



MEDUSA MINING LIMITED

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ANNOUNCEMENT

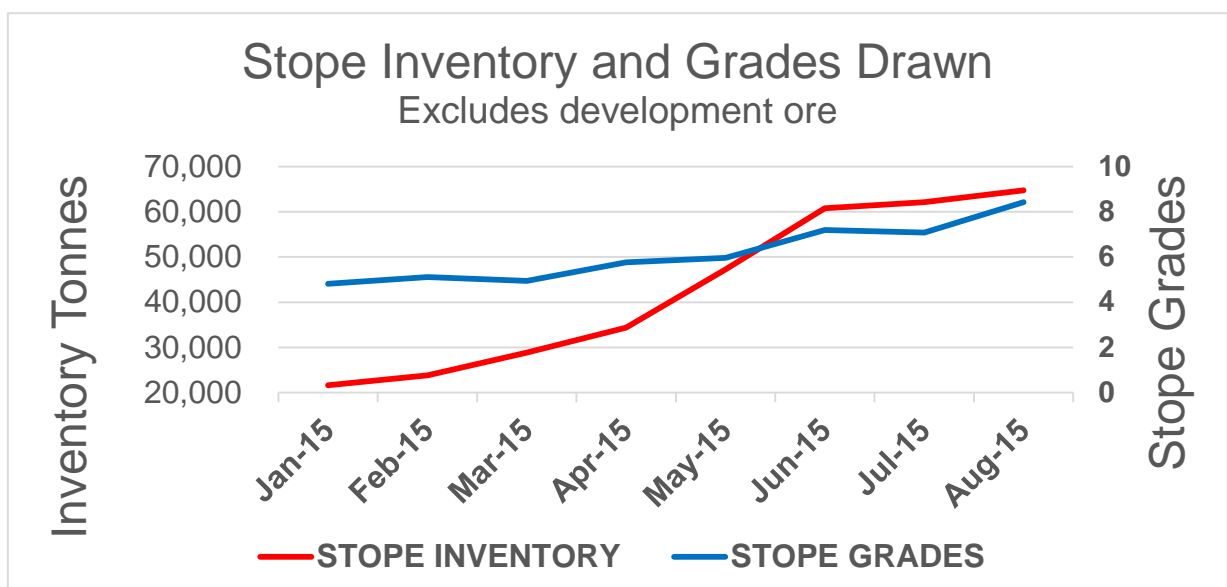
5 October 2015

**INVESTOR PRESENTATION
LONDON - 5th to 9th OCTOBER 2015**

Medusa Mining Limited (“Medusa” or the “Company”), through its Philippine affiliate, Philsaga Mining Corporation (“PMC”), provides the Investor Presentation for London during 5th to 9th October 2015, to be presented by Chief Operating Officer, Mr Rob Gregory.

The key points in the presentation are:

- As highlighted in the graph below, broken ore inventory build-up since January 2015 is now stabilised at the optimum level of between 60,000 to 70,000 tonnes;
- The grade of the ore drawn from the stopes has improved to 8.43 g/t gold at 31 August (from 7.20 g/t gold at 30 June 2015);
- Mill grades are trending upwards towards the 2015 reserve grade of 7.3 g/t gold;
- There are no changes to the production guidance of between 120,000 to 130,000 ounces for FY2015-16;
- The AISC is expected to improve steadily; and
- Indicated Resources and Probable Reserves levels have been maintained after mine depletion of 105,000 ounces for FY2104-15.



Geoff Davis, CEO of Medusa, commented:

"I am pleased to report that we are approaching the forecasted stope grades at the mine within the time-frame previously provided.

Our focus continues on cost reductions and we expect to see significant improvements over time. There are currently two major Capex projects in progress, the Tailings Storage Facility 5 which is expected to be completed shortly and the Service Shaft which is progressing on schedule and within budget."

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

Dr Spero Carras of Carras Mining Pty Ltd has 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 announcement 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.



MEDUSA

Gold producer focused on organic growth in the Philippines

INVESTOR PRESENTATION

OCTOBER 2015

CAPITAL STRUCTURE



SHARE CAPITAL

- Ordinary Shares: 207,794,301
- Unlisted Options: 4,200,000
- Market Capitalisation (as at 30 September 2015) ~ A\$79M

SUBSTANTIAL SHAREHOLDERS (as at 30 June 2015)

- Paradise Investment Management Pty Ltd 5.40%
- Dimensional Fund Advisors LP 5.00%

