



MEDUSA

MEDUSA MINING LIMITED

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ANNOUNCEMENT

9 May 2015

INVESTOR PRESENTATION

(ASX: MML)

Please find attached a PowerPoint Presentation which the Company will present to Investors in May 2016.

Outlined below are Competent Persons' Consents in relation to resource and reserve information which appears in the Investor Presentation.

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.

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MEDUSA

Gold producer focused on organic growth in the Philippines

MEDUSA MINING LIMITED

(ASX:MML)

MAY 2016 INVESTOR PRESENTATION

MEDUSA SNAPSHOT



- ❑ ASX listed gold producer; Philippine focused
- ❑ Co-O Mine Resource 1.15 million ounces (Sep 2015)
- ❑ Co-O Mine Reserve 427,000 ounces (Sep 2015)
- ❑ Low cost, unhedged, no long-term debt
- ❑ Co-O production drivers
 - Major resource to reserve conversion drilling program commenced January 2016
 - Mine infrastructure projects
 - Material handling efficiencies
 - Cost management initiatives
- ❑ Organic growth
 - Near-mine exploration potential
 - Bananghilig Resource re-estimation 30 June 2016
 - Generative exploration program

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CAPITAL STRUCTURE



□ Share Capital

- Ordinary shares: 207,794,301
- Unlisted options: 3,740,500
- Market capitalisation (as at 31 Mar 2016): ~ A\$162M

□ Cash On Hand

- as at 31 Mar 2016: US\$16.8M

□ Substantial Shareholders (as at 31 Mar 2016)

- Ruffer LLP Group: 6.47%
- Paradise Investment Management Pty Ltd: 5.88%
- Dimensional Fund Advisors LP: 4.25%

52% of shares institutionally held

PRODUCTION STATISTICS



- ❑ Expected gold production for 2015-16 FY ~ 108,000 ounces
- ❑ Total gold produced from Co-O from Oct 2005 to Mar 2016 ~ 646,000 ounces

Description	Unit	Qtr end 31 Mar 15	Qtr end 30 Jun 15	Qtr end 30 Sep 15	Qtr end 31 Dec 15	Qtr end 31 Mar 16
Tonnes mined	WMT	157,489	166,497	166,620	159,149	148,478
Ore milled	DMT	135,725	146,095	151,463	144,123	132,393
Head grade	g/t	5.84	6.01	6.80	6.79	5.47
Recovery	%	94%	94%	94%	94%	94%
Gold produced	ozs	23,940	26,542	31,495	29,674	21,980
Gold sold	ozs	17,169	29,350	31,176	30,835	20,999
Average gold price received	US\$	\$1,217	\$1,197	\$1,121	\$1,096	\$1,173
Cash costs ⁽¹⁾	US\$/oz	\$391	\$390	\$439	\$435	\$494
All-In-Sustaining-Costs	US\$/oz	\$989	\$1,073	\$953	\$950	\$1,033

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

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NEAR TERM STRATEGY



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- ❑ Sustainable 110,000 ounces per annum gold production
- ❑ Intensive L8 U/G drilling to define reserves from L10 to L16
 - Reserve conversion drives a +110k ounce per annum LOMP
- ❑ Mill at 80% utilization; re-focus on near-mine exploration
 - Push for +110k ounces per annum objective
- ❑ Sustaining capital projects financed by operating cash flow

