QUARTERLY ACTIVITIES REPORT
PERIOD ENDED
31 DECEMBER 2015

Snapshot of Medusa:

- Un-hedged, low cost, gold producer focused on organic growth in the Philippines
- Growth underpinned by improving cash flow from Co-O Mine (narrow vein underground)
- The Co-O Mine production guidance for 2015-16 financial year remains at 120,000 to 130,000 ounces, subject to a review of operations currently underway

Board of Directors:

Andrew Teo (Executive Chairman)

Raul Villanueva (Executive Director)

Ciceron Angeles (Non-executive Director)

Roy Daniel (Non-executive Director)

Management

Andrew Teo (Acting Chief Executive Officer)*

Peter Alphonso (Company Secretary)

Gary Powell (Manager Geology & Resources)

** Mr Teo has assumed the role of CEO on an interim basis until the appointment of a full time CEO.*

Capital Structure:

Ordinary shares:	207,794,301
Unlisted options:	4,200,000

Listing:

ASX (Code: MML)

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OVERVIEW:

Co-O MINE PRODUCTION

- **Production:** 29,674 ounces at a head grade 6.79 g/t gold (Sept 2015 quarter of 31,495 ounces; head grade of 6.8 g/t gold)
- **Cash Costs:** of US$435 per ounce (Sept 2015 quarter cash costs of US$439 per ounce)
- **AISC** of US$950 per ounce (Sept 2015 quarter AISC US$953 per ounce).
- **Mill Performance:** gold recovery averaged 94% (Sep 2015 quarter 94%).
- **Development:** A total advance of 4,836 metres of horizontal and vertical development.
- **Shaft Haulage:** Haulage system de-bottle-necking continuing. Competing L8 ore haulage with materials for increasing development at Levels 8, 9 and 10, and waste generation from Service Shaft and ventilation raises.
- **Service Shaft:** Revised design depth to Level 10, requiring re-engineering, and revised completion date to June 2017. Blind sinking required from Level 8 to10, and from shaft collar to Level 3. Stripping of the Alimak raise to final dimensions should commence in late CY 2016.
- **Resource Drilling:** Underground drilling targeting resource extensions from Levels 8 to 16 to commence in February due to delay in new drill rig availability and underground drill chamber excavations.

Co-O MINE EXPLORATION

- **Underground resource drilling** results include 1.00 metres @ 226 g/t Au; 0.45 metres @ 167 g/t Au; 2.25 metres @ 31.1 g/t Au; 4.65 metres @ 10.4 g/t Au, and 4.20 metres @ 10.6 g/t Au.
- Surface exploration continuing at South Agsao veins.

REGIONAL EXPLORATION

- **Bananghilig Deposit:** Resource modelling continuing with emphasis on QAQC.
- **Guinhalinan Prospect:** Scout drilling commenced in October 2015. First results pending.
- **Lingig Project:** 2 drill holes completed. Low grade copper mineralisation encountered.

COAL EXPLORATION

- Regional mapping of coal bearing stratigraphy nearing completion.
- Reconnaissance drilling of sub-bituminous coal seams identified at surface commenced in November 2015. Numerous seams encountered ranging from 0.2 metres to 1.18 metres thick, averaging 0.6 metres.

CORPORATE & FINANCIALS (reviewed)

- Total cash and bullion on hand at the end of the quarter of approximately US$16.0 million (approximately US$11.6 million at 30 Sep 2015).
- Geoff Davis retired as Chief Executive Officer on 12 Nov 2015.
- Mr Roy Daniel was appointed to the Board as a Non-executive Director on 25 Nov 2015 and Dr Robert Weinberg resigned from the Board on 1 Dec 2015.

PROJECT OVERVIEW

The locations of the Company's projects are shown on Figure 1.

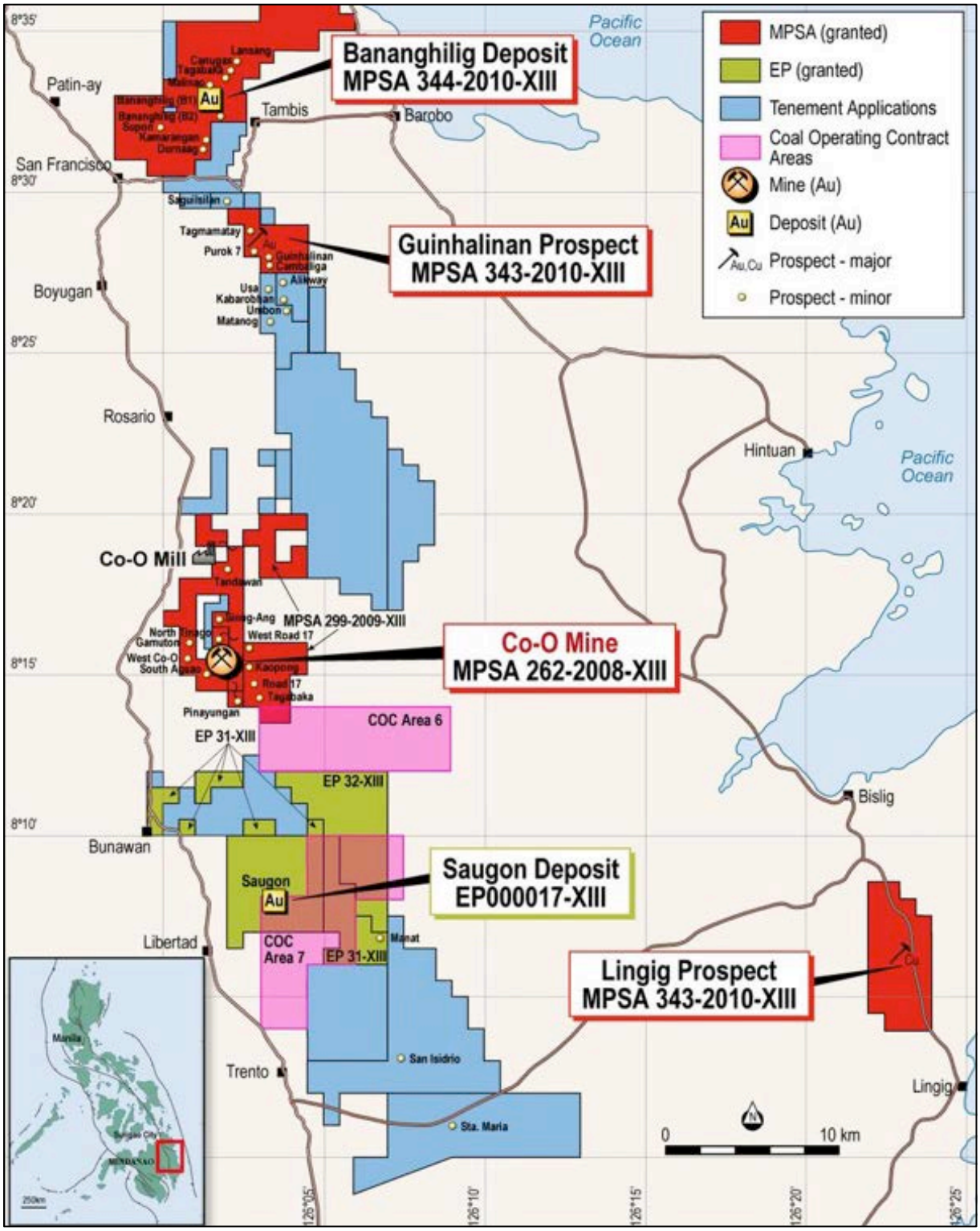

Figure 1. Location diagram showing the Company's Co-O mine and mill operations, tenement areas and main project areas

