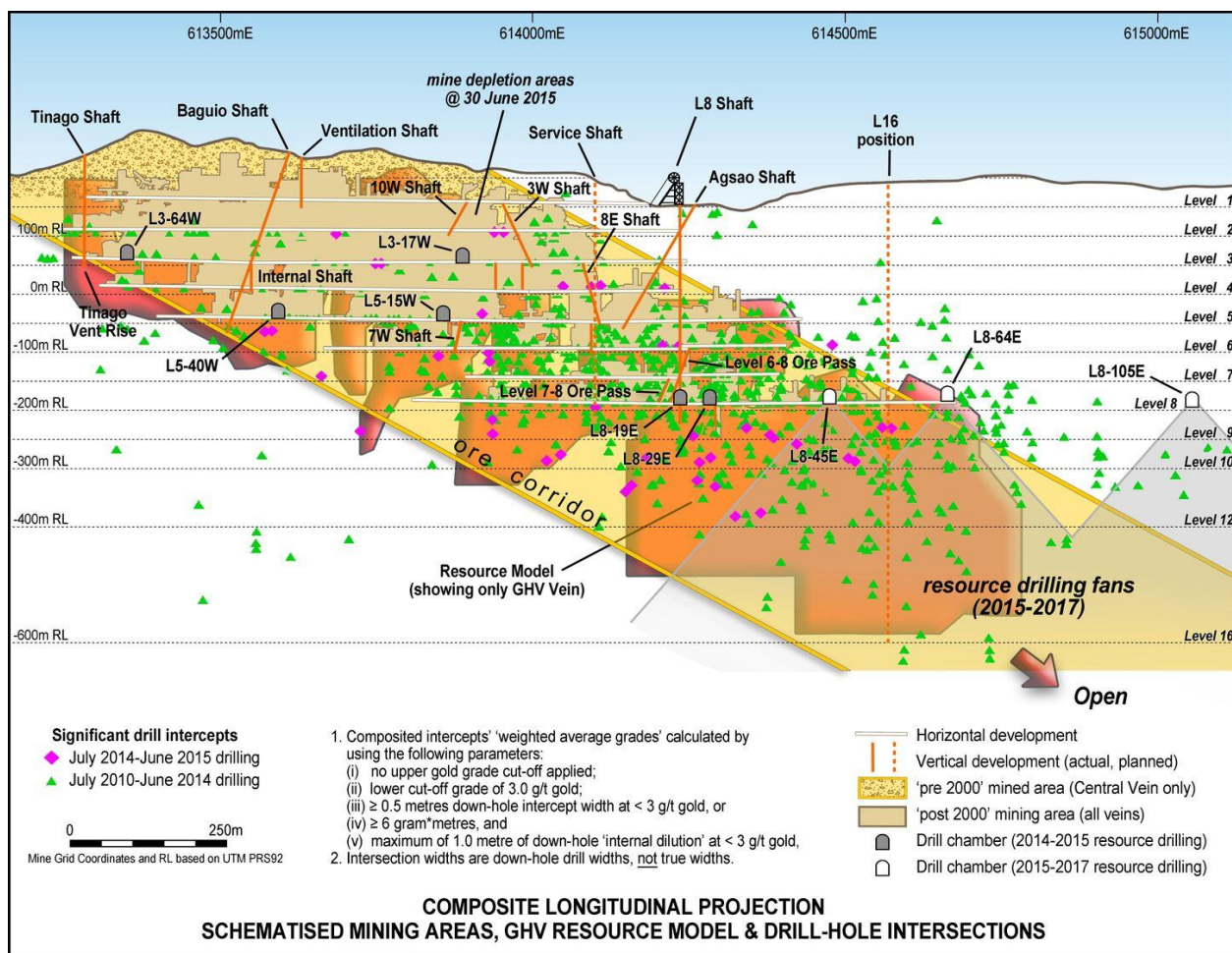


Figure 2: Co-O Mine Longitudinal Projection showing composited mining depletion, vertical development and significant drill intercept locations (as previously reported)

Mineral Resource Estimation Methodology

The FY2015 Resource estimate was carried out by Philsaga's geological staff under the direction of Mr Gary Powell, (Manager Geology and Resources). The estimates were checked in detail by Carras Mining Pty Ltd, who acted in the capacity as independent external auditor.

The method was identical to the procedure used by Mr Mark Zammit of Cube Consulting Pty Ltd ("Cube") of Perth, Western Australia, for the FY2014 Mineral Resource estimate update (refer announcement of 25 September 2014).

Mr Zammit also carried out a high level review of the methodology implemented by Philsaga personnel and concluded that "the same general approach used in the past has been adopted for the current updated resource estimate. Differences between the previous 2014 model and the updated model have been attributed to additional information from grade control, depletion and improved survey practices".