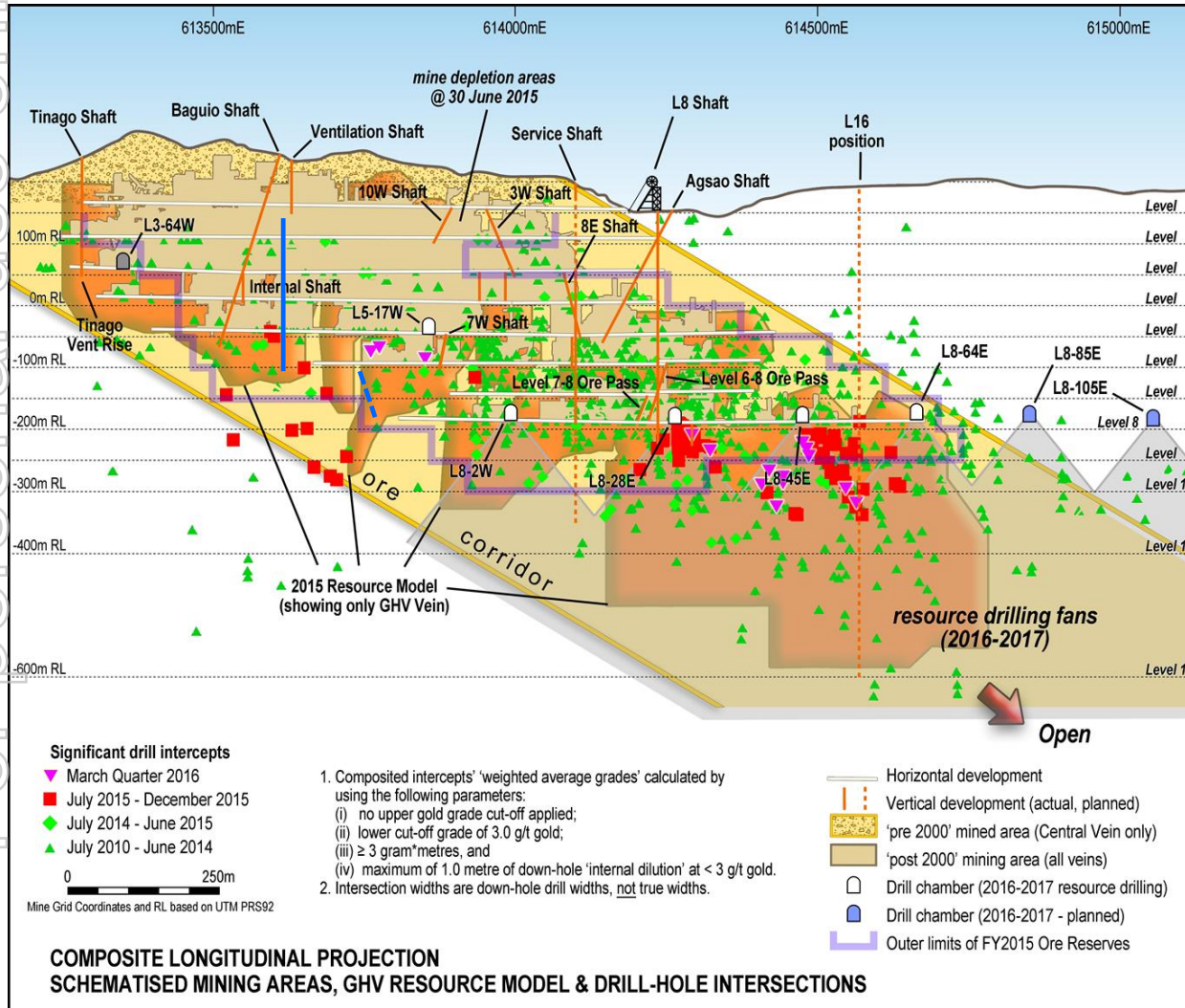


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THE Co-O MINE

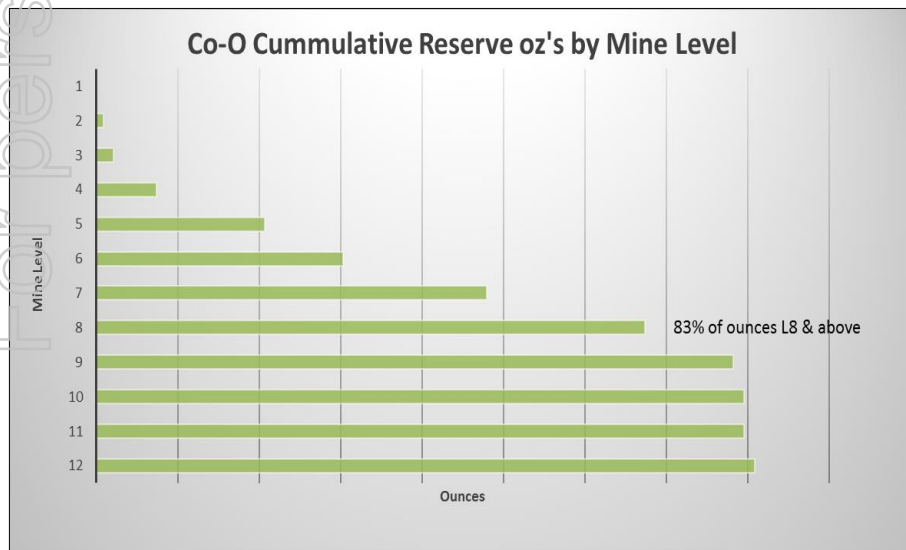
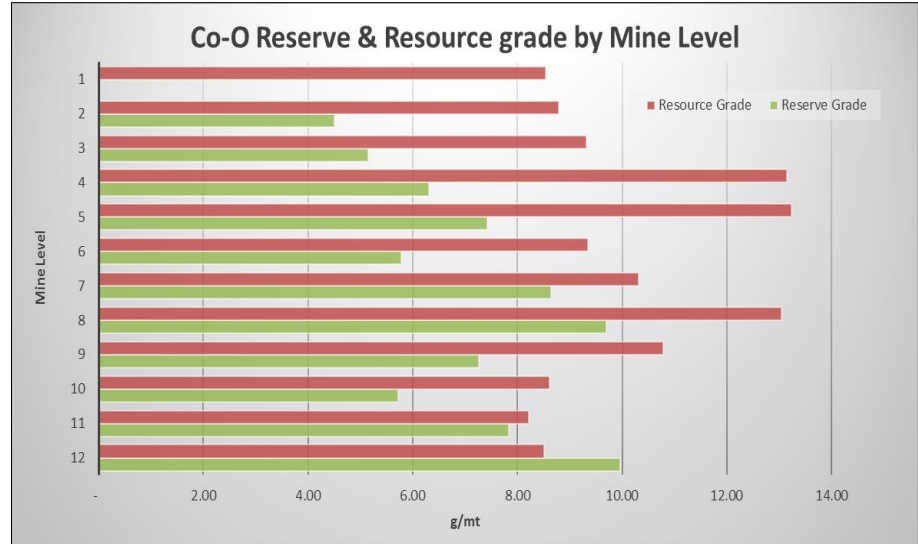
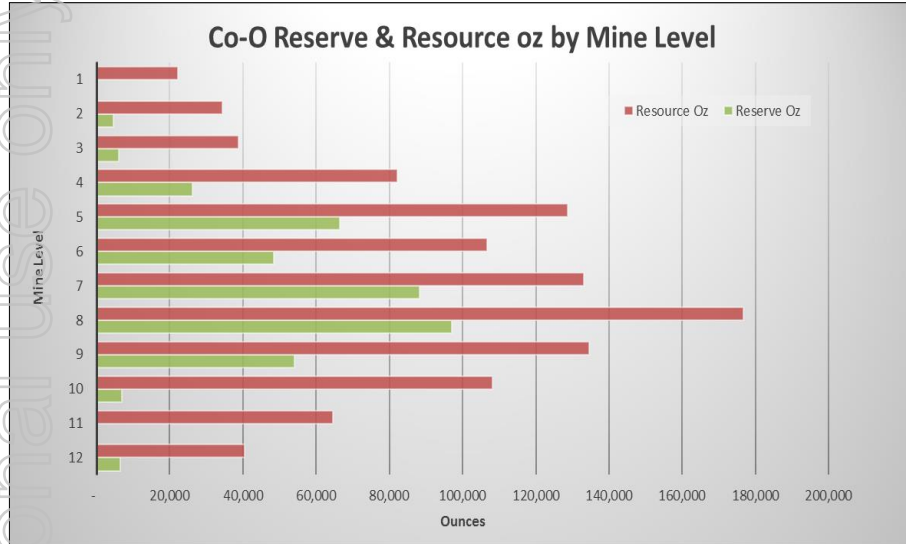
Driving production and upside

Co-O MINE LONG-SECTION



- ❑ 3 Diamond Drills on L8
 - Phase 1; L10 to L12
 - Phase 2; L12 to L16
- ❑ Ventilation system expansion 80% complete
 - L1 to L5 Zone
 - L6 to L10 Zone
- ❑ Service Shaft
 - Complete to L10 June 2017
 - L8 hoisting capacity from 1,100 tpd to 1,700 tpd
- ❑ Mine de-watering
 - Install a sediment loaded pump system