Co-O MINE

Production

The production statistics for the December 2015 quarter and half year with comparatives for the previous three quarters are summarised in Table I below:

Table I. Gold production statistics

Description	Unit	Qtr ended 31 Dec 2015	Qtr ended 30 Sep 2015	Qtr ended 30 Jun 2015	Qtr ended 31 Mar 2015	Half Year ended 31 Dec 2015
Tonnes mined	WMT	159,149	166,620	166,497	157,489	325,769
Ore milled	DMT	144,123	151,463	146,095	135,725	295,586
Head grade	g/t	6.79	6.80	6.01	5.84	6.80
Recovery	%	94%	94%	94%	94%	94%
Gold produced	ozs	29,674	31,495	26,542	23,940	61,169
Cash costs (1)	US$/oz	$435	$439	$390	$391	$436
Gold sold	ozs	30,835	31,176	29,350	17,169	62,011
Average gold price received	US$	$1,096	$1,121	$1,197	$1,217	$1,109

Note:

(1) Net of development costs and includes royalties and local business taxes of approximately US$85/oz (YTD: US$74/oz)

The Company produced 29,674 ounces of gold for the quarter, at an average head grade of 6.79 g/t gold.

All-In-Sustaining-Costs ("AISC") for the quarter was US$950 per ounce of gold and includes discretionary exploration expenditure of US$2.7 million. (September 2015 Quarter: AISC of US$953 per ounce, including discretionary exploration expenditure of US$2.0 million).

Production Guidance

The Co-O Mine production guidance for 2015-16 financial year remains at 120,000 to 130,000 ounces, subject to a review of operations currently underway.

The AISC guidance at US$900 to 1,000 per ounce (Announcement 5 October, 2015) will remain at an elevated level until such time as all mine medium term waste infrastructure projects are completed and the cost efficiencies they produce materialise.

Co-O OPERATIONS

Shaft Haulage

The L8 Shaft continues to operate satisfactorily since it was upgraded. However, the increased movement of materials required for greater production from the lower levels competes with skip ore hoisting time. This will continue until the construction of the Service Shaft is completed, commissioned and operational.

On 9 April 2015 the Company announced approval of the Service Shaft by the Board and a subsequent update was announced on 7 July 2015. In early January 2016, under recommendations from its consultants, the Board decided to revise the final depth of the Service Shaft from Level 8 to Level 10.

The construction of the Service Shaft, originally planned from surface to Level 8, and due for completion in September 2016 is now scheduled to be completed in June 2017 as a result of the decision to deepen the shaft to Level 10 (Figure 2).

Reasons for the extra time required to complete the shaft are primarily:

- Deepening of the shaft to Level 10 from the previously planned bottom at Level 8, resulting in a net vertical depth change from Level 8 to Level 10 of 110 metres which has to be a blind sink below Level 8;
- Change in depth of surface blind sinking from Level 1 to Level 3, as the Alimak raising encountered bad ground conditions. For safety reasons, it was decided to revert to blind sinking all the way to Level 3, instead of continuing with the Alimak raising and stripping and lining. These ground conditions have already been factored into the final design and construction of the shaft, based on the geotechnical drilling results obtained in 2014;
- There is an overall total net increase of 210 metres of blind sinking.

The above has added an extra 8 months to the project schedule.

Sinking deeper has subsequently necessitated re-engineering of the hoisting system, including:

- Engineering audits of the hoisting and sinking systems;
- Changes in cage construction from steel to aluminium to achieve the required cage rope safety factor;
- Increase in the length of the seven shaft ropes; and
- Re-modelling of the cage and drawbridge operation down to Level 10.

This has added a further two months to the project schedule.

Additional safety requirements have been implemented to bring the shaft design and construction in line with international best practice.

Current Status

Construction of the Service Shaft is currently at following stages:

- Engineering design is 85% complete (including re-design to account for depth extension to Level 10);
- Procurement is 80% complete;
- Winder is completed and awaiting shipment from South Africa in mid-February (Photo 1);
- Stage winders are completed and awaiting shipment from South Africa in mid-February (Photo 2);
- Headframe trial assembly has been completed and will be made ready for shipment from South Africa in mid-February (Photos 3 to 6);
- Winder house fabrication is 80% completed and is anticipated to be shipped from South Africa in mid-February;
- Major sinking equipment (kibbles, excavators, ventilation, pumps, etc) due to arrive late Jan 2016;
- Shaft collar concrete completed to 16 metres;
- Blind sinking to Level 3, using a 65 tonne crane and kibble, is underway; and
- Construction of Winder house and Winder foundations commenced.

Conceptual studies are underway to identify long-term infrastructure requirements to support the mining operations into the future.