Resource Vein Modelling

A wireframe model of the vein system and the mine depletions were based on all available information as at 31 May 2015 (Figure 1). A Bulk Density value of 2.62 was used for mineral resource estimations.

Philsaga has applied a 2D longitudinal modelling approach (as used in all previous estimates by Cube) based on an accumulation variable incorporating mineralised vein horizontal width and intercept grade. Each sample within a mineralised vein was assigned a unique code. This coding was used to control compositing. Mineralised vein grades were composited across the entire coded interval resulting in a single intercept composite.

Block estimates were based on interpolation into 25mE x 25mRL cells. Block discretisation points, required for block kriging were set to 5 x 5 points in the longitudinal plane.

Variography was used to analyse the spatial continuity of the horizontal width and accumulation variables within the mineralised veins and to determine appropriate estimation inputs to the interpolation process. The accumulation variables were interpolated into blocks using Ordinary Kriging. Various high-grade gold limits were applied to individual veins prior to the calculation of the accumulation variable.

Mining depletions as of 30th June 2015 were stamped into the 3D block model using the 2D string outlines digitised from the Co-O Mine long sections, as provided by Philsaga's survey department.

Mineral Resources Estimation

The Co-O Mineral Resources have been estimated and reported in accordance with the guidelines of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012).

The criteria used for resource classification include:

- Geological continuity and vein volume;
- Data quality;
- Data spacing and mining information;
- Modelling technique; and
- Estimation properties including search strategy, number of informing composites, average distance of composites from blocks and kriging quality parameters such as slope of regression (unchanged from FY2014 resource estimates).

In addition to the above, the following economic parameters were considered when assessing the requirement for reasonable prospects for economic extraction:

- Gold price of USD1,500 per ounce, and
- Minimum diluted grade x width (accumulation) of 3.2 gram•metres/tonne to incorporate a minimum mining width above cut-off grade.

The Indicated Resource boundary was drawn to encompass those blocks with higher estimation qualities, typically within areas defined by drill hole data closer than 50m x 50m and usually approaching 25m x 25m and/or with the inclusion of underground mine development where geological and volume continuity is well established.

Inferred Resource areas reflect identified veins where there is no mining information and with limited drill hole data.

There were no Measured Resources defined due to the short scale variability in volume and grade plus the moderate risks identified in the data quality, data spatial location and mined volume definition.

The final reporting of the mineral resource is undiluted above a 3.2 gram•metres/tonne cut-off, which incorporates a minimum mining width above cut-off grade.

Variography, search criteria and high grade cutting methodologies were as per those used for FY2014.

Comparison with Previous Resource Statement

A comparison between the current mineral resource and that stated as for 30 June 2014 shows that the Indicated Resource ounces have remained almost unchanged, at a slightly higher grade, despite having mined some 105,000 ounces in FY2015. This means that the depletion has been replaced, mainly by upgrading FY2014 Inferred Resources.

The slightly higher grade of the Indicated Category is attributable to the application of an accumulation cut-off grade, and development of higher grade stoping areas, particularly in the lower levels of the mine (Levels 6 to 8), confirming the high grade nature of the ore.

The Inferred Resource has reduced as a consequence of the upgrading of Inferred to Indicated and other factors, including:

- a minimal amount of drilling being carried out along strike to the east and down plunge to add resources;
- drilling at the western part of the deposit did not intersect significant mineralisation;
- reduction of some interpreted vein widths to reflect the widths of veins as seen in the upper levels of the mine;
- the addition of a higher proportion of internal waste to reflect the discontinuous nature of some veins;
- some mining of previously stated inferred resources, and
- mining and depletion continuing since the previous resource statement.

Table II Comparison summary of the total undiluted Co-O Mineral Resources at a block cut-off grade above 3.2 gram•metres/tonne Au (accumulation) for 30 June 2015, and above 3.0 g/t Au for 30 June 2014.

Category	30 June 2014			30 June 2015			Variance		
	Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)
Indicated	1,560,000	11.8	590,000	1,546,000	12.2	604,000	-1%	3%	2%
Inferred	2,780,000	9.2	820,000	1,958,000	8.6	545,000	-30%	-6%	-34%
Total	4,340,000	10.1	1,410,000	3,504,000	10.2	1,149,000	-19%	1%	-19%

Note: Mineral Resources are reported inclusive of Ore Reserves.

Co-O ORE RESERVES

A summary of the Co-O Ore Reserves was last reported on 25 September 2014. There have been material changes to the reserves since then due to mining depletion, significant underground development, re-interpretations and major re-modelling of the geology, as per discussion in the preceding sections.