Co-O RESERVE & RESOURCE BY LEVEL

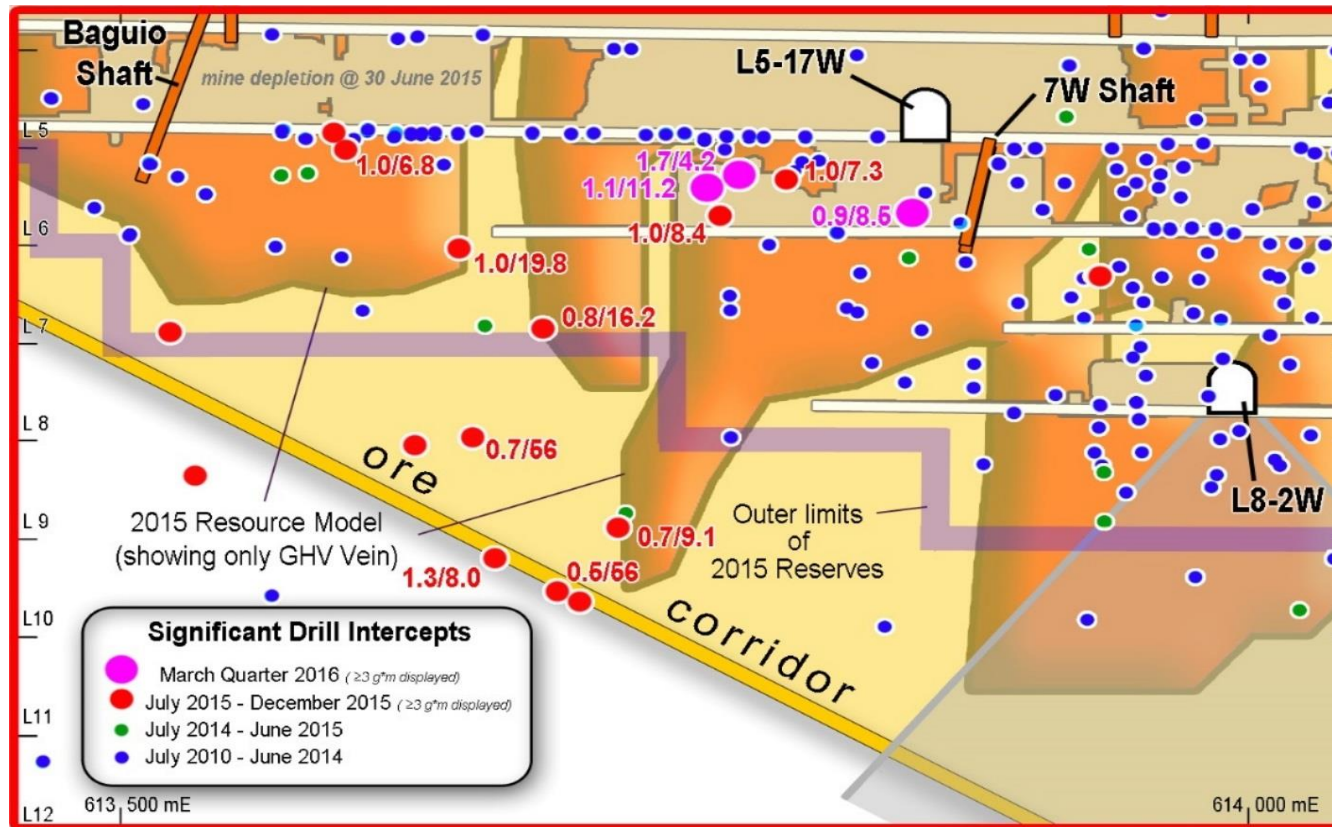


- ❑ 427k Reserve ounces, 1.15M Resource ounces
- ❑ Disproportionate ratio; under drilled
- ❑ Reserve grade increasing L7-8 (drilling results)
 - Upper level grade reflective of depletion
- ❑ 83% of Reserve ounces above L8
- ❑ Capital Projects to access reserves above L10 (Sustaining capex reductions upon completion)