Photo 1. Main Winder undergoing inspection after trial assembly

Photo 2. Stage Winches

Photo 3. Headframe trial assembly - base section

Photo 4. Headframe trial assembly - mid-section

Photo 5. Headframe trial assembly - top section

Photo 6. Headframe trial assembly - raker legs

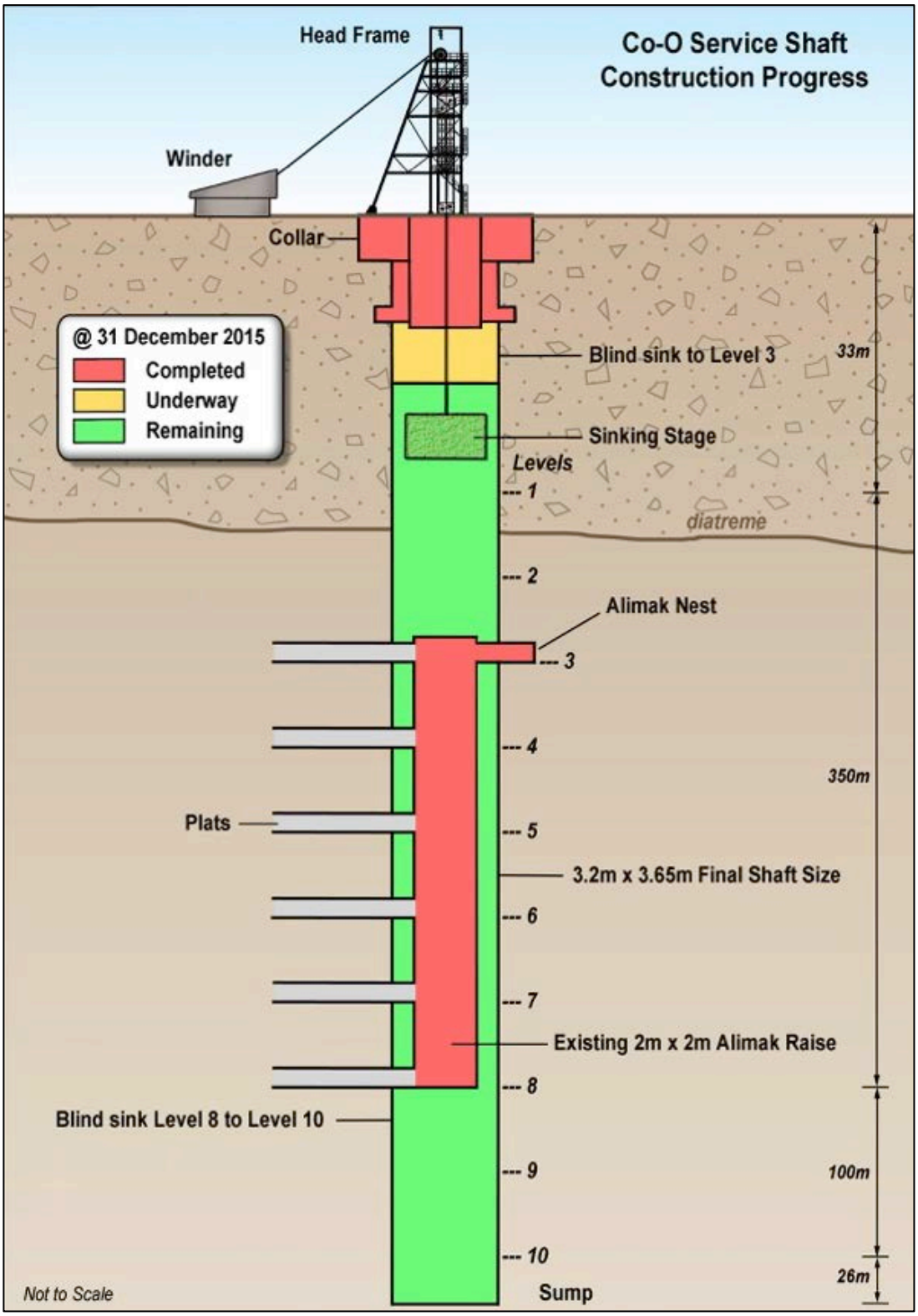

Figure 2. Service Shaft schematic progress diagram (including revised design to Level 10).

Notes:

1. Alimak Raise - a climbing platform that provides miners a safe and efficient method to construct long vertical raises. A cage climbs a vertical raise fastened to the wall of the rise. The miners stand atop of the cage to drill the face, and the cage retreats to a nest at the bottom of the raise during blasting;
2. Alimak Nest - where the Alimak retreats to when blasting;
3. Kibble - an engineered sinking bucket for lowering men and materials as well as hoisting broken rock;
4. The final dimensions have been chosen to allow a locomotive/mine car to be lowered intact, where currently they need to be dis-assembled to be lowered down the L8 shaft.

Underground Mining

The mine generally operated to schedule during the quarter. As per the previous quarter, there are several medium term infrastructure projects generating waste rock. Emphasis will be placed on using this material as backfill underground.

A total of approximately 3,236 metres of horizontal development (81% 'on vein') and 1,600 metres of vertical development (96% 'on vein') were completed during the December 2015 quarter, for a total combined advance of 4,836 metres

The internal inclined shafts from Level 8 to Levels 9 and 10 are progressing well. An additional 7 to 8 winzes are planned to commence during the March 2016 quarter from Level 8 to Levels 9 and 10. These will be progressively developed on vein, and ore and waste rock internally hoisted to Level 8 for hoisting to surface via the L8 Shaft. In addition one or more internal shafts will be developed to Levels 9 and 10 for ore hoisting to Level 8.

New ventilation installation update

Development of a new ventilation exhaust rise from Level 6 to the surface has been completed and a Howden centrifugal fan is in the process of being installed. This fan will make a significant improvement in working conditions at Levels 6, 7, 8, 9 and 10.

Co-O Mine Geology

The 'deeps' resource drilling program between Levels 12 to 16 has been delayed due to the delay in receiving the new drill rigs as well as the slower than planned development of the drill chambers. The first will be installed and commissioned in February 2016. Development of the second drilling chamber will be ongoing during the March 2016 quarter.

Co-O Mine Drilling

Underground diamond drilling continued using two large contract rigs for resource definition from drill chambers at Level 5 (L5-17W) and Level 8 (L8-29E & L8-45E), and four smaller Company-owned portable rigs for pre-development drilling at various levels throughout the mine.

A total of 26 drill holes were completed for an advance of 4,350 metres, of which resource definition drilling totaled 9 drill holes for an advance of 3,249 metres.

Significant results obtained during the quarter are reported in Table III and shown in longitudinal section in Figure 3.

The 'resource deeps' drilling program has been delayed pending arrival of the newly purchased drill rigs and completion of the development of the first drill chambers. As previously reported, large drilling chambers are being developed on Level 8 for these rigs to target and intercept the depth and strike extensions of the mineralised vein system between Levels 8 to Level 12 (-200m to -400m RL) and Levels 12 to Level 16 (-400m to -600m RL). The program is intended to confirm the down-plunge extent of the main ore shoots to the east of the current L8 Shaft and Service Shaft positions, and beneath the flare of the diatreme (Fig. 3).