CASH ON HAND (at 30 June 2015) US\$14.2M

PRODUCTION STATISTICS

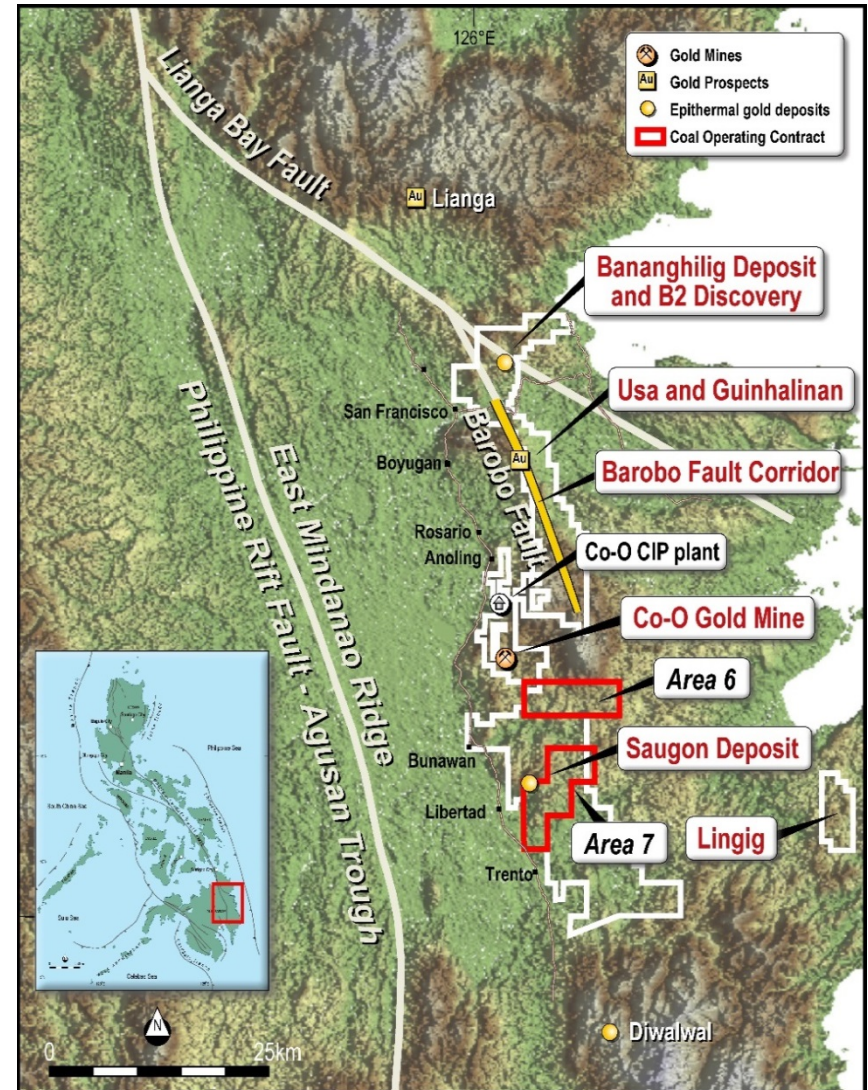


Description	Unit	Qtr ended 30 Sep 2014	Qtr ended 31 Dec 2014	Qtr ended 31 Mar 2015	Qtr ended 30 Jun 2015	FY ended 30 Jun 2015
Tonnes mined	WMT	160,851	174,658	157,489	166,497	659,495
Ore milled	DMT	140,234	160,251	135,725	146,095	582,311
Head grade	g/t	5.02	5.56	5.84	6.01	5.61
Recovery	%	92%	93%	94%	94%	93%
Gold produced	ozs	21,018	26,859	23,940	26,542	98,359
AISC	US\$/oz	Not reported	\$1238	\$989	\$1073	Not reported
Gold sold	ozs	22,491	28,190	17,169	29,350	97,200
Average gold price received	US\$	\$1,272	\$1,204	\$1,197	\$1,217	\$1,220

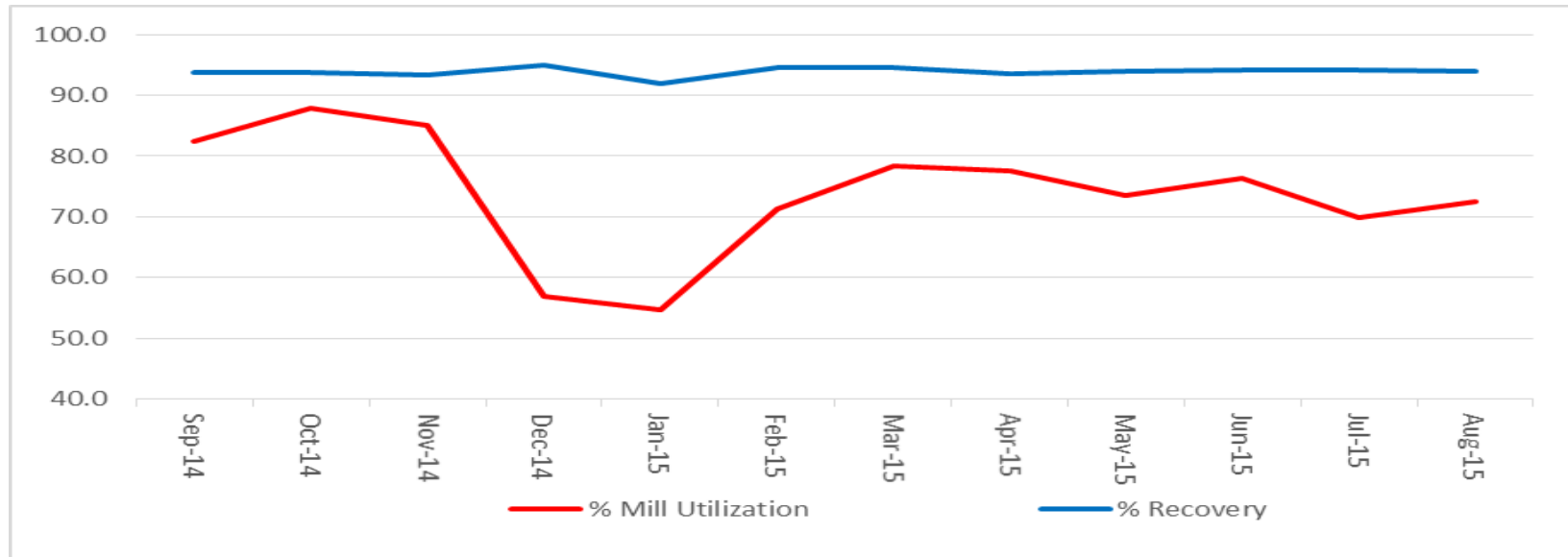
Philippines Focused



- ❑ Strategic land holding along well-mineralised Diwata Range
- ❑ Growing production at Co-O Mine by:
 - Increasing tonnage
 - Improving head grades
 - Improving efficiencies
 - Reducing costs
- ❑ Organic growth by;
 - Developing Bananghilig to production
 - Advancing Guinhalinan to Feasibility Study



Co-O MILL RECOVERIES AND UTILISATION



- ❑ Design Capacity 2,500 tpd (2015 average 2,160 tpd, per day operated)
- ❑ Recovery FYQ2-2015 at 94% (Metallurgical test work optimum 95%)
- ❑ New tailings storage facility construction in progress (completion Q3-2015)
- ❑ Grid power at mine and mill (100% standby diesel power at mine and mill)