DETAILED LONG-SECTION



- Western Area intercepts above 3g*m
 - Section near 5-17W drill station

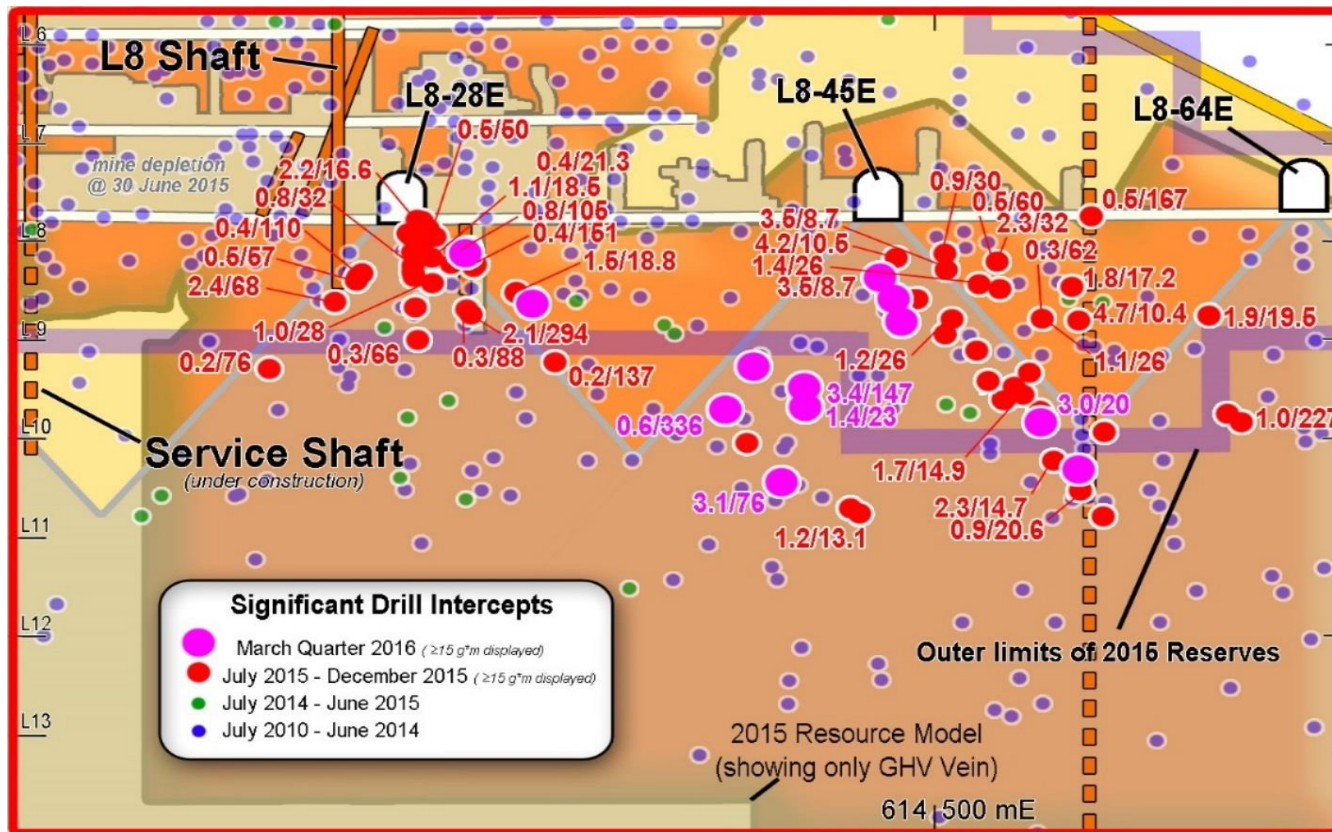


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DETAILED LONG-SECTION



- Eastern Area intercepts above 15g*m
 - Section near L8-28E & 45E drill stations

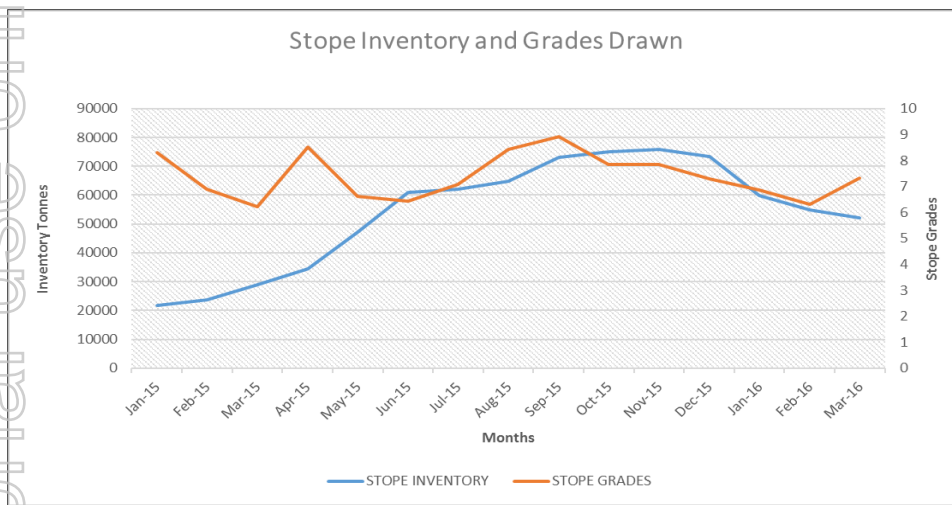


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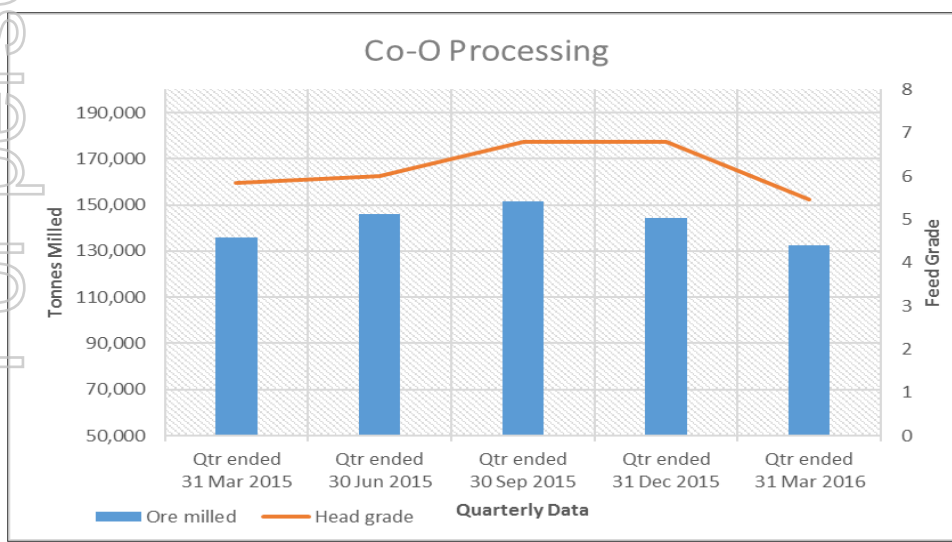
BROKEN ORE INVENTORY & MILL PERFORMANCE



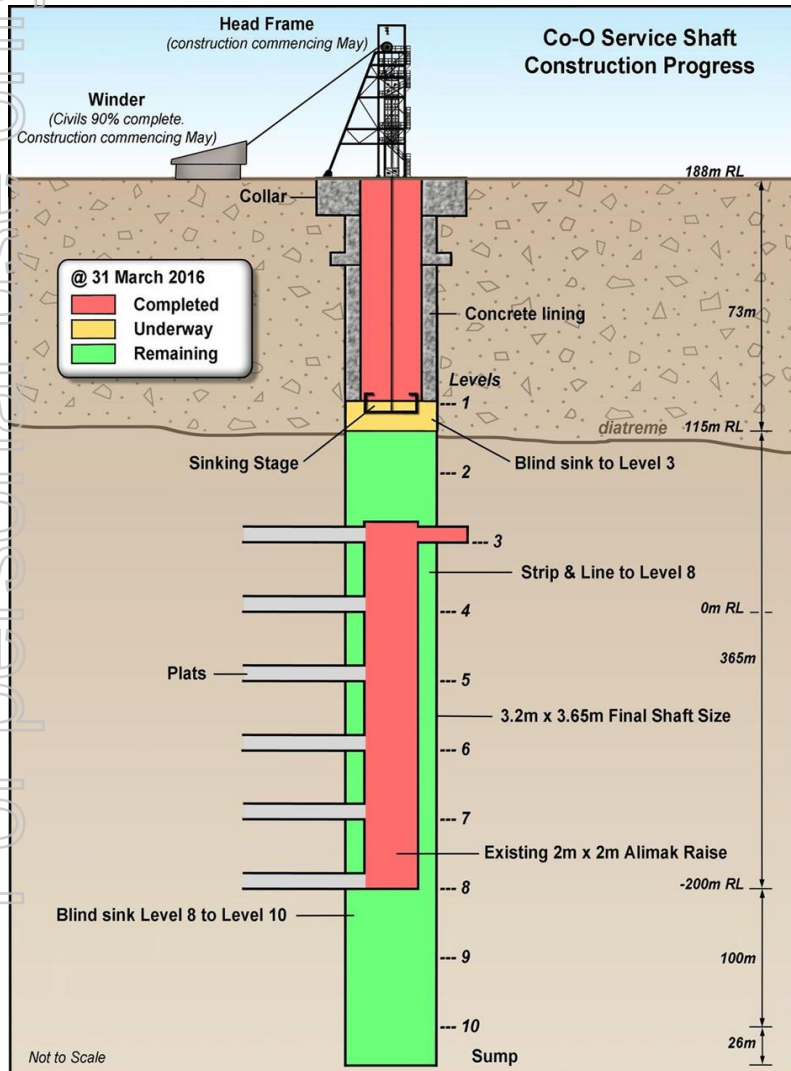
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- ❑ In-stope broken inventory as of Mar 2016, +50,000 tonnes; 6.5 - 8.5 g/t
- ❑ Target is +80,000 tonnes
- ❑ Mar 2016 qtr drawdown; impact of infrastructure development - Hoisting constraints
- ❑ Mill rated for 2,500 tpd. Utilization at <80%
- ❑ Feed grade reflective of stope plus development ore
- ❑ Consistently achieving 94% recoveries
- ❑ Stage 5 TSF completed (5 years capacity)



