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MEDUSA

Gold producer focused on organic growth in the Philippines

INVESTOR PRESENTATION

FEBRUARY 2015

CAPITAL STRUCTURE



SHARE CAPITAL

- Ordinary Shares: 207,794,301
- Unlisted Options: 3,200,000
- Market Capitalisation (as at 29 January 2015) ~ A\$171M

SUBSTANTIAL SHAREHOLDER

- Van Eck Associates Corporation 10.29 %

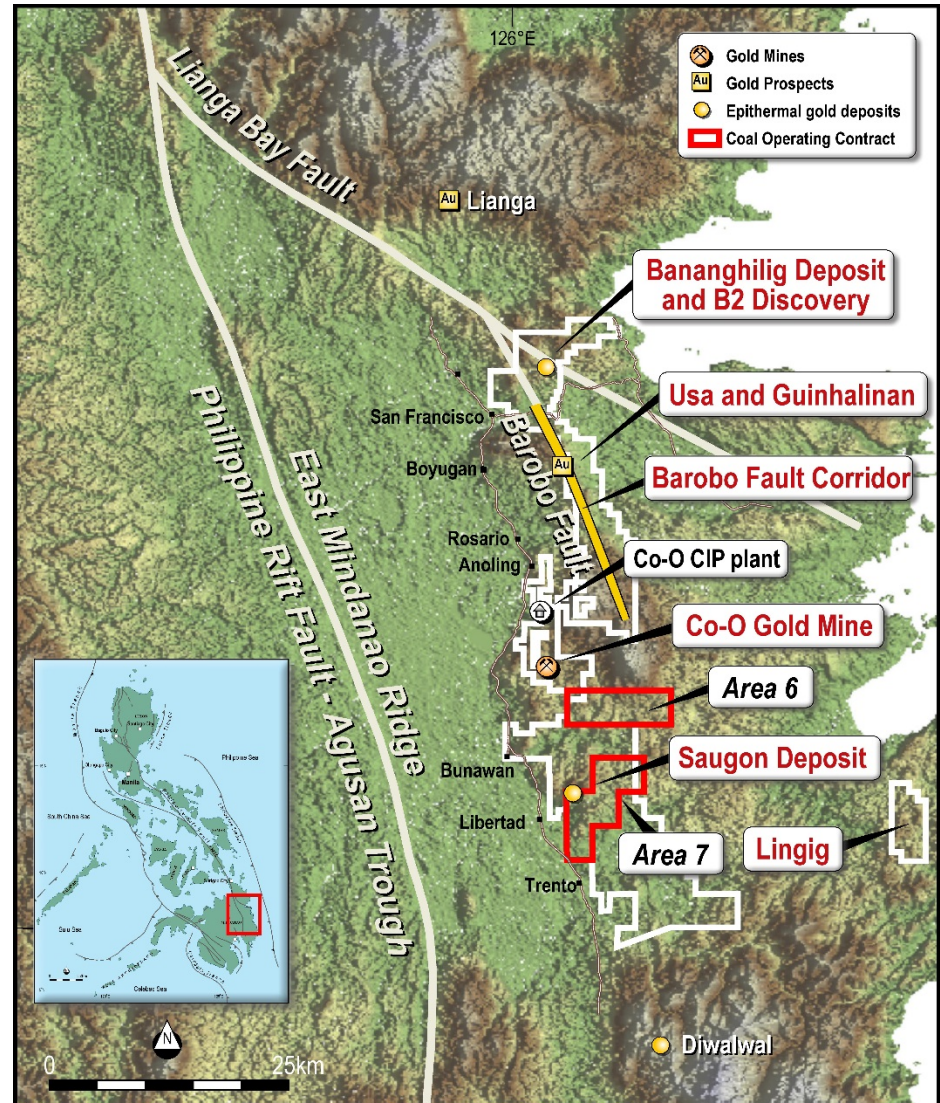
CASH ON HAND (at 31 December 2014) US\$13.6M

