



MEDUSA MINING LIMITED

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ANNOUNCEMENT

06 January 2015

MINERAL RESOURCES AND ORE RESERVES GOVERNANCE STATEMENT ADDENDUM TO THE 2014 ANNUAL REPORT

(ASX: MML)

Medusa Mining Limited (“Medusa” or the “Company”) wishes to provide additional information to the Company’s 2014 Annual Report (**page 18**) 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.

The chief geologist (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:

- 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; and
- Internal assessment of compliance and data veracity.

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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:

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