Table II. Co-O Mine underground drill hole results since 30 September 2015 of ≥ 3 gram-metres/tonne gold
(Refer Appendix A for JORC Code, 2012 Edition - Table 1 Report)

Hole Number	East [4]	North [4]	RL [4]	Depth (metres)	Azim (°)	Dip (°)	From (metres)	Width [2] (metres)	Gold Grade [1,3] (uncut) (g/t gold)
UNDERGROUND RESOURCE DRILLING - LEVEL 5									
L5-17W-002	613823	913051	29	373.5	219	-21	58.00	1.00	7.27
							107.30	1.00	8.36
UNDERGROUND RESOURCE DRILLING - LEVEL 8									
L8-28E-003	614265	912831	-118	104.3	150	-16	2.00	0.35	21.27
L8-45E-004	614464	913008	-119	136.5	124	3	121.35	0.45	166.98
L8-45E-011	614458	913004	-118	392.0	162	-9	143.45	0.20	31.87
							146.20	3.50	8.69
							205.50	1.50	5.39
							209.00	1.40	25.71
							238.20	0.80	12.10
							349.80	4.65	10.36
L8-45E-012	614458	913005	-118	387.2	155	-6	92.00	0.90	30.20
							146.10	0.50	59.73
							149.90	2.25	32.11
							229.70	1.80	17.18
							372.95	1.90	19.47
L8-45E-013	614458	913004	-119	400.3	161	-16	52.10	4.20	10.55
							145.60	1.15	26.00
							149.50	1.10	10.73
							245.35	0.55	12.77
							350.55	0.85	10.47
L8-45E-014	614458	913004	-119	425.4	151	-19	160.90	0.30	62.03
							165.15	1.05	26.39
							325.15	0.30	30.17
							334.30	1.00	226.60

Notes:

* Drill hole intercepts for these holes have been reported in previous quarterly reports. These additional assay results have been received since last quarterly report.

1. Composited intercepts' 'weighted average grades' calculated by using the following parameters:
   - (i) no upper gold grade cut-off applied;
   - (ii) lower cut-off grade of 3.0 g/t gold;
   - (iii) high-grade samples (≥ 300 g/t gold) within composited interval are individually reported;
   - (iv) ≥ 6 gram-metres, and
   - (v) maximum of 1.0 metre of down-hole internal dilution at ≤ 3 g/t gold.
2. Intersection widths are downhole drill widths not true widths;
3. Assays are by Philsaga Mining Corporation's laboratory; and
4. Grid coordinates are rounded and based on the Co-O Mine Grid. RL is elevation, rounded in metres relative to Mine Datum.

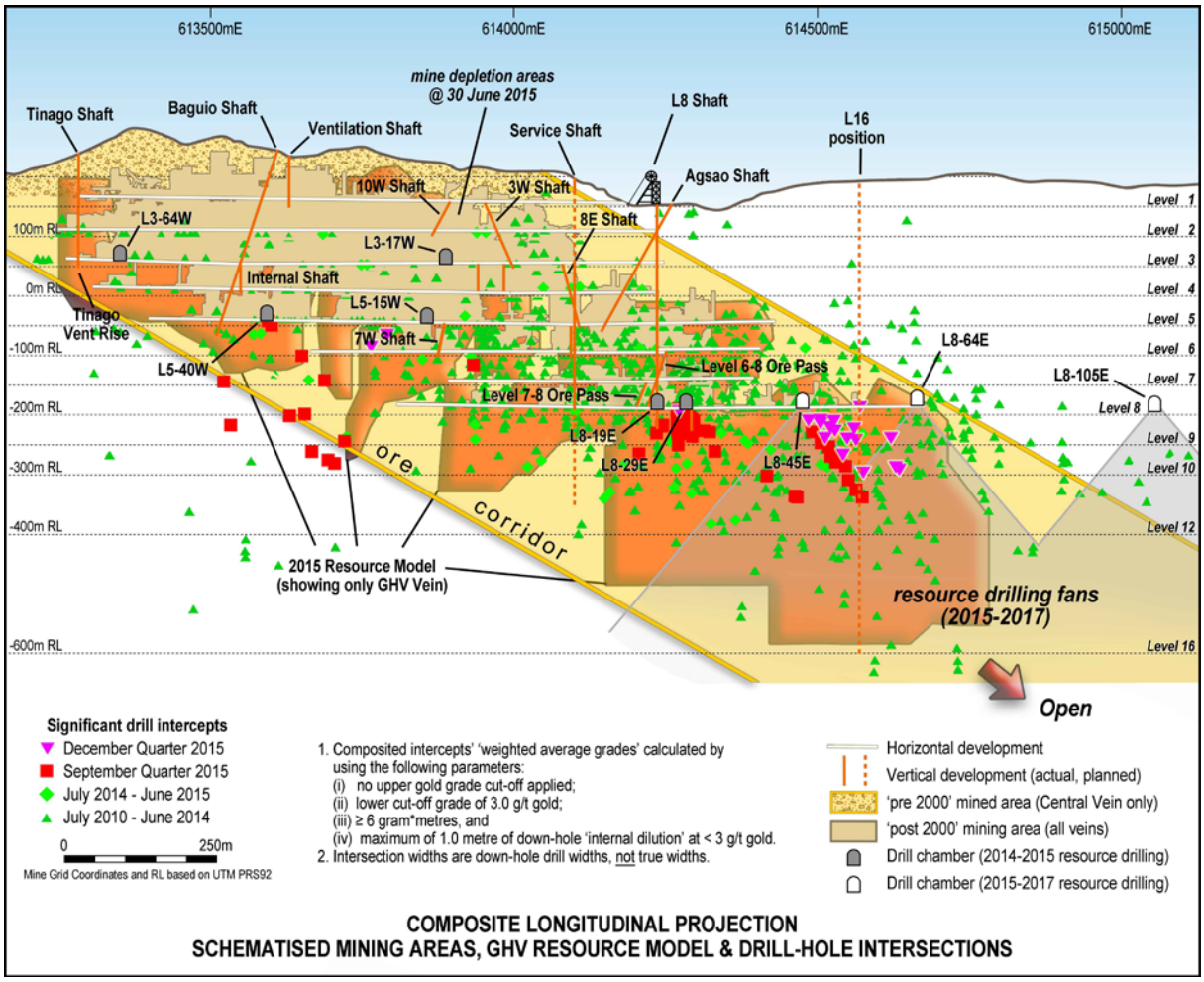

Figure 3. Co-O Mine Longitudinal Projection showing composited mining depletion, vertical development and significant drill intercept locations (including previously reported).

HEALTH, SAFETY & ENVIRONMENT

The Lost Time Accident Frequency Rate for the calendar year to 31 December 2015 was 0.30, and for the December 2015 quarter was 0.61.

There were no environmental breaches during the September 2015 quarter.

Co-O SURFACE EXPLORATION

Reconnaissance Programmes

Detailed geological mapping, trenching and sampling programmes are continuing proximal to the Co-O Mine environs, targeting the South Agsao and West Road 17 areas. Results are continuously being evaluated to derive drilling targets. Due to the current depressed gold price, all drilling has been confined to resource definition only.

TAMBIS REGION

The Tambis Project comprising the Bananghilig Gold Deposit and the B2 Discovery area (Figs 1 and 4) is operated under a Mining Agreement with Philex Gold Philippines Inc. over Mineral Production Sharing Agreement ("MPSA") 344-2010-XIII, which covers 6,262 hectares.