FISCAL YEAR 2014-15 GUIDANCE



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- ❑ Forecasted gold production: 95,000 to 100,000 ounces
- ❑ Average head grade of > 5 g/t
- ❑ Mill recovery > 92%
- ❑ Forecasted cash costs: US\$400 to US\$450 per ounce
- ❑ Forecasted AISC: US\$900 to US\$1,000 per ounce
- ❑ Immediate focus:
 - improving efficiencies; and
 - reducing costs



PRODUCTION STATISTICS



Description	Unit	Qtr ended 31 Dec 2014	Qtr ended 30 Sep 2014	Qtr ended 30 Jun 2014	Qtr ended 31 Mar 2014	HY ended 31 Dec 2014
Tonnes mined	WMT	174,658	160,851	153,238	146,017	335,509
Ore milled	DMT	160,251	140,234	129,074	140,879	300,485
Head grade	g/t	5.56	5.02	4.99	4.20	5.31
Recovery	%	93%	92%	85%	85%	93%
Gold produced	ozs	26,859	21,018	17,615	16,200	47,877
Cash costs ⁽¹⁾	US\$/oz	\$380	\$382	\$431	\$398	\$381
Gold sold	ozs	28,190	22,491	22,766	15,843	50,682
Average gold price received	US\$	\$1,204	\$1,272	\$1,292	\$1,299	\$1,234

⁽¹⁾ Net of development costs and includes royalties and local business taxes but no by-product credits

Co-O MILL



- ❑ SAG mill operating satisfactorily
- ❑ Recovery FYQ2-2015 at 93%
- ❑ Tailings storage facility #5 construction to commence shortly
- ❑ Grid power at mine and mill
(standby diesel power at mine and mill)
- ❑ Two new tanks to increase leach time and flexibility due on line March 2015



MINERAL RESOURCES AND RESERVES



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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	11.8	590,000
	Inferred	2,780,000	9.2	820,000
Total Co-O Resources	Indicated & Inferred	4,340,000	10.1	1,410,000
Bananghilig Resources ² (JORC Code 2004)	Indicated	16,060,000	1.5	770,000
	Inferred	8,460,000	1.4	370,000
Total Bananghilig Resources	Indicated & Inferred	24,520,000	1.4	1,140,000
Saugon Resources ² (JORC Code 2004)	Indicated	50,000	7.0	10,000
	Inferred	30,000	4.6	10,000
Total Saugon Resources	Indicated & Inferred	80,000	6.0	20,000
Total Resources	Indicated	17,670,000	2.4	1,370,000
Total Resources	Inferred	11,270,000	3.3	1,200,000
TOTAL RESOURCES	Indicated & Inferred	28,940,000	2.8	2,570,000
<u>ORE RESERVES</u> ³				
Co-O Reserves ¹ (JORC Code 2012)	Probable	1,920,000	7.2	450,000
TOTAL RESERVES	Probable	1,920,000	7.2	450,000