THE Co-O SERVICE SHAFT



- ❑ Planned blind sink to ~ L1 (70m)
- ❑ Sinking to ~ L3 (91m)
- ❑ Alimak raise (2m x 2m); L8 to L3 completed by Dec 2015 Stopped short due to ground conditions
- ❑ Alimak raise will be cut to 3.2m x 3.65m from top down to L8
- ❑ L8 to L10 sinking added by Board (Dec 2015)
- ❑ Schedule:
 - Sunk to 73m Mar 2016. Collar concrete work 100% and fully grouted to 70m
 - Headframe, Winder House, sinking deck, collar and level doors in transit (on the water)
 - Winder PLC controls being modified (delivery June)
 - Winderhouse civil work 80% complete
- ❑ L8 completion date Mar 2017, L10 Jun 2017
- ❑ L8 skipping capacity increases by 40%, from 1,100 tpd to 1,700 tpd



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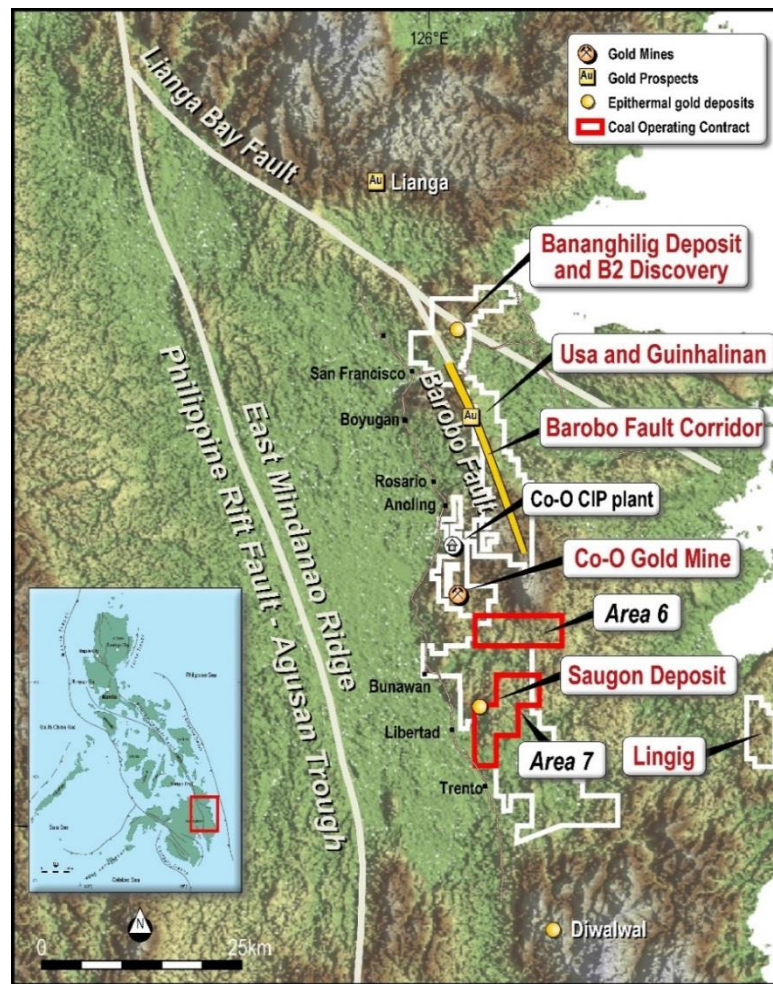
EXPLORATION