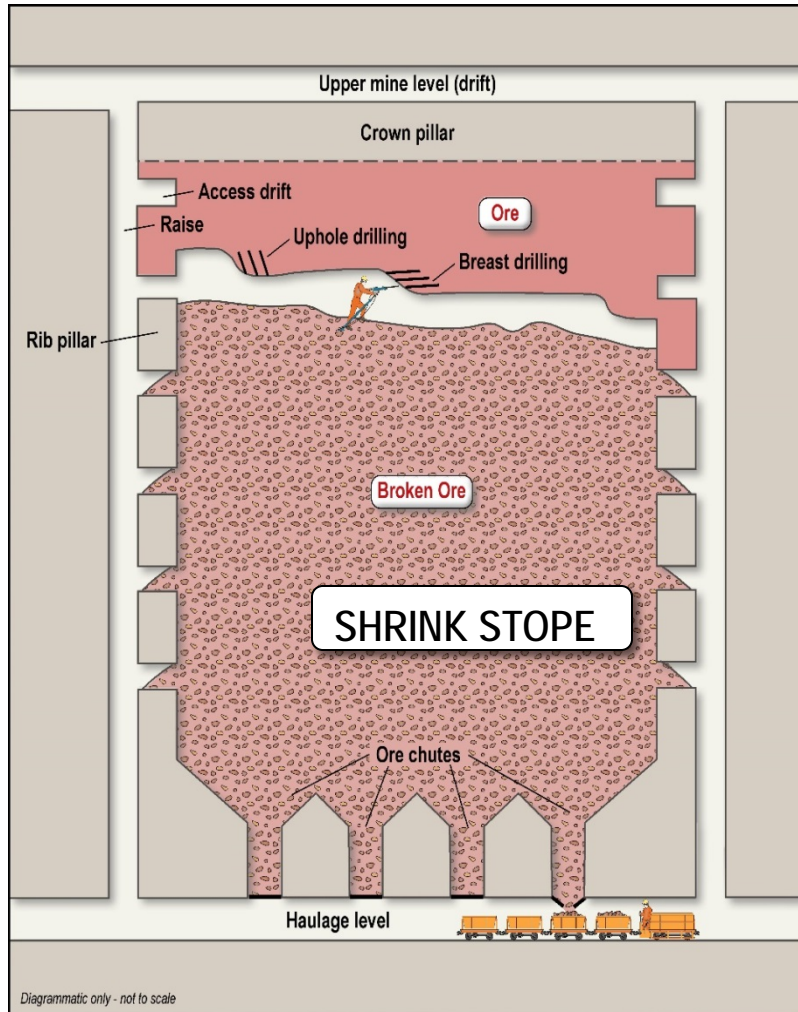


- ❑ 25 year Mining License 2008 (renewable by another 25 years)
- ❑ Hand held narrow vein mining
- ❑ Shrink stopes – steep veins
- ❑ Room & pillar – shallow veins
- ❑ Internal shaft to Level 10 installed.

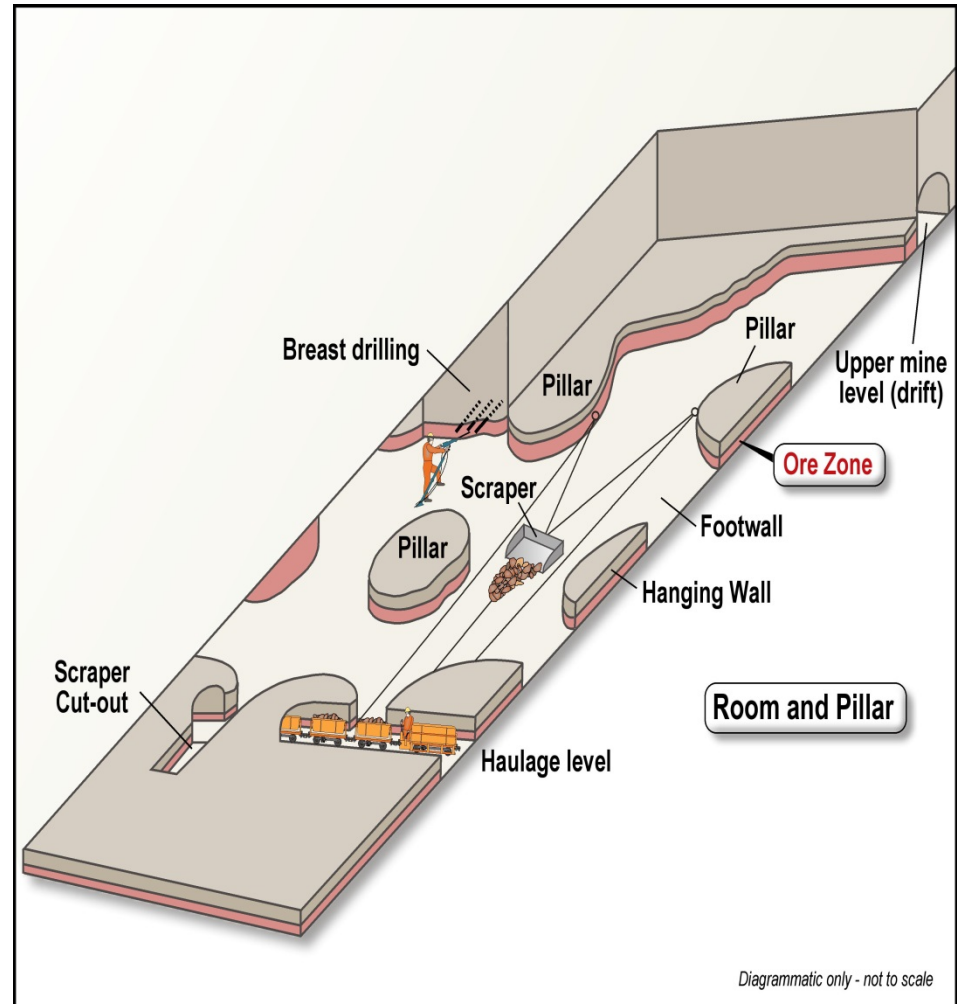


- ❑ 10 levels at 50 metre spacing
 - ~ 60 priority headings
 - ~ 100 stopes
 - 98 Battery Locomotives
 - $\geq 1,500$ metres development per month (21,150 metres for full year)