Carras Mining Pty Ltd ("Carras") of Perth, Western Australia, was contracted to undertake the Co-O Mine Ore Reserves estimate.

The reported Ore Reserves is based on the Mineral Resources model produced by Philsaga's geological division under the supervision of Mr Gary Powell (Manager Geology & Resources). This model was updated in parts to reflect more current observations made in the mine, where they are relevant to the Ore Reserve study. A Bulk Density value of 2.62 was used for mineral resource estimations and 2.4 was used for the waste material.

Cut-off Grades

Cut-off grades used for the Reserve Estimate were derived after making allowances for mining and hoisting, surface haulage, milling, administration, royalty, development, and an additional development factor for mining outside of Reserves, and a cost for underground drilling.

The following gold price and cut-off grades were applied:

- Gold price of US\$1,150 per ounce gold;
- 2.0 g/t gold for development ore;
- 3.8 g/t gold for developed stopes, and
- 4.5 g/t gold for un-developed stopes.

For Levels 1, 2 and 3 where haulage is minimal, slightly lower cut-off grades were used, consistent with the lower haulage costs. The costs used to arrive at cut-off grades are based on actual validated mine costs.

Mining Factors & Assumptions

The Resource was converted to Reserve by carrying out mine design following the application of minimum mining widths (MMW), dilution and cut-off grades to panels of size 30m x 50m high based on the Philsaga block model. Costs were then applied to determine those panels within the Indicated category, which were economic. If economic, they were included in the Probable Reserve. A very small component (5%) of lower grade Inferred material was included to reflect actual mining practice.

Mining at Co-O utilises both Shrink and Slot stope mining. These methods have been used at the mine since 1989 and are well understood.

At the lowermost levels, winzings on ore and narrow vein development is, and always has been part of the strategy of developing a new level. This accounts for only a small proportion (7%) of global Reserve ounces, located at Levels 10, 11 and 12, where current winzings and diamond coring is showing characteristics typical of the GHV high grade zones in the levels above.

The MMW and mining dilution factors used are:

- MMW of 1.25 metres is applied to those panels with a dip ≥ 50 degrees.
- MMW of 1.50 metres is applied to those panels with a dip < 50 degrees.
- Where the panel width was equal to, or greater than the MMW, an additional 0.25 metres dilution was then added to the Hanging Wall.
- An additional dilution of 10% was allowed for the mining of the low angle stopes under draw.
- shape dilution of 5% of extra tonnage at 2 g/t gold applied, for extra development and to reflect pinch and swell of veins, and faulting.
- For stopes < 10 g/t gold an 85% mining recovery was used.
- For stopes ≥ 10 g/t gold a 90% mining recovery was used.
- 25% recovery factor for sill pillars in empty stopes are included in reserve at a grade of 7g/t gold, to reflect current selective mining practice,
- 30% recovery factor has been applied to remnant ore blocks, at their respective stope grades,
- stopes containing less than 500 tonnes, were removed to account for ore loss.

Inferred Resources and low grade Indicated Resources (5%), are only utilised in the Ore Reserve estimation when those panels need to be developed in order to access higher grade Indicated Resources (which must be able to carry all costs). This includes a small element of development beyond the Indicated Resource as an exploration component.

Underground level development is continuous with all other required infrastructure in place. The mine is currently developing the Service Shaft at the 15E position, which will be utilised for hoisting men and materials from Level 8 to surface.

There are no Proven Ore Reserves defined as no Measured Resources were estimated, as summarised in the preceding section. A metallurgical recovery of 94% has been used, based on current milling recovery, but not applied to the reported Reserve figures.

Ore Reserves Statement

The Ore Reserves estimate for the Co-O Mine comprises a Probable Ore Reserve of 1,811,000 tonnes at an average grade of 7.33 g/t gold for a total of 427,000 ounces gold.

Comparison with Previous Reserve Statement

A comparison between the current ore reserves and that stated at 30 June 2014 shows a slight decrease in Probable Reserve ounces of 4.3% or 19,000 ounces of gold (Table III).

The changes in the Co-O Mine reserves are primarily due to: mining depletion, inclusion of further underground drilling results, modified vein interpretations through increased geological knowledge of the different vein sets obtained by ongoing underground mapping, modification of gold cut-off grades, a lower mining recovery applied to remnant ore in some historical stopes and pillars, and reporting at a lower gold price of US\$1150/oz compared to FY2014's gold price of US\$1250/oz.

Table III Comparison Summary of the Co-O Mine's Ore Reserves for 30 June 2013 and 30 June 2014 after allowance for depletion.