Defining medium to long-term strategy

PHILIPPINES FOCUSED



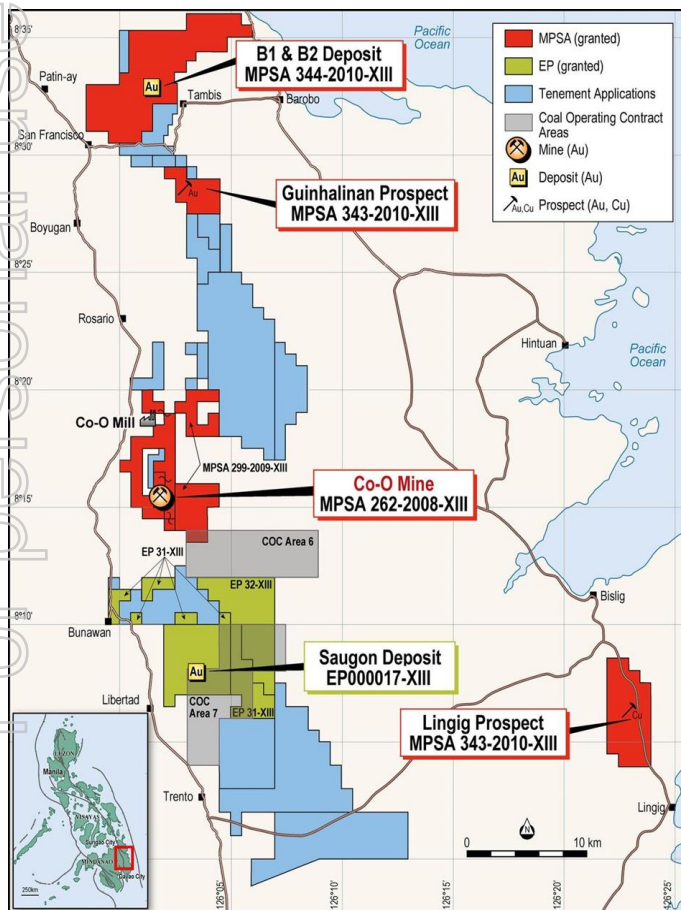
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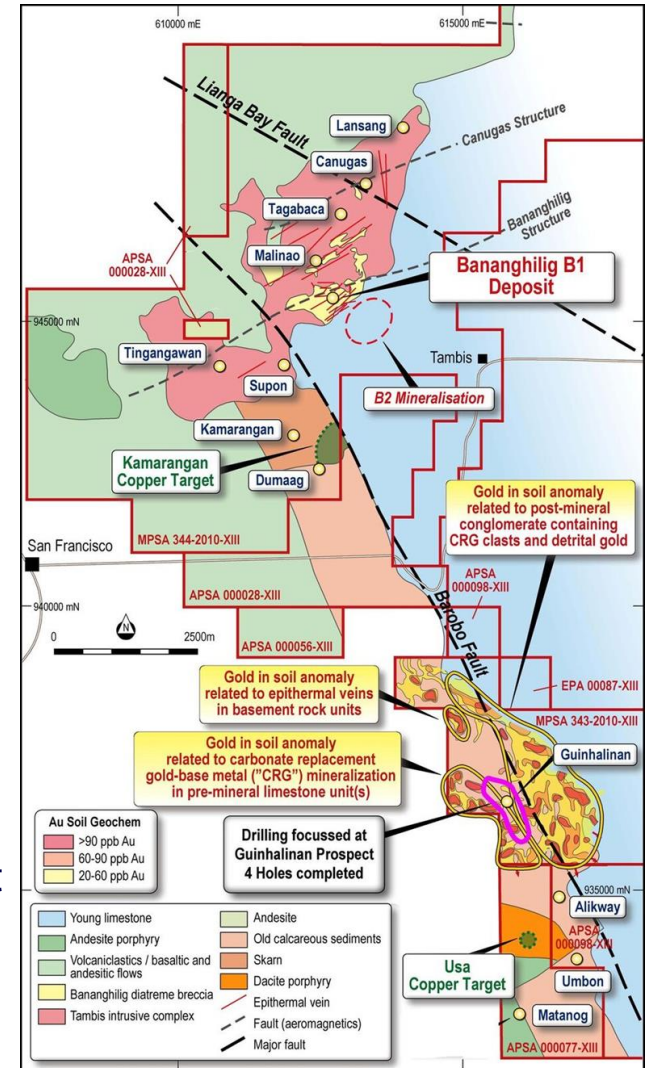
REGIONAL EXPLORATION



- Strategic land holding along well-mineralised Diwata Range or the East Mindanao Cordillera (503 km²)



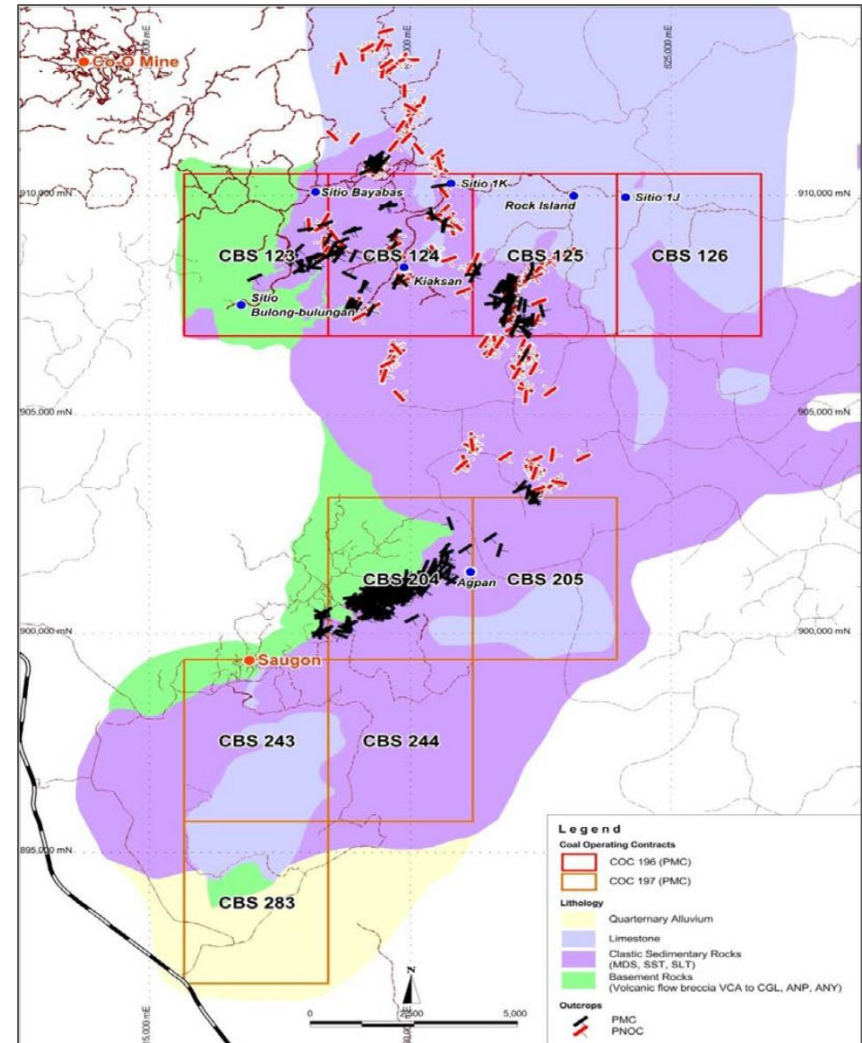
- Bananghilig (B1)
 - Re-estimating resource (JORC 2012)
 - 2013 Ind & Inf resource 24.5 Mt, 1.14 g/t, 1.4 Moz (JORC 2004)
- B2 exploration dependant on B1
- Guinhalinan scout drilling completed
- Lingig Cu-Au Project



AGPAN COAL PROJECT



- Determine viability for local source of thermal coal for power generation
- National power grid reliability issues
- COC concessions granted by DoE
- Resource drilling to target 3 million tonnes of sub-bituminous thermal coal (Aug 2016)
- Scoping study (Oct 2016)
- Engage power generation companies for mine to mouth arrangement