STOPPING METHODS



90% of Ore



10% of Ore

LEVEL 8 SHAFT

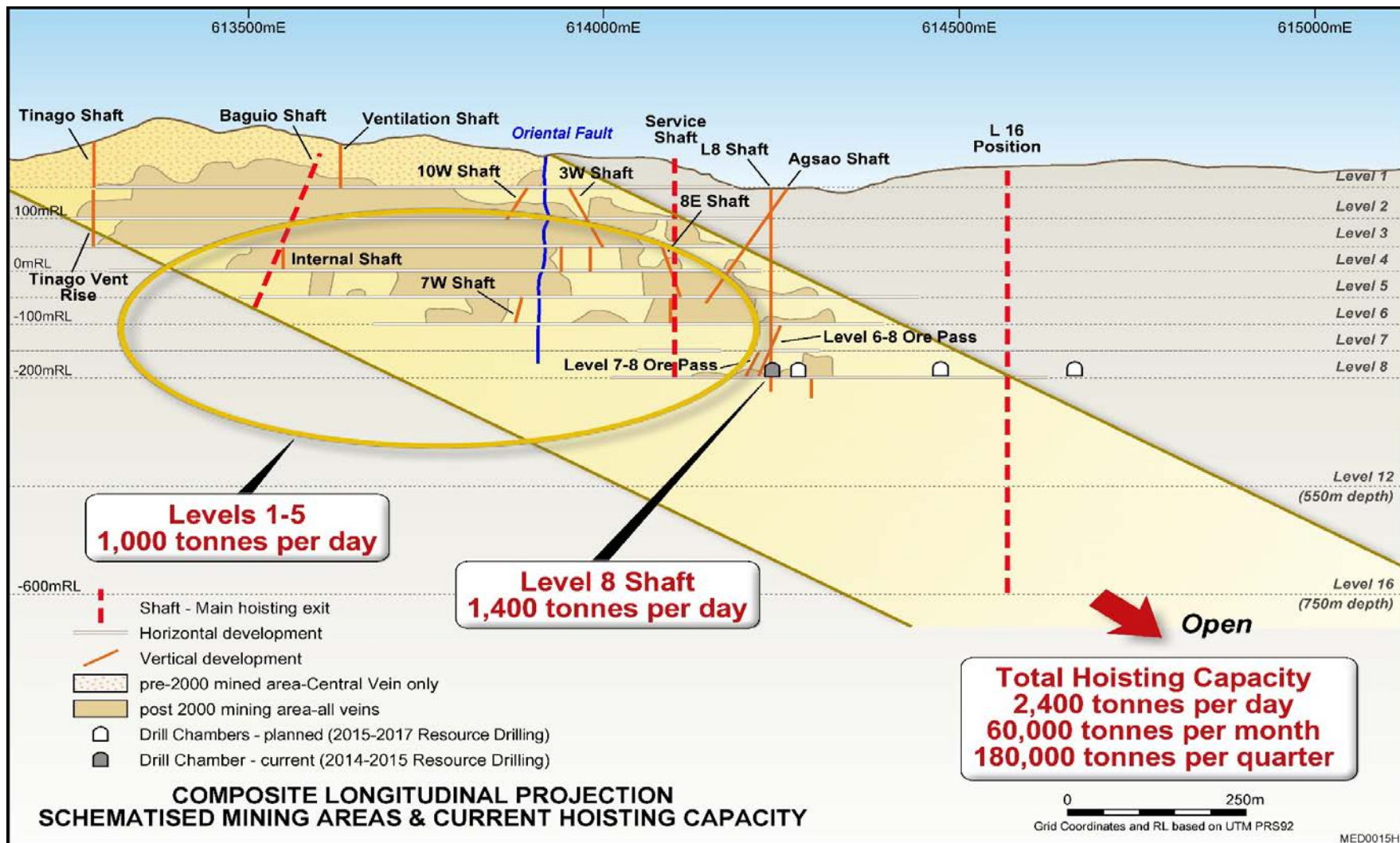


- Combined mine haulage capacity approximately 60,000 tonnes per month

- Skip size: 4.8 tonnes
- Double deck man-cage: 24 men



CURRENT HOISTING CAPACITY



CONTINUOUS IMPROVEMENTS



Tramming

- Installation of tramming loops at L8 Shaft loading hoppers allowing continuous one way traffic
- Underground fleet increased to 98 battery locomotives and 290 mine cars which will be increased to 400 over medium term to allow empty return cars to be left at work places
- Non-stick lining to mine cars being trialed to reduce carry-back and speed up dumping at ore bins

Ventilation

- Second 85kW axial fan being installed parallel to existing 85kW axial fan
- New ventilation district Levels 6-10 established with vent raises 60% complete. New 225kw centrifugal fan ordered which will be operational December quarter 2015

Stope Protocols

- New payment system based on breakage adopted
- Stope grades increased 50% thus far

Dewatering

- Dirty water (up to 20% solids) pumping system being installed

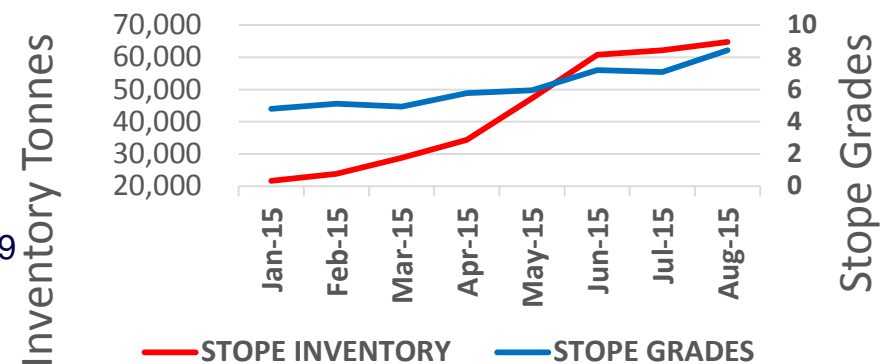
Internal Shafts

- Internal shafts being developed on ore to access Levels 9 and 10 with minimal waste development