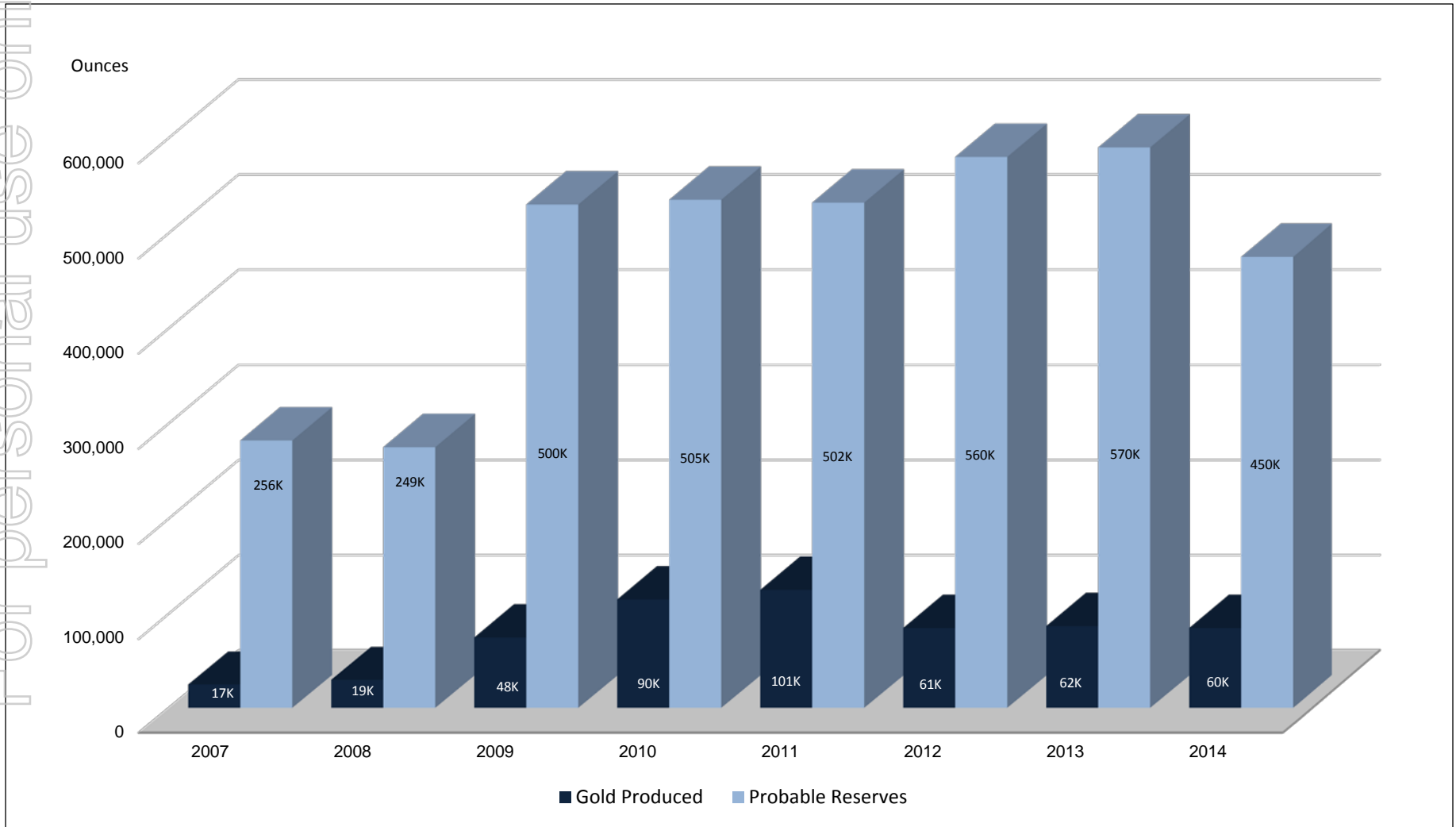
Notes:

- 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.