NEAR-MINE EXPLORATION



☐ Re-focus on near-mine target areas

☐ Sinug-Ang

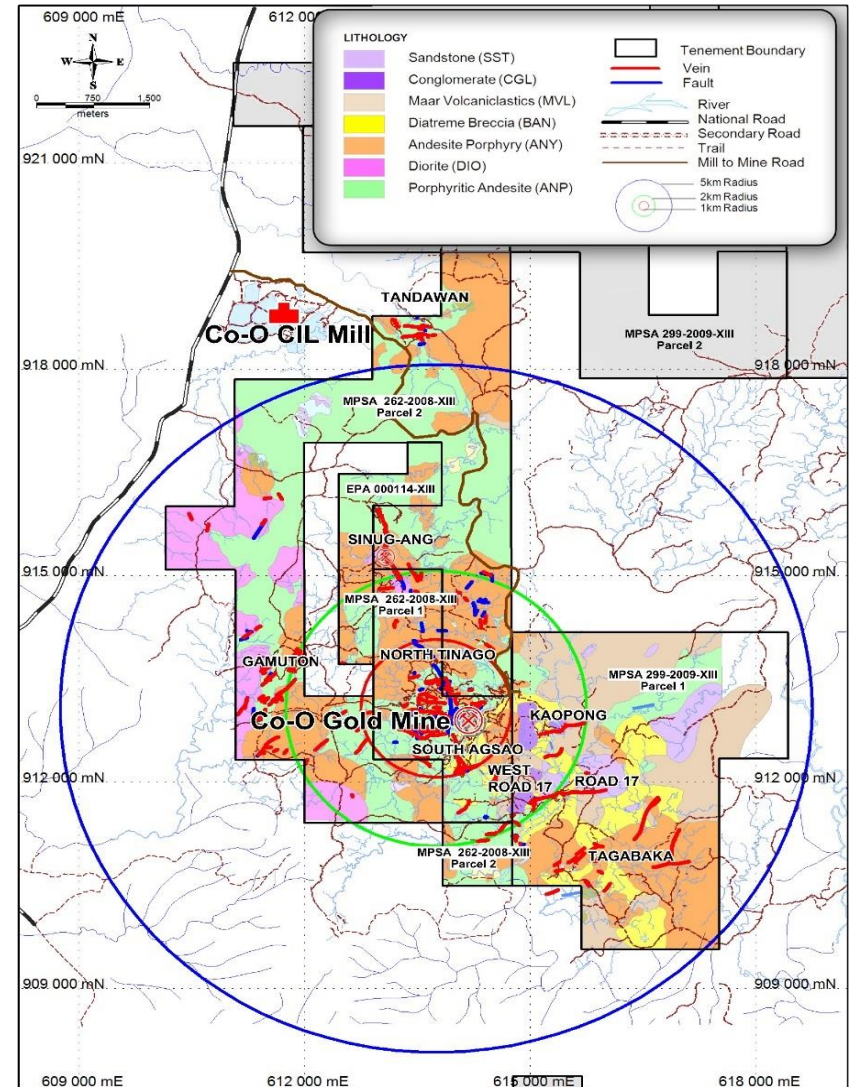
- Drill program proposed for Jul 2016
- Follow-up on previous results
- Access agreement finalized