Advanced Mine Planning Software

- All mine planning undertaken in 3D wire-framing

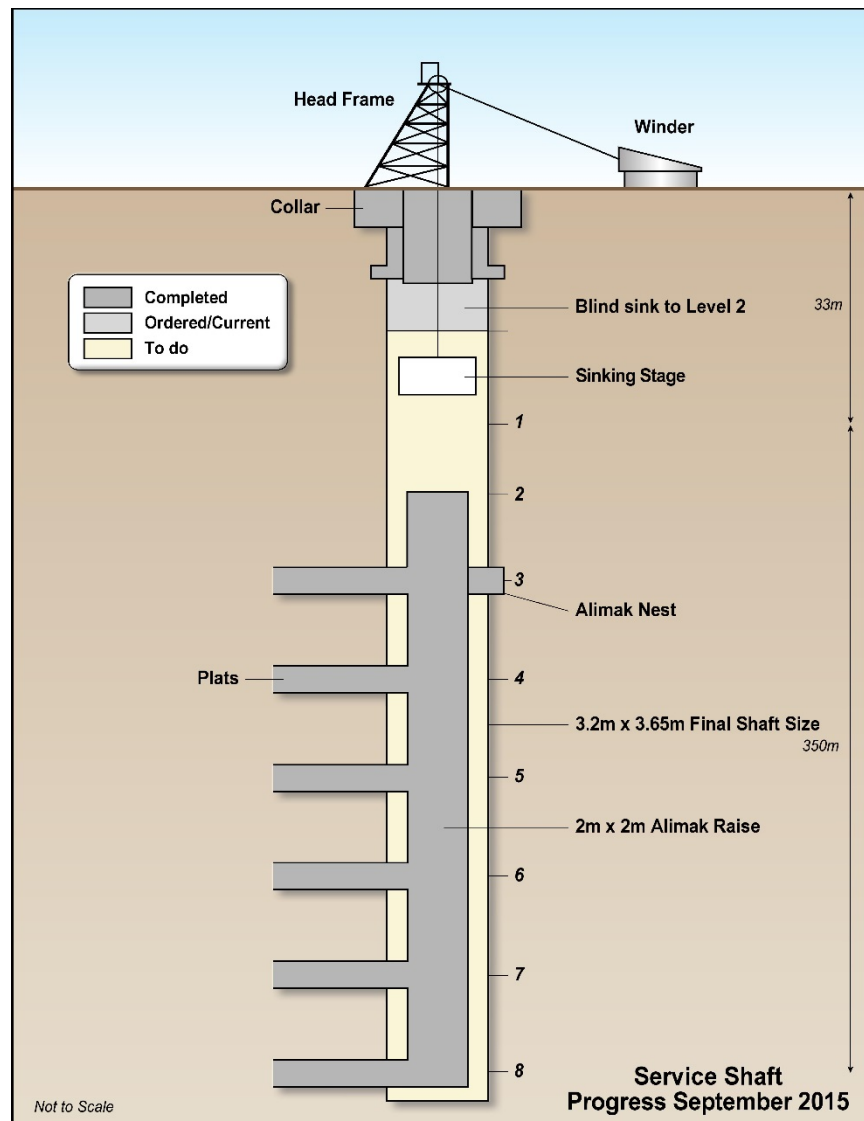
Stope Inventory and Grades Drawn



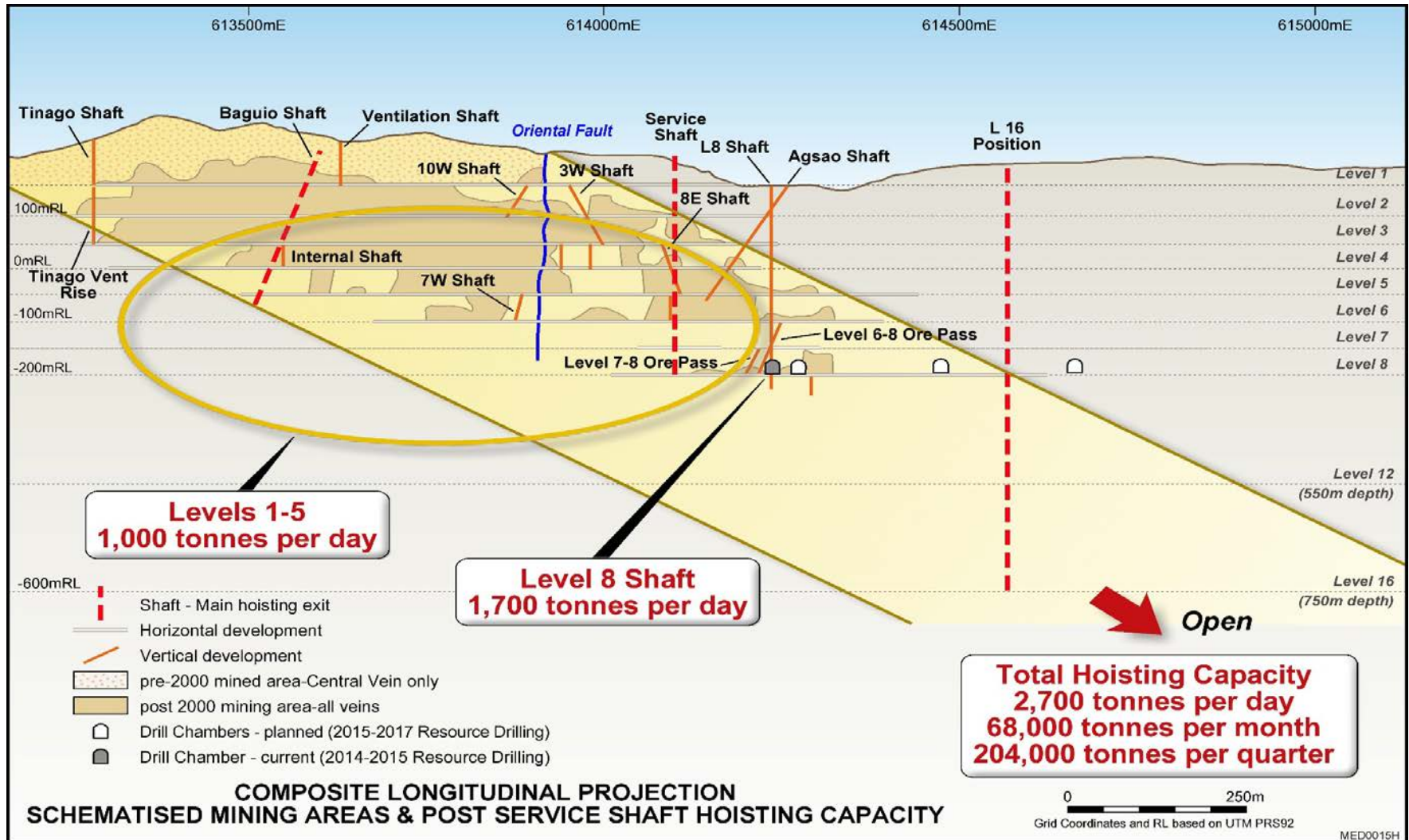


SERVICE SHAFT BENEFITS

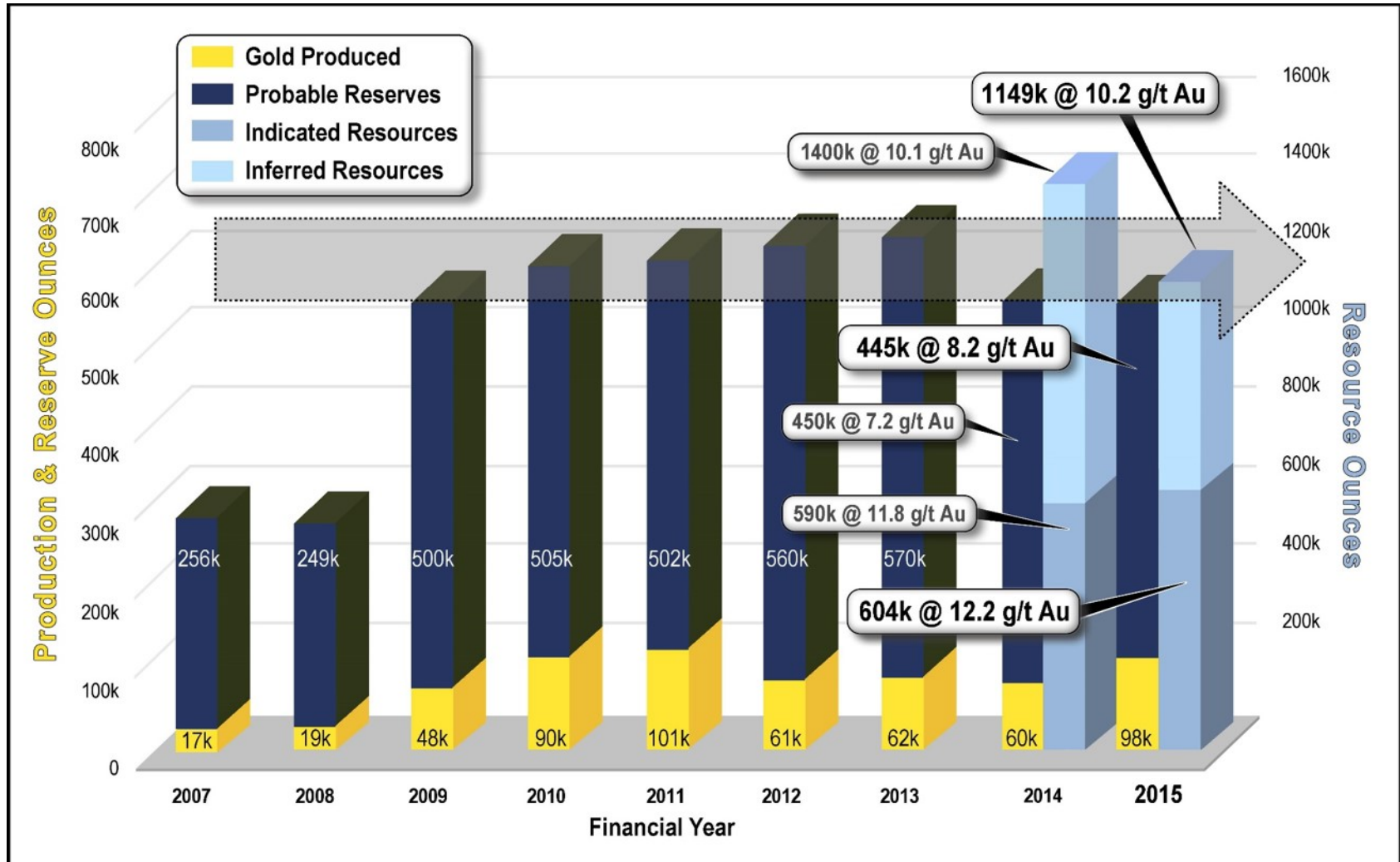
- ❑ All personnel will access Levels 3 to 8 via Service Shaft. Levels 1 & 2 will continue to use portals (currently personnel use ladderways from surface excepting Levels 7 and 8 that use L8 Shaft.)
- ❑ All materials for Levels 3 to 8 will use Service Shaft (currently materials lowered via L8 Shaft or internal shafts)
- ❑ The elimination of personnel and materials from L8 Shaft and internal shafts will leave these to exclusively hoist ore.
- ❑ Continuous and easy access to all levels for Supervision and Maintenance personnel will result in greater efficiencies and operating cost reduction.