BANANGHILIG (B1) GOLD DEPOSIT

Various announcements and quarterly reports have been released since 12 September 2011, which summarise the Tambis regional geological setting, local geological setting, drilling and assay intercepts, B1 deposit description and mineralisation, and resource estimation updates.

Geological re-interpretation

The B1 Deposit geological re-interpretation is the basis for a revised model and estimation of a JORC 2012 mineral resource, which was initially intended to be completed during the December 2015 quarter.

Detailed structural data compilation, incorporating recent mapping of underground historic tunnels and openings has now enabled the definition of structural domains within the deposit resulting in improved geological understanding, essential for resource modelling.

To ensure full compliance with the requirements of the guidelines of the 2012 JORC Code, various QAQC studies, including survey, analytical, and small scale mining depletion audits are still in progress, thus delaying the completion of the resource estimation for Bananghilig.

REGIONAL EXPLORATION

GUINHALINAN GOLD PROSPECT

Background

The Guinhalinan Gold prospect location is shown on Figures 1 and 4 within granted MPSA 343-2010-XIII, which is subject to a Mines Operating Agreement with Das-Agan Mining Corporation, which will receive a 3% gross royalty on all production from the MPSA.

Details of the completed soil geochemistry sampling programme are contained in the 28 January 2015 announcement and the December 2014 and March 2015 quarterly reports.

Scout drilling targets were defined during the September 2015 quarter and diamond drilling of these commenced in October 2015. During the quarter, four holes have been completed for an advance of 620 metres.

Results have not yet been received.

Drilling has encountered carbonate replacement style mineralisation down-dip from outcropping/sub-cropping mineralisation, and will be discussed in future announcements once results have been received.

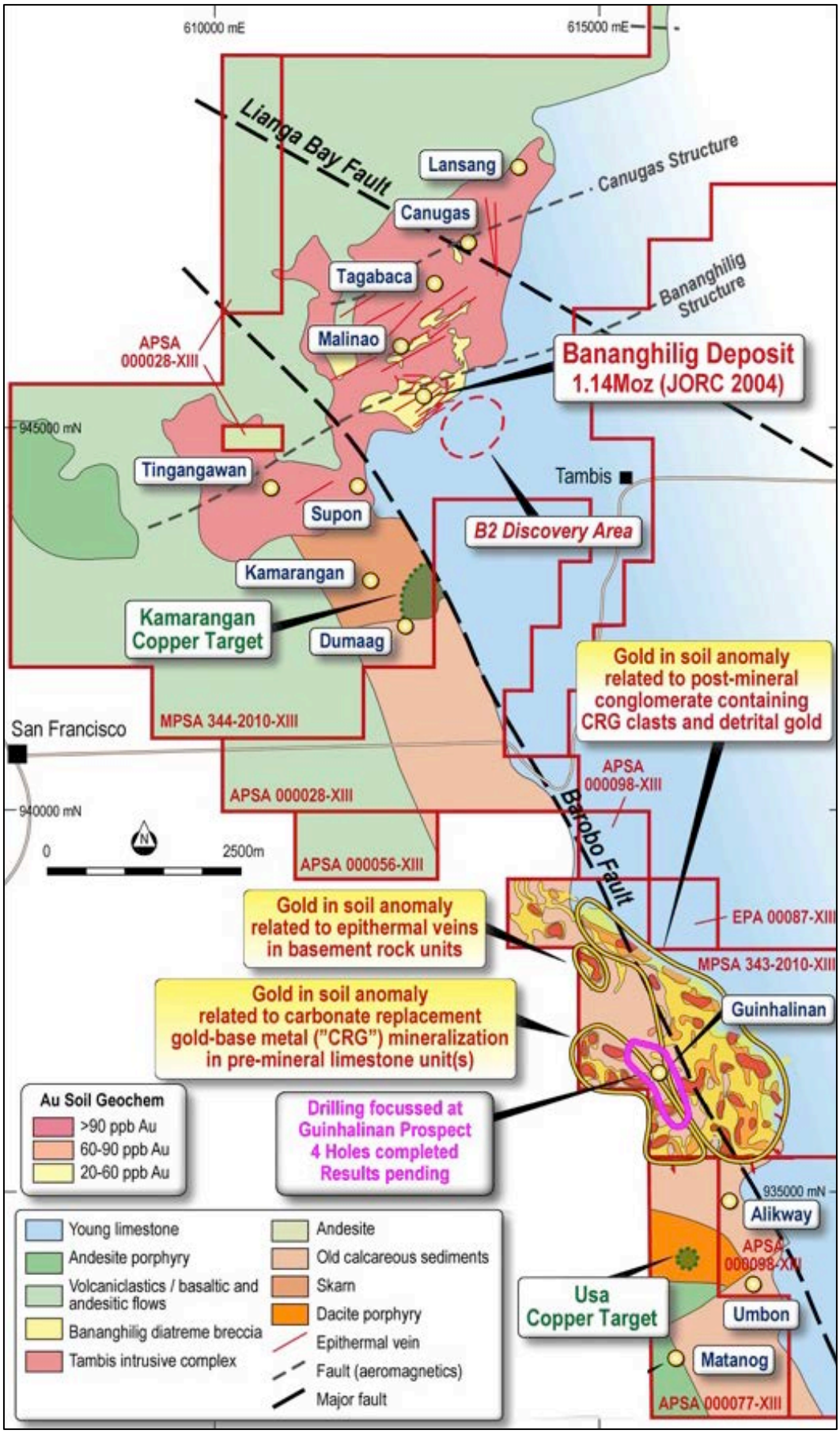

Figure 4.Tambis regional map showing the Bananghilig Deposit and the Guinhalinan prospect with contoured gold in soil geochemistry anomalies.

LINGIG COPPER PROJECT

The Lingig copper project is located within the south-eastern parcel of MPSA 343-2010-XIII (Fig. 1).