Co-O MINE RESERVES



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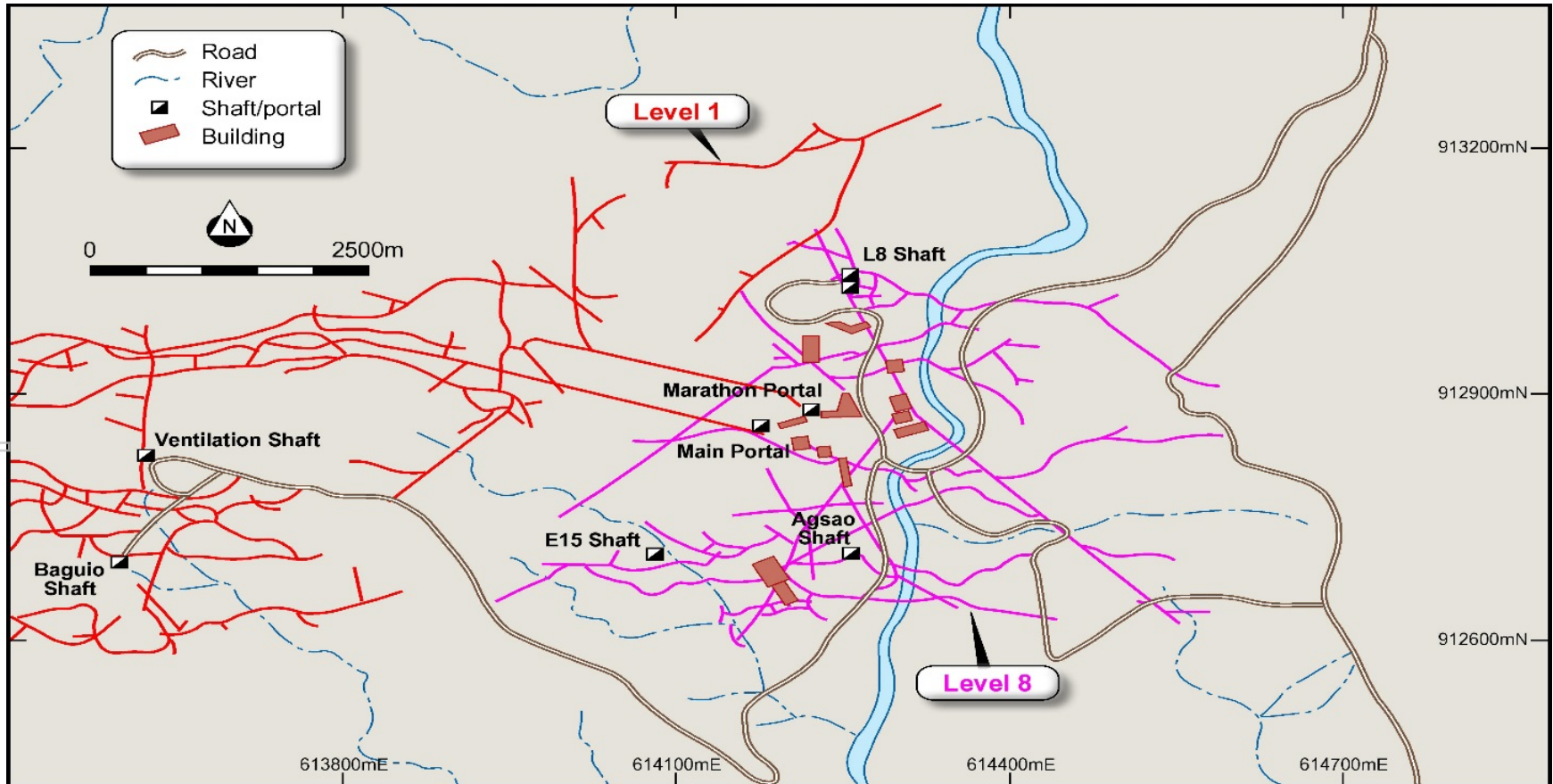


Co-O MINE



- 25 year Mining Licence 2008 (renewable by another 25 years)
- Winze from Level 9 to Level 10 completed
- Life of mine haulage plan being formulated