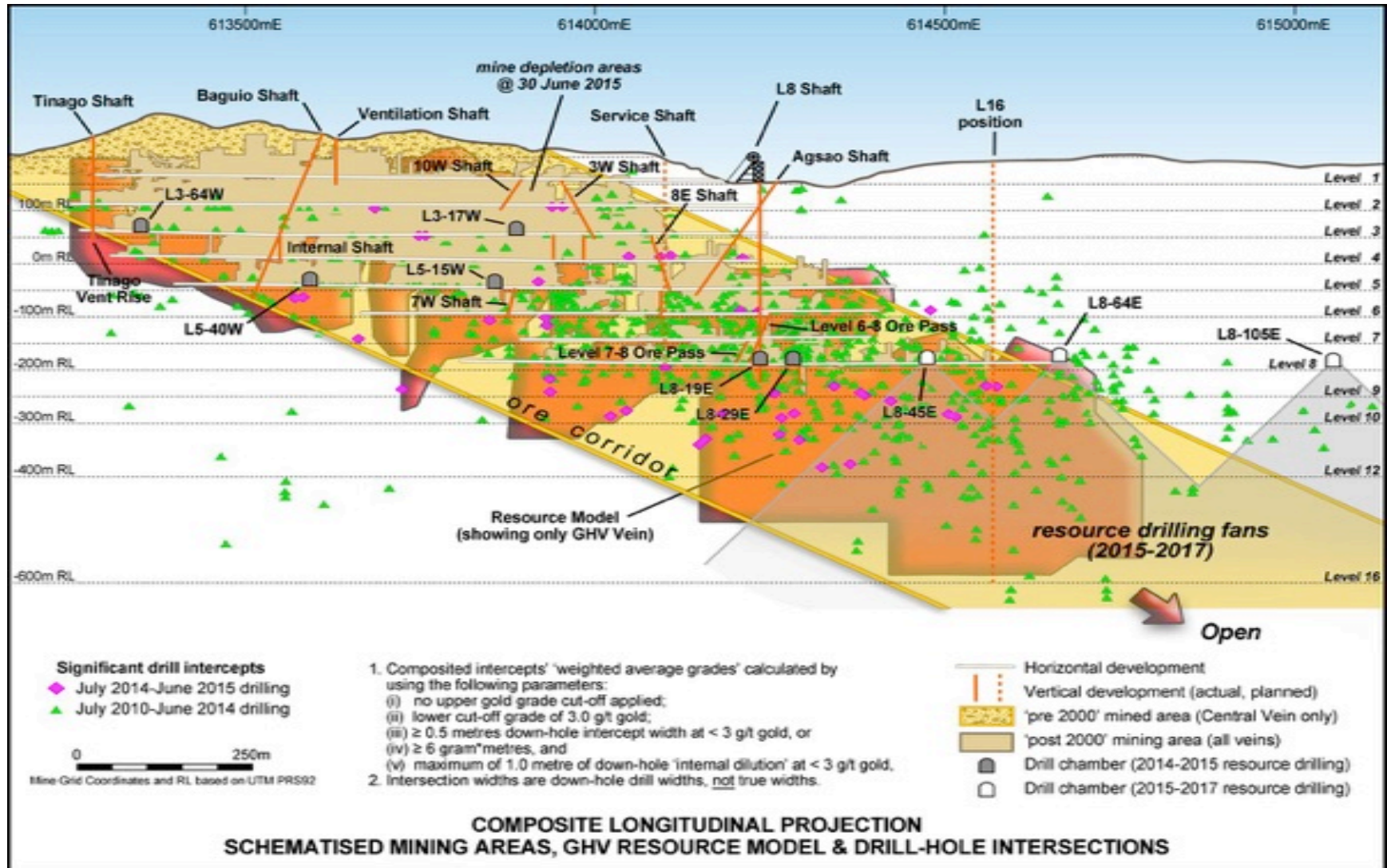
POST SERVICE SHAFT HOISTING CAPACITY



Co-O MINE RESERVES and RESOURCES



Co-O MINE LONGITUDINAL PROJECTION



FISCAL YEAR 2015-16 GUIDANCE



Description	Unit	2015-2016
Production guidance	ounces	120,000 to 130,000
AISC ⁽¹⁾	US\$ /ounce	US\$900 to US\$1,000
Capital expenditure (sustaining) (includes resource drilling)	US\$	US\$10M
Capital expenditure	US\$	US\$15M
Exploration expenditure	US\$	US\$4M

Note (1): included in AISC is capital expenditure for Service Shaft approximately US\$80 per ounce

- AISC will be elevated in medium term whilst key infrastructure projects are underway but will reduce once completed and cost efficiencies are achieved.
- Improved grade (from stope protocols) and tonnage (after Service Shaft operating) will contribute to AISC reduction.