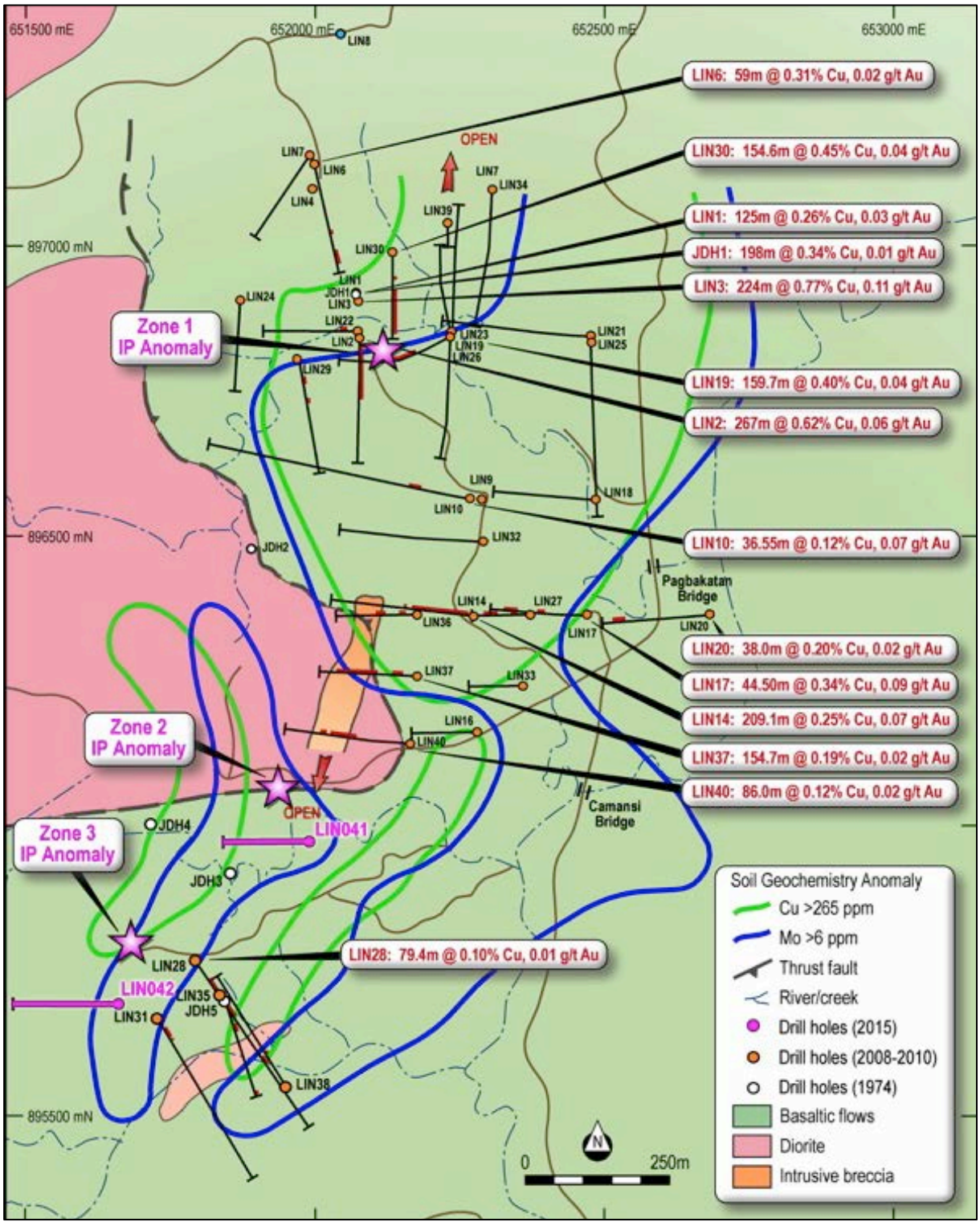

Figure 5. Lingig interpreted geology showing drill hole locations, copper (Cu) and molybdenum (Mo) soil geochemistry anomalies and three IP anomalies.

Geological Setting

Previous drilling has intersected two styles of copper mineralisation, located in three zones in Lingig, namely Zone 1 (Au-bearing porphyry related Cu), and Zones 2 and 3 (magmatic-hydrothermal breccia-hosted Cu with porphyry-related Cu) as shown in Figure 5.

Exploration

A diamond drilling programme commenced in September to investigate the IP anomalies identified from the geophysical survey completed in 2013, and discussed in previous quarterly reports.

Two holes were completed for an advance of 692 metres.

The location of the first diamond drill hole (LIN041) was sited just south of the IP Zone 2 anomaly (Fig.5) and was completed to a depth of 354 metres. The hole intersected predominantly chlorotic basalt, magmatic hydrothermal breccia, andesite porphyry, and narrow quartz diorite dykes.

Logging of LIN041 observed extensive propylitic alteration (chlorite ± epidote), with lesser smectite, argillic, silicic and potassic alteration. Mineralisation is typically represented by early sulphide veinlets and blebs, followed by quartz-sulphide veins and veinlets and latter quartz-calcite stockwork, and comprising predominantly pyrite (0-5%, locally up to 20%)) with lesser chalcopyrite (0-1%) ± minor molybdenite.

A second hole was completed in October to a depth of 338 metres. Logging identified similar mineralisation as for LIN041, albeit at a lower tenor. Final assay results have just been received, and significant results are tabulated in Table IV.

The IP/resistivity anomalies are considered to have been adequately drill tested, and readily explained by the pyrite content in the drill core. Copper mineralisation has been encountered in both holes, however the tenor of mineralisation is not sufficient to warrant further work in this current economic climate and thus the project has been put on hold.

Table III. Lingig drill hole results since 30 September 2015 of ≥ 3m @ ≥ 0.1% copper
(Refer Appendix B for JORC Code, 2012 Edition - Table 1 Report)

Hole Number	East [4]	North [4]	RL [4]	Depth (metres)	Azim (°)	Dip (°)	From (metres)	Width [2] (metres)	Copper [1,3] ppm Cu (% Cu)
LIN041	651989	895968	137	353.6	270	-60	28.00	80.00	2088 (0.21%)
LIN042	651657	895693	184	338.1	270	-50	115.10	4.00	1618 (0.16%)

Notes:

1. Composited intercepts' 'weighted average grades' calculated by using the following parameters:
   (i) no upper copper grade cut-off applied;
   (ii) lower cut-off grade of 1000 ppm copper;
   (iii) minimum downhole thickness of 3.0 metres, and
   (iv) maximum of 3.0 metre of down-hole internal dilution at ≤ 1000 ppm copper.
2. Intersection widths are downhole drill widths not true widths;
3. Assays are by Intertek's Surigao and Manila laboratories; and
4. Grid coordinates and RL are rounded and based on PTM PRS92.

COAL EXPLORATION

As announced on 18 December 2014, the Company has been granted 9 Coal Operating Contracts (COC) totalling 9,000 hectares within two areas immediately adjacent to the east side of the Co-O operations (Fig.1). Multiple coal seams have historically been scout drilled, outcrop sampled and assessed by previous explorers.

Detailed geological and other information is contained in the 18 December 2014 announcement, and September 2015 quarterly report. Previous work classified the coal in both areas as sub-bituminous B to high volatile bituminous A coal rank using the American Society for Testing and Materials ("ASTM"). Average heating values are approximately 6,500 BTU per lb with some seams up to 8,200 BTU per lb.

Reconnaissance mapping is continuing within the COCs, outlining additional areas with multiple seams of outcropping coal, with a best individual seam identified to date ranging from 0.2 metres up to 3.1 metres in thickness. Some coal seams have so far been identified with strike lengths of more than 3 kilometres.