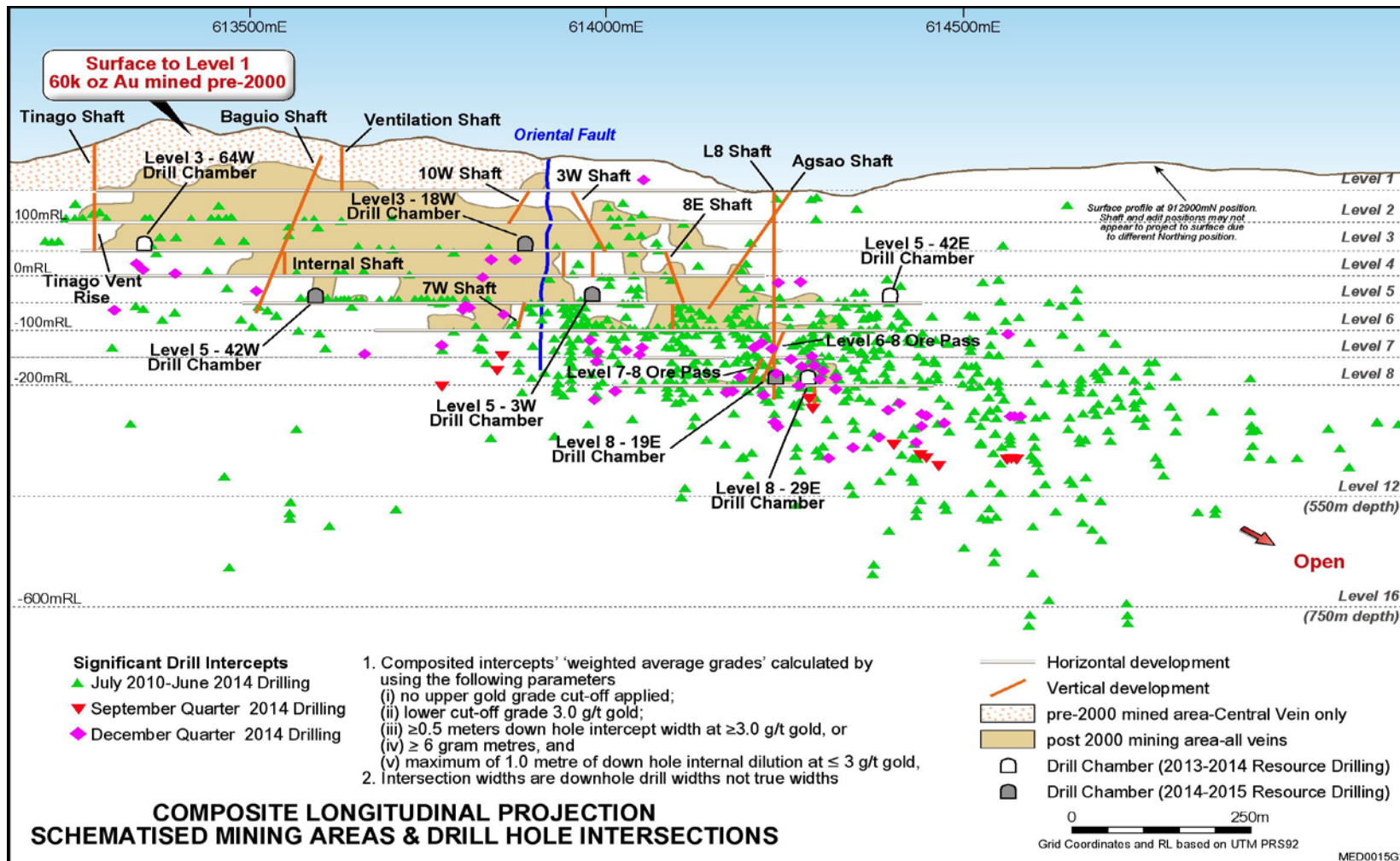
- 10 levels at 50 metre spacing
 - ~ 60 priority headings
 - ~ 100 stopes
 - ≥ 1,500 metres development per month (3,995 metres for Q2)





Co-O MINE LONGITUDINAL PROJECTION

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LEVEL 8 SHAFT UPGRADE COMPLETED



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- Completed on schedule
- Larger skip (3.6 tonnes to 4.8 tonnes)
- Double deck man-cage (12 men to 24 men)
- Combined mine haulage increased from approximately 45,000 tonnes to approximately 60,000 tonnes per month



FORWARD MINE SCHEDULE PRODUCTION



Period	1-5 Hoisting	L8 Shaft	L16 Shaft	Total
Current	1,015 tpd	717 tpd	-	1,732 tpd
L8 upgrade	↓ 1,015 tpd	1,404 tpd	-	2,419 tpd
L16 start	↓ ~300 - 600 tpd	↓ 1,728 tpd	~400 - 700 tpd	2,743 tpd
At depth	-	↓ <1,000 tpd	~1,000 - 2,700 tpd	2,700 tpd