TAMBIS DISTRICT

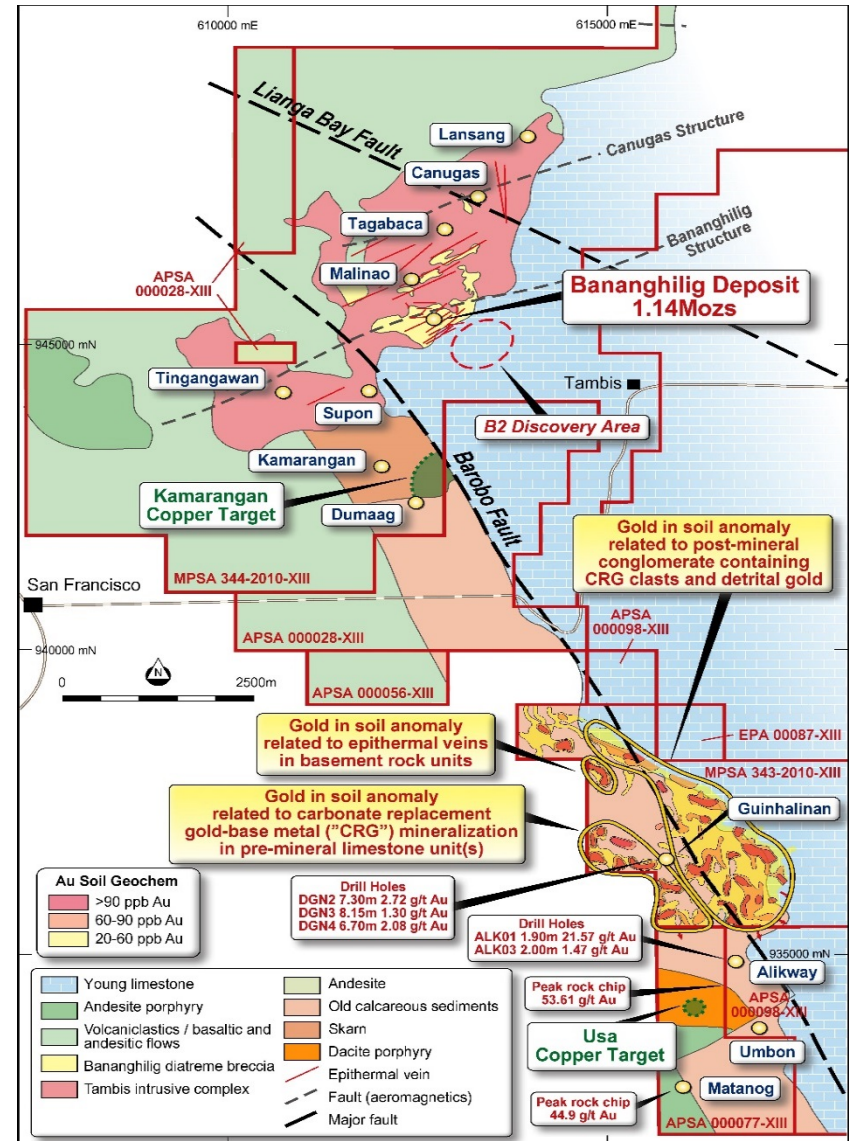


Bananghilig Deposit

- ❑ 1.14 million ounces at 1.4 g/t gold in diatreme breccia
- ❑ B2 Discovery Area extension
- ❑ New resource estimate by December 2015

Guinhalinan Prospect

- ❑ Regional scale 5km long high value gold in soil anomaly
- ❑ Silica replacement of multiple calcareous sediment horizons
- ❑ Scout drilling commencing shortly



COMMUNITY, ENVIRONMENT AND SAFETY



❑ Education

- Scholarships and assistance
- Adopt-a-school programs in 23 schools
- Over 9,840 students benefitting

❑ Co-O Mine 16 bed hospital with doctors

❑ Community Development

- Micro loans to rice farmers
- Day care & community health centres
- Road maintenance and bridge building
- Construction of community buildings
- Water projects

❑ Environmental Protection Enhancement

- Environmental monitoring
- Re-forestation using rubber plantations
- Rehabilitation of tailings dams

❑ Safety

- LTAFR for CY to 30 June 2015: 0.25
- LTAFR for Q4, FY 2015: 0.39
- Annual Safety Audit planned before December 2015

❑ ISO 14001 Certification

- In progress, completion late 2016

SUMMARY



- FY 14-15 guidance achieved
- FY 15-16 guidance 120K to 130K ounces
- Co-O: Service Shaft in progress
- Bananghilig: new resource/reserve estimates commencing, then scoping studies
- Guinhalinan: high quality exploration target



MINERAL RESOURCE AND RESERVE QUALIFICATIONS

(Refer to ASX announcement dated 25 September 2014)

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 (08 August 2013).
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 was 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 Indicated 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 the minimum mining width, and extra 0.25 metres dilution was added to the hanging wall.
- a further 10% dilution have been allowed for slabbing in mining of low angle stopes under draw,
- shape dilution of 5% of extra tonnage at 2 g/t gold, 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, 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 one 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

MINERAL RESOURCES AND RESERVES



Deposit	Category	Tonnes	Grade (g/t gold)	Ounces Gold
<u>MINERAL RESOURCES</u> ³				
Co-O Resources ¹ (JORC Code 2012)	Indicated	1,560,000	12.2	604,000
	Inferred	1,958,000	8.6	545,000
Total Co-O Resources	Indicated & Inferred	3,504,000	10.2	1,419,000
Bananghilig Resources ² (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 ² (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
<u>ORE RESERVES</u> ³				
Co-O Reserves ¹ (JORC Code 2012)	Probable	1,811,000	7.33	427,000
TOTAL RESERVES	Probable	1,811,000	7.33	427,000

Notes:

- 1 Co-O mineral resources and ore reserves estimated under guideline of JORC Code 2012.
- 2 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 (08 August 2013).
- 3 See Appendix 1. for Resource and Reserve Qualifications.

IMPORTANT NOTICE



This presentation contains only a brief overview of Medusa Mining Limited and its associated entities (“Medusa”) and their respective activities and operations. The contents of this presentation (including matters relating to the geology of Medusa’s projects), may rely on various assumptions and subjective interpretations which is not possible to detail in this presentation and which have not been subject to any independent verification.

This presentation contains a number of forward-looking statements. Known and unknown risks and uncertainties, as well as factors outside of Medusa’s control, may cause the actual results, performance and achievements of Medusa to differ materially from those expressed or implied in this presentation. Medusa does not warrant the accuracy, currency or completeness of the information with respect to forward-looking statements contained in this presentation, nor the future performance of Medusa.

To the maximum extent permitted by law, Medusa and its officers, employees and advisers are not liable for any loss or damage (including, without limitation, any direct, indirect or consequential loss or damage) suffered by any person directly or indirectly as a result of relying on this presentation or otherwise in connection with it.

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The information contained in this presentation is not a substitute for detailed investigation or analysis of any particular issue and has been prepared without consideration of your objectives and needs and financial position. Current and potential investors and shareholders should seek independent advice before making any investment decision in regard to Medusa or its activities.

JORC CODE 2012 COMPLIANCE - CONSENT OF COMPETENT PERSONS

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.

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.

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.



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Board of Directors:

Andrew Teo (Non-executive Chairman)
Raul Villanueva (Executive Director)
Robert Weinberg (Non-executive Director)
Ciceron Angeles (Non-executive Director)

Management:

Geoffrey Davis (Chief Executive Officer)
Robert Gregory (Chief Operating Officer)
Peter Alphonso (Chief Financial Officer)
Gary Powell (Manager Geology and Resources)

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