A reconnaissance diamond drilling programme commenced at the end of November 2015. To date three diamond drill holes have been completed for an advance of 442 metres. Numerous seams have been intercepted, with thicknesses ranging from 0.2 metres to 1.18 metres, averaging of 0.6 metres. Sampling of the coal seams intercepted is ongoing. Results from the first batch of samples submitted for analysis is pending.

ISO 14001 CERTIFICATION

The Company is in the process of ISO 14001 certification, which should be completed in the first half of CY 2016.

EXECUTIVE ORDER ON MINING SECTOR REFORMS IN THE PHILIPPINES AND EXECUTIVE ORDER ON EXTRACTIVE INDUSTRIES TRANSPARENCY IN THE PHILIPPINES

There are no material changes to the status of these reforms since last reported in the September 2015 quarterly report.

FINANCIALS (reviewed)

As at 31 December 2015, the Company had total cash and cash equivalent in gold on metal account of approximately US$16.0 million (30 September 2015: US$11.6 million).

The Company sold 30,835 ounces of gold at an average price of US$1,096 per ounce in the December 2015 quarter (September 2015 quarter: 31,176 ounces sold at an average price of US$1,121 per ounce).

During the December 2015 quarter, the Company incurred;

- exploration expenditure, including underground diamond drilling, of US$2.7 million (YTD: US$4.7 million / September 2015 quarter: US$2.0 million);
- US$4.2 million on capital works (inclusive of new Service Shaft) and associated sustaining capital at the mine and mill (YTD: US$9.5 million / September 2015 quarter: US$5.3 million); and
- US$6.8 million on continued mine development (YTD: US$14.2M / September 2015 quarter: US$7.4 million); and
- corporate overheads of US$1.6 million (YTD: US$3.1 million / September 2015 quarter: US$1.5 million).

In addition to the expenses highlighted above, which form part of AISC of US$950 per ounce, the Company also expended cash in the following areas for the six month period from July to December 2015:

- reduction in creditors of around US$3.5 million;
- payment in indirect value added tax (refundable in tax credits) of approximately US$3 million; and
- increase in warehouse inventory of around US$3 million.

CORPORATE

During the quarter,

- Mr Andrew Teo, Non-executive Chairman assumed the role of Chief Executive Officer (“CEO”) on an interim basis following the retirement of Mr Geoff Davis on 12 November 2015.

  The Board has been working closely with a mandated executive recruitment firm and have taken appropriate measures to ensure that the best possible CEO is selected to take the Company forward.

  As part of the selection process, a comprehensive review of operations with the most current data available is underway, the results of which will be central to briefing the final candidates to ensure full transparency and also facilitate a smooth handover.

  This process is progressing well and we look forward to advising shareholders of the successful candidate once complete.
- Mr Roy Daniel joined the Board as a Non-executive Director on 25 November 2015.
- Dr Robert Weinberg resigned from the Board of Medusa on 1 December 2015.

JORC CODE 2012 COMPLIANCE - CONSENT OF COMPETENT PERSONS

Medusa Mining Limited

Information in this report relating to **Exploration Results** and Co-O Mine's **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.

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.

APPENDIX A: Co-O Mine – JORC Code 2012 – Table 1 Report

Section 1. Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handled XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverized to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond (DD) core and stope face channel samples are the two main sample types. • Diamond (DD) core samples: Half core samples for DD core sizes LTK60, NQ and HQ, and whole core samples for DD core sizes TT46. Stope and Development samples: 1.5 to 3m stope face channel samples are submitted for analytical analysis. • DD drilling is carried out to industry standard to obtain drill core samples, which are split longitudinally in half along the core axis using a diamond saw, except for TT46 core. Half core or whole core samples are then taken at 1m intervals or at lithological boundary contacts (if >20cm), whichever is least. The sample is crushed with a 1kg split taken for pulverization to obtain four (4) 250g pulp samples. A 30g charge is taken from one of the 250g pulp packets for fire assay gold analysis. The remaining pulp samples are retained in a secure storage for future reference.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• For underground drilling, larger rigs including LM-55 and Diamec U6, collar holes using HQ/HQ3 drill bits (core diameter 61mm/63mm) until ground conditions require casing off, then reduce to NQ/NQ3 drill bits (core diameter 45mm/47mm). For the smaller portable rigs, drill holes are collared using TT46 drill bits (core diameter 35mm) or LTK60 drill bits (core diameter 44mm). • For surface holes, drillholes are collared using PQ3 drill bits (core diameter 83mm) until competent bedrock. The holes are then completed using either HQ3 or NQ3 drill bits depending on ground conditions. • Drill core orientation is measured using the Ezy-Mark™ front-end core orientation tool.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measure taken to maximize sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• For each core run, total core length is measured with the recovery calculated against drilled length. Recovery averaged better than 95%, which is considered acceptable by industry standards. • Sample recovery is maximised by monitoring and adjusting drilling parameters (e.g. mud mix, drill bit series, rotation speed). Core sample integrity is maintained using triple tube coring system. • No known relationship has been observed to date between sample recovery and grade. Core recovery is high being >95%. No sampling bias has been observed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Core samples have been logged geologically and geotechnically to a level of sufficient detail to support appropriate mineral resource estimation, mining and metallurgical studies. Lithology, mineralisation, alteration, oxidation, sulphide mineralogy, RQD, fracture density, core recovery are recorded by geologists, then entered into a digital database and validated.

Criteria	JORC Code explanation	Commentary
	• *The total length and percentage of the relevant intersections logged.*	• Qualitative logging is carried out on all drill core. More detailed quantitative logging is carried out for all zones of interest, such as in mineralised zones. Since July 2010, all drill core has been photographed. The drill core obtained prior to July 2010 has a limited photographic record.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or call core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Except for TT46 drill core, all drill core is sawn longitudinally in half along the core axis using a diamond saw to predetermined intervals for sampling. Cutting is carried out using a diamond saw with the core resting in a specifically designed cradle to ensure straight and accurate cutting. • No non-core drill hole sampling has been carried out for the purposes of this report. • Development and stope samples are taken as rock chips by channel sampling of the mining face according to geological boundaries. • The sample preparation techniques are to industry standard. • The sample preparation procedure employed follows volume and grain size reduction protocols (-200 mesh) to ensure that a representative aliquot sample is taken for analysis. Grain-size checks for crushing and pulverizing are undertaken routinely. • For PQ/PQ3, HQ/HQ3, NQ/NQ3 and LTK60 core, the remaining half core is retained for reference. The TT46 drill core is whole core sampled. • Core sample submission sizes vary between 2-5kg depending on core size, sampling interval, and recovery. The assay sample sizes are considered to be appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All raw samples from the mine are submitted to Philsaga Mining Corporation's (PMC) Assay Laboratory, located at the mill site. Samples are prepared and assayed in the laboratory. Gold is assayed by the fire assay method, an industry standard commonly employed for gold deposits. It is a total-extraction method and of ore-grade category. Two assay variants are used based on gold content: the FA30-AAS for Au grades < 5g/t, and FA30-GRAV for Au grades > 5g/t. Both sample preparation and analytical procedures are of industry standards applicable to gold deposits. • A QAQC system has been put in place in the PMC Assay Laboratory since 2006. It has been maintained and continually improved up to the present. The quality control system essentially, utilises certified reference materials (CRMs) for accuracy determination at a frequency of 1:60 to 1:25. For precision, duplicate assays are undertaken at 1:20 to 1:10 frequency. Blanks are determined at 1:50 or 1 per batch. Samples assayed with lead button weights outside the accepted range of >25 to <35 grams, are re-assayed after adjustment of the flux. • Inter-laboratory check assays with an independent accredited commercial laboratory (Intertek Philippines, Manila) are undertaken at a frequency of 1 per quarter. Compatibility of assay methods with the external laboratory is ensured to minimize variances due to method differences. • The QAQC assessment showed that the great number of the mine samples assayed had accuracy within the acceptable tolerance of 2 z-score, and 10% Absolute Relative Difference (ARD). Precisions from duplicate assays generally showed ± 10 -20% MPRD for 2013 onwards. For replicate