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TAMBIS DISTRICT

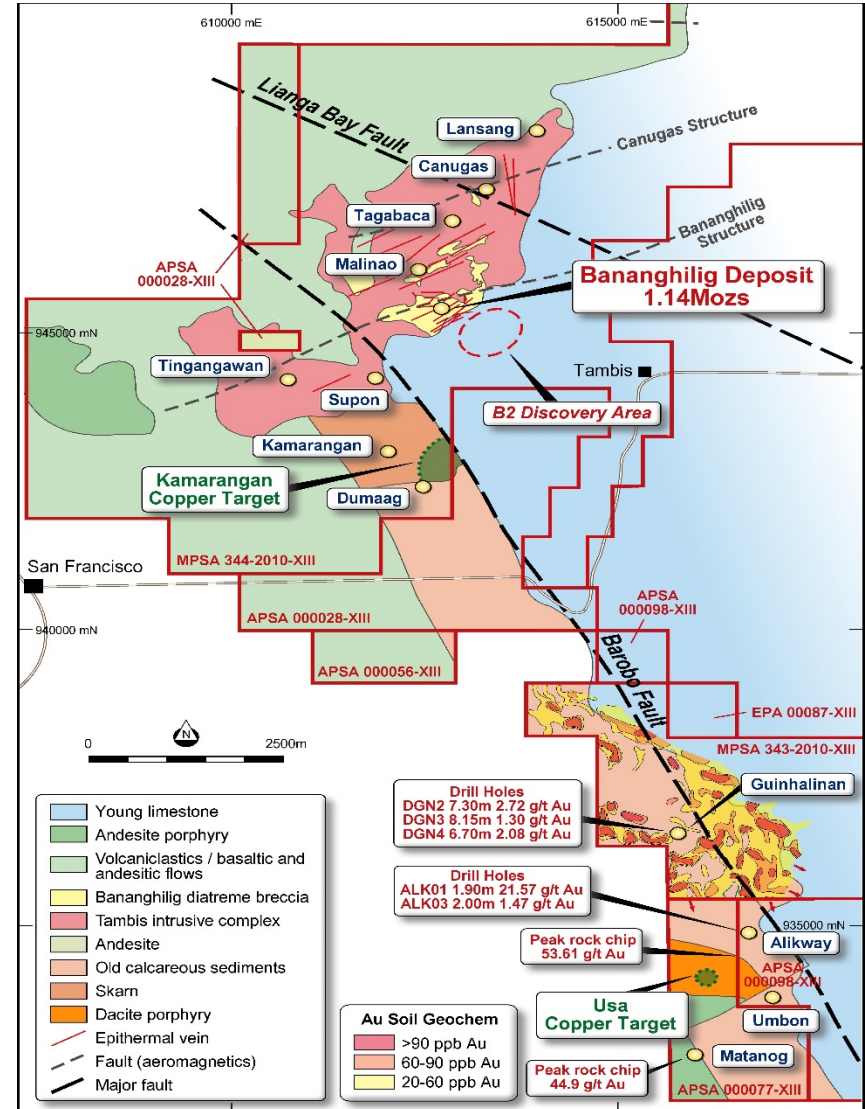


Bananghilig Deposit

- 1.14 million ounces at 1.4 g/t gold in diatreme breccia
- B2 Discovery Area extension
- Geological re-interpretation of Bananghilig mineralisation