Reserve Category	30 June 2014			30 June 2015			Variance		
	Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)	Tonnes	Au (g/t)	Au (oz)
Probable	1,920,000	7.22	446,000	1,811,000	7.33	427,000	-5.7%	+1.5%	-4.3%
Total	1,920,000	7.22	446,000	1,811,000	7.33	427,000	-5.7%	+1.5%	-4.3%

BANANGHILIG GOLD DEPOSIT

Mineral Resources

On 8th August 2013, a total combined Indicated and Inferred Resources of 24,520,000 tonnes was reported containing 1,136,000 ounces at a grade of 1.44 g/t including an Indicated Resource of 766,000 ounces at 1.48 g/t gold, using a 0.8 g/t gold lower cut-off applied to the resource estimate. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

During FY2014, there has been an ongoing programme of detailed surface and underground mapping and sampling, in conjunction with re-interpretation of mineralisation domains. It is anticipated that resource modelling and grade estimation will be completed by December 2015 to upgrade the resource statement for Bananghilig to comply with the guidelines of the JORC 2012 Code.

SAUGON GOLD DEPOSIT

Mineral Resources

Cube Consulting Pty Ltd completed a resource estimate for the FHV (refer March 2013 Quarterly Report). A lower cut-off of 2 g/t gold was used for reporting, resulting in an Indicated Resource of 47,000 tonnes at 6.99 g/t gold containing 10,700 ounces and an Inferred Resource of 34,000 tonnes at 4.55 g/t gold containing 5,000 ounces. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

MINERAL RESOURCES AND ORE RESERVES GOVERNANCE STATEMENT

In accordance with ASX Listing Rule 5.21.5, governance of Medusa's Mineral Resources and Ore Reserves development and management activities is a key responsibility of the Executive Management of the Company.

Independent geological and mine engineering consultants to Medusa oversee reviews and technical evaluations of the estimates and evaluate these with reference to actual physical, cost and performance measures. The evaluation process also draws upon internal skill sets in operational and project management, ore processing and commercial/financial areas of the business.

Mr Gary Powell (in consultation with nominated industry consultants) is responsible for monitoring the planning, prioritisation and progress of exploratory and resource definition drilling programs across the Company and the estimation and reporting of Resources and Reserves. These definition activities are conducted within a framework of quality assurance and quality control protocols covering aspects including drill hole siting, sample collection, sample preparation and analysis as well as sample and data security.

A four-level compliance process guides the control and assurance activities, viz:

- Provision of internal policies, standards, procedures and guidelines.
- Mineral Resources and Ore Reserves reporting based on well-founded geological and mining assumptions and compliance with external standards such as the Australasian Joint Ore Reserves Committee (JORC) Codes.
- External review of process conformance and compliance.
- Internal assessment of compliance and data veracity.

The Executive Management aims to promote the maximum conversion of identified mineralisation into JORC Code 2012 compliant Mineral Resources and Ore Reserves.

Medusa reports its mineral resources and ore reserves on an annual basis, in accordance with ASX Listing Rule 5.21 and clause 14 of Appendix 5A (the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, or the "JORC code", 2004 Edition and the 2012 Edition). Mineral resources are quoted inclusive of ore reserves.

Competent Persons named by Medusa are members of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, and qualify as Competent Persons as defined in the JORC Code 2012.

For further information please contact:

Geoff Davis, Chief Executive Officer

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JORC COMPLIANCE - CONSENT OF COMPETENT PERSONS

Medusa Mining Limited

Information in this report relating to **Exploration Results** and **Mineral Resources** has been directed and reviewed by Mr Gary Powell, and is based on information compiled by Philsaga Mining Corporation's Co-O mine-site technical personnel. Mr Powell is a member of The Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Powell is Manager Geology and Resources, and is a full time employee of Medusa Mining Ltd, 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 Powell 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

Information in this report relating to **Ore Reserves** is based on information compiled by Dr Spero Carras of Carras Mining Pty Ltd, who worked at the Co-O mine-site with Philsaga geologists and engineers. Dr Carras is a Fellow of the Australasian Institute of Mining & Metallurgy and has more than 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.

Dr Spero Carras has also acted as Independent Auditor of the **Mineral Resources**, and in this capacity Carras Mining Pty Ltd carried out parallel studies to validate the Mineral Resources estimated by Philsaga Mining Corporation's Co-O mine-site technical personnel. Dr Carras is a Fellow of the Australasian Institute of Mining & Metallurgy and has more than 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.

Cube Consulting Pty Ltd

Mr Mark Zammit of Cube Consulting Pty Ltd has conducted a high level review of the mineral resource estimation methodology. Mr Zammit is a member of the Australian Institute of Geoscientists 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.

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.