☐ Tandawan

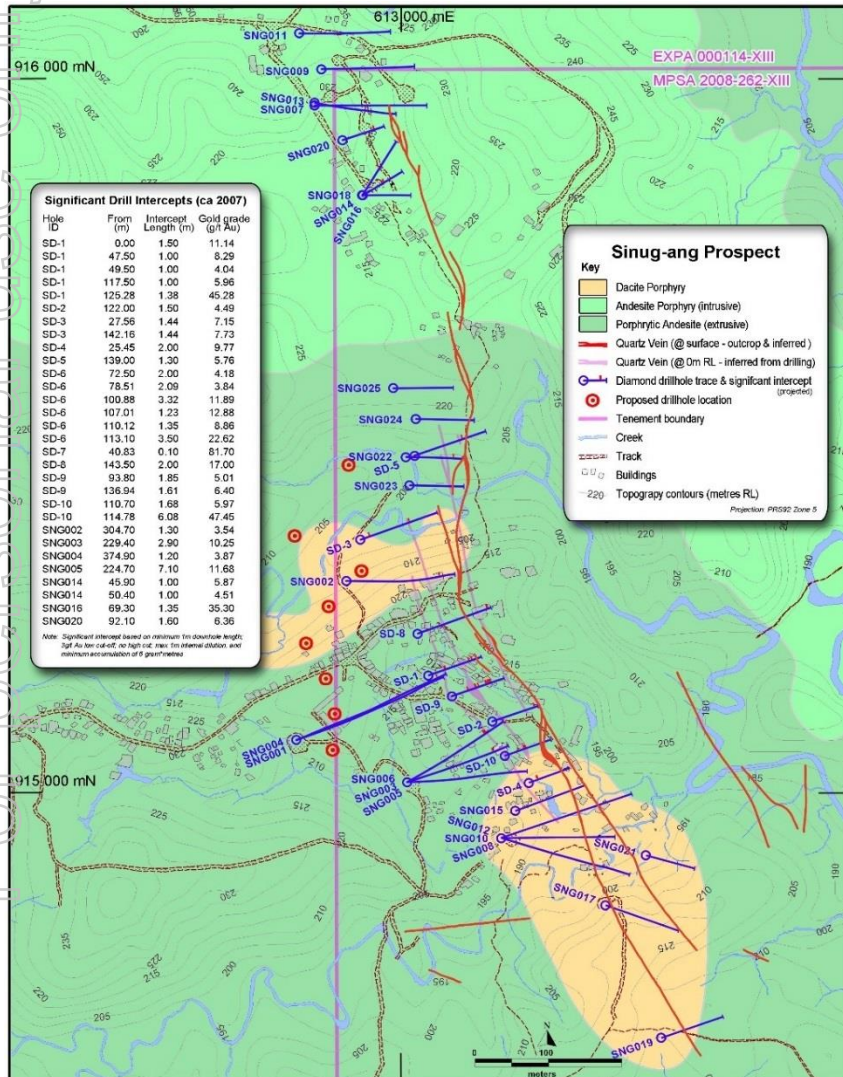
- Target review
- 2 km from mill

☐ West Road 17

- Ongoing trenching and surface exploration



SINUG-ANG

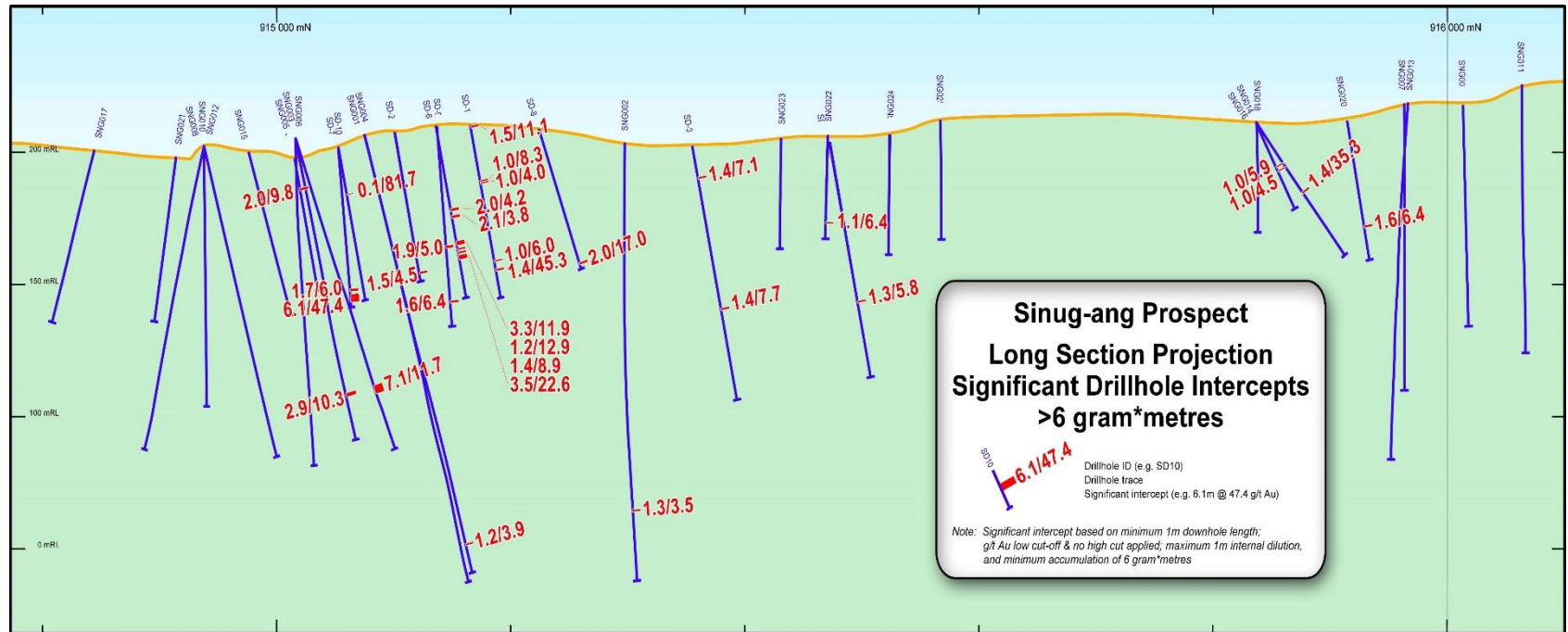


- ❑ Within 5 km of Process Plant
- ❑ Access road and other infrastructure present
- ❑ Drill target area below artisanal workings
- ❑ N-S vein system
 - Co-O is E-W system



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Target area for phase 1 drilling



GENERATIVE EXPLORATION



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Expanding scope beyond existing land position

Leveraging Medusa's strengths

- Established within the Philippines with proven track record
- Narrow vein, underground, high grade gold projects
- Exploration team with >100 years of cumulative experience within SE Asian geological setting

Tier 1: Mindanao Region

- Targets in known mineralized belts
- Greenfield projects in new discovery areas

Tier 2: Philippines

- Targets in known mineralized belts
- Greenfield projects in new discovery areas

Tier 3: SE Asia

- Epithermal high grade vein systems
- Targets in known mineralized belts
- Greenfield projects in new discovery areas



COMMUNITY, SAFETY & ENVIRONMENT



Community Development

- Micro loans to rice farmers
- Community health centers and Services; 1,500 people supported
- Road maintenance and bridge building
- Construction of community buildings
- Water projects

Education

- Scholarships and assistance
- Adopt-a-school programs in 23 schools
- +10,000 students benefitting

Safety

- LTIFR 31st March 2016: 0.51
- Co-O Mine 16 bed hospital with doctors

Environmental Protection Enhancement

- Adopt-a-creek
- Re-forestation using rubber plantations
- National Green Program

ISO 14001 Certification

- Certified March 2016



SUMMARY



- ❑ Unhedged, low-cost, no long term debt
- ❑ Unrivalled narrow-vein mining experience in the Philippines
- ❑ Co-O Mine Resource: 1.15 million ounces
- ❑ Co-O Mine Reserves: 427,000 ounces
- ❑ New leadership operationally focussed
- ❑ Infrastructure upgrades underway at Co-O to increase production, resource and LOM
- ❑ Compelling high-grade expansion opportunities at Co-O
- ❑ Near-mine exploration opportunities

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MINERAL RESOURCE AND RESERVE QUALIFICATIONS

Notes

1. Resources are inclusive of Reserves.
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. Rounding to the nearest 1,000 may result in some slight discrepancies in totals
4. Co-O mineral resources and ore reserves estimated under guideline of JORC Code 2012

Mineral Resources:

Co-O:

- A minimum lower cut-off of 3.2 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 has been applied, and various upper cuts

Saugon:

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

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

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, 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 7 g/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 loss ore,
- 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 4.3 g/t gold has been applied to un-developed stopes
- a gold price of US\$1,250 has been applied

MINERAL RESOURCES & ORE RESERVES

(AS AT SEP 2015)



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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	17,653,000	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	7.3	427,000
TOTAL RESERVES	Probable	1,811,000	7.3	427,000

Notes:

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- Rounding to the nearest 1,000 may result in some slight discrepancies in totals.
- 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.

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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.

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Board of Directors:

Andrew Teo (Non-executive Chairman)
Raul Villanueva (Executive Director)
Roy Daniel (Non-executive Director)
Ciceron Angeles (Non-executive Director)

Management:

Boyd Timler (Chief Executive Officer)
Raul Villanueva (President, Philippines subsidiaries)
Peter Alphonso (Chief Financial Officer)
Gary Powell (Manager Geology and Resources)

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