Guinhalinan Prospect

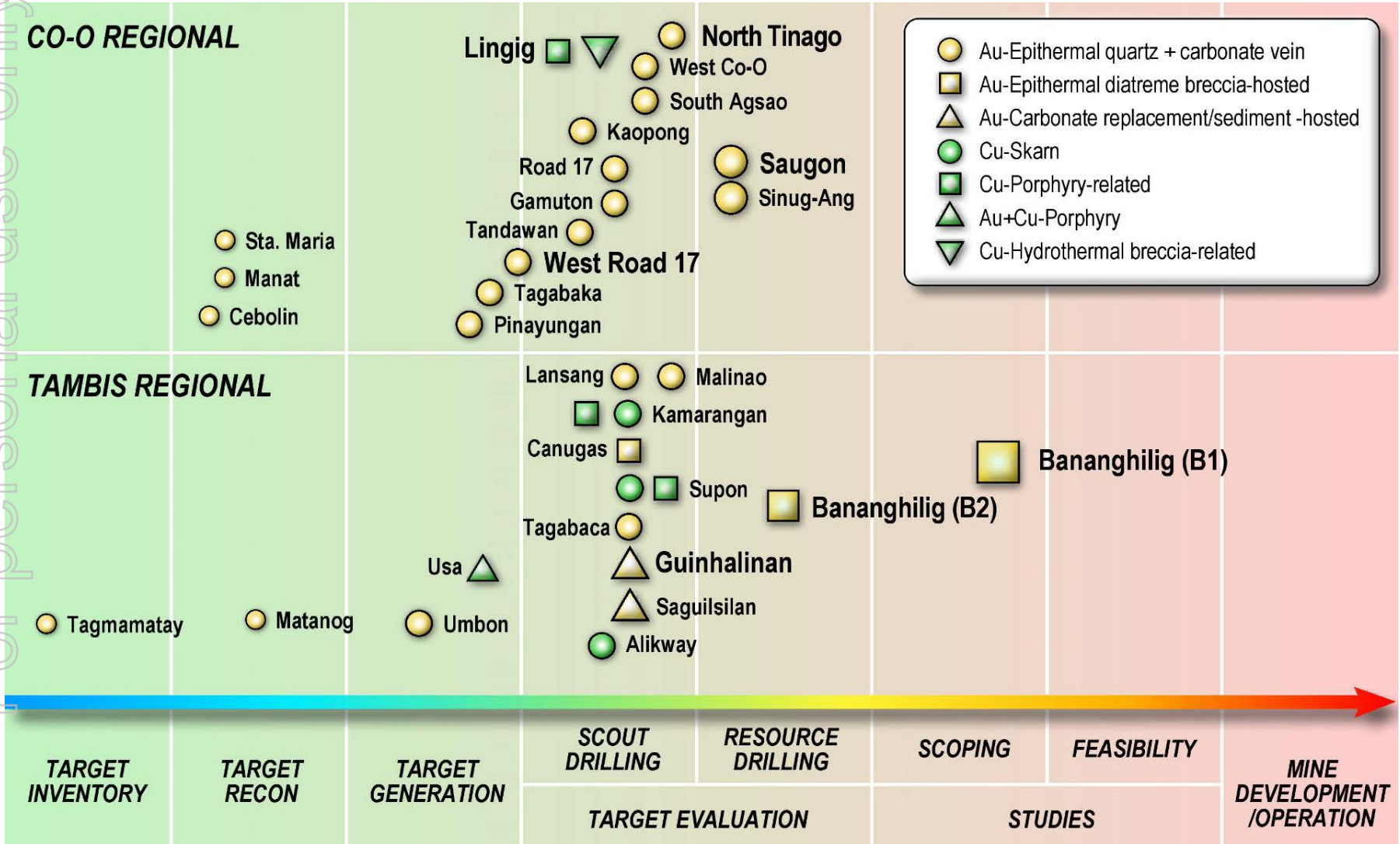
- Regional scale 5km long high value gold in soil anomaly
- Silica replacement of multiple calcareous sediment horizons



EXPLORATION PIPELINE



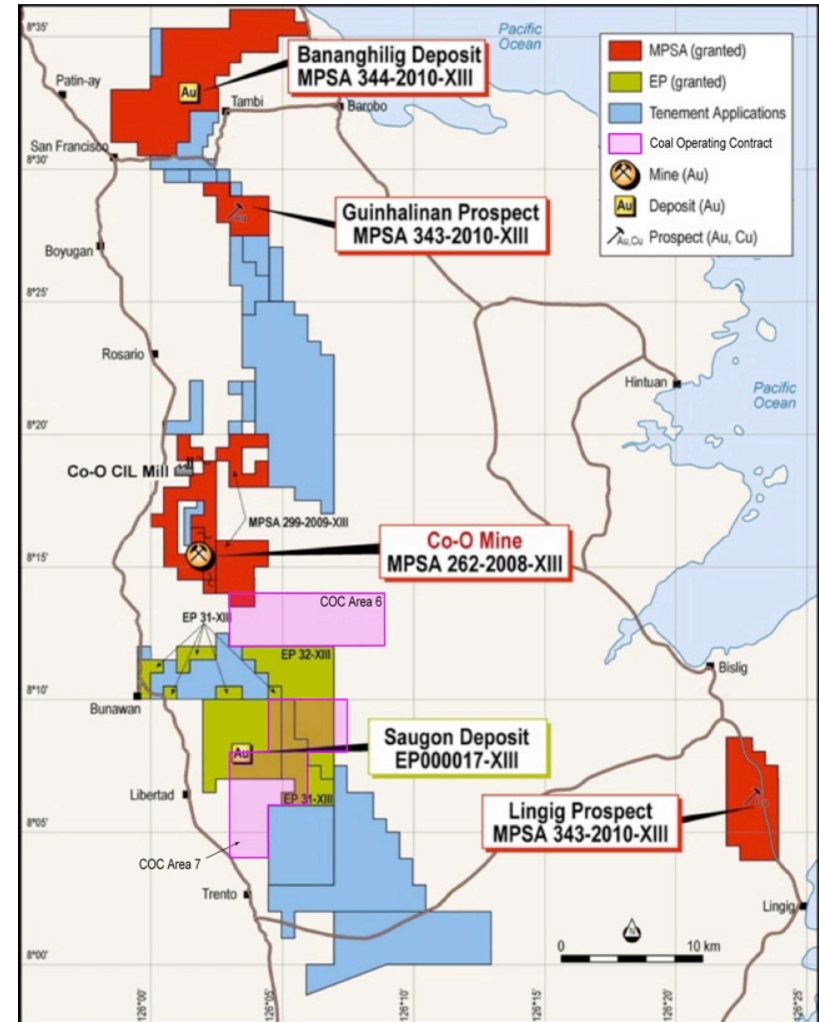
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FUTURE POWER SECURITY



- 9,000 ha of Coal Operating Contracts with known coal beds
- Immediately adjacent to Co-O operations
- Signed HOA with Swan Energy Pty Ltd to:
 - 1) Build, own and operate 30MW power station
 - 2) Exclusively provide power to the Company's operations
 - 3) Fixed power costs for 10 years



COMMUNITY, ENVIRONMENT AND SAFETY



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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 31 Dec 2014: 0.25
- LTAFR for Q2, FY 2015: 0.17
- Annual Safety Audit completed in August 2014 with no major issues identified

SUMMARY



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- HY guidance achieved
- FY guidance 95K to 100K ounces
- Co-O: mine planning for long term
- Bananghilig: pre-development
- Guinhalinan: high quality exploration target

APPENDIX 1.



MINERAL RESOURCE AND RESERVE QUALIFICATIONS

(Refer to ASX announcement dated 25 September 2014)

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).

Mineral Resources:

Co-O:

- a lower cut-off of 3.0 g/t gold, minimum mining widths of 1.2 metres, minimum diluted grade of 2.7 g/t gold, minimum grade x width of 3.2 g.m/t have been applied.
- various upper cuts (up to 300 g/t gold) have been applied to different veins.
- 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 was applied

Rounding to the nearest 10,000 may result in some slight discrepancies in totals

Ore Reserves:

Ore Reserves are a subset of Indicated Mineral Resources

Co-O:

- minimum mining widths of 1.25 metres (stopes $\geq 60^\circ$) and 1.5 metres (stopes $< 60^\circ$) 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 8% of extra tonnage at 2 g/t gold, for extra development and to reflect pinch and swell of veins,
- 85% mining recovery for stopes < 10 g/t gold,
- 90% mining recovery for stopes ≥ 10 g/t gold,
- 50% of pillars for empty stopes in major veins are included in reserve and diluted to 200%,
- a cut-off grade of 2.0 g/t gold has been applied for development ore
- a cut-off grade averaging 3.0 g/t gold has been applied to broken ore (dependent on closeness to hoisting point)
- a cut-off grade of 3.8 g/t gold has been applied to developed stopes
- a cut-off grade of 4.3 g/t gold has been applied to un-developed stopes
- a gold price of US\$1,250 has been applied

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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.



MEDUSA

www.medusamining.com.au

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

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