Criteria	JORC Code explanation	Commentary
		assays, the precision at 95% confidence level, is within < 10 % which is within acceptable limits for gold. Intermittent analytical biases were shown but were well within the accepted tolerance limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Visual inspections to validate mineralisation with assay results have occurred on a regular basis. Independent and alternative company personnel on a regular basis verify significant mineralised intersections. • All drilling is diamond drilling and no twinning of holes has been undertaken. The majority of drilling is proximal to mine development and intersections are continually being validated by the advancing mine workings. • Geological logging of drill core and drilling statistics are hand written and transferred to a digital database. Original logs are filed and stored in a secure office. Laboratory results are received as hardcopy and in digital form. Hardcopies are kept onsite. Digital data is imported into dedicated mining software programs and validated. The digital database is backed up on a regular basis with copies kept onsite.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Suitably qualified surveyors and/or experienced personnel, using total station survey equipment locate all drillhole collars. Coordinates are located with respect to Survey Control Stations (SCS) established within the project area and underground. • A local mine grid system is used which has been adapted from the Philippine Reference System of 1992 (PRS92). • Topographic and underground survey control is maintained using located SCS, which are located relative to the national network of geodetic control points within 10km of the project area. The Company's SCS have been recently audited by independent licensed surveyors (Land Surveys of Perth, Western Australia) in April 2015 and they found no gross errors with the survey data. Accuracy is considered to be appropriate for the purposes of mine control.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied* • *Whether sample compositing has been applied.*	• Surface exploration drillholes were located initially on a 50m and 100m grid spacing. For resource definition drilling the sectional spacing is at least 50m with 25m sectional spacing for underground holes. • Sufficient drilling and underground face sampling has been completed to support Mineral Resource and Ore Reserve estimation procedures. • Sample compositing has not been applied to exploration data.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assesses and reported if material.*	• Mineralisation is hosted within narrow, typically <2m wide quartz veins. Orientations of the veins are typically E-W, with variations from NE-SW to NW-SE, with dips varying from flat-lying to steep dipping to the NW-NE quadrant. Surface drillholes are generally drilled towards the S and vary in dip (-45° to -60°). Underground drill holes are orientated in various directions and dips, depending on rig access to intersect the various mineralised veins at different locations within the mining area. • Due to the nature of this style of mineralisation and the limited underground access for drilling, drilling may not always intersect the mineralisation or structures at an optimum angle, however this is not

Criteria	JORC Code explanation	Commentary
		considered to be material. A good understanding of the deposit geometry has been developed through mining such that it is considered that any sampling bias is recognised and accounted for in the interpretation.
Sample security	• *The measures taken to ensure sample security.*	• Drilling is supervised by company geologists and exploration personnel. All samples are retrieved from the drill site at the first opportunity and taken to a secure compound where the core is geologically logged, photographed and sampled. Samples are collected in tagged plastic bags, and stored in a lockable room prior to transportation to the laboratory. The samples are transported using company vehicles and accompanied by company personnel to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Dr Rudy Obial from R.C. Obial & Associates routinely undertakes site visit reviews and provides independent consulting advice for the onsite laboratory upgrades and QA/QC. These regular reviews form part of the continual improvement for the site laboratory. • In August 2015, Dr Obial reported on an independent review of available QA/QC data and concluded that the accuracy of the gold determinations were predominantly within the tolerance limits for both PMC laboratory and the independent checking laboratory. The precision of assay is better for the independent laboratory and as such, where diamond drilling assays exist for both laboratories, results from the independent laboratory have been used, in preference to PMC assays, for Mineral Resource estimation. • Sampling techniques and database management is to industry standard.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Co-O mine tenement is operated under a Mineral Production Sharing Agreement (“MPSA”) MPSA No. 262-2008-XIII, which covers 2,538.8 hectares. • Aside from the prescribed gross royalties payable to the Philippine government (2%) and the Indigenous People (1%), no other royalties are payable on production from any mining activities within the MPSA.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• The Co-O mine was originally developed in 1989 by Banahaw Mining and Development Corporation (“BMDC”), a wholly owned subsidiary of Musselbrook Energy and Mines Pty Ltd. The operation closed in 1991 and was placed on ‘care and maintenance’ until its purchase by PMC in 2000. PMC recommissioned the Co-O mine and began small-scale mining operations. • Medusa Mining Ltd (“MML”) listed on the ASX in December 2003, and in December 2006, completed the acquisition of all of PMC’s interests in the Co-O mine and other assets including the mill and numerous tenements and joint ventures. MML, through PMC, has since been actively exploring the Co-O tenements.
Geology	• *Deposit type, geological setting and style*	• The Co-O deposit is an intermediate sulphidation,

Criteria	JORC Code explanation	Commentary
	mineralisation.	epithermal gold (+Ag ±Cu±Pb±Zn) vein system. The deposit is located in the Eastern Mindanao volcano-plutonic belt of the Philippines.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not distract form the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Detailed information in relation to the drill holes forming the basis of this Mineral Resource estimate is not included in this report on the basis that the data set is too large and the information has been previously publically reported. The information is not material in the context of this report and its exclusion does not detract from the understanding of this report. For the sake of completeness, the following background information is provided in relation to the drill holes. • Easting, northing and RL of the drillhole collars are in both the local mine grid, PRS92 and UTM WGS84 Zone 51 coordinates. • Dip is the inclination of the hole from the horizontal. For example a vertically down drilled hole from the surface is -90°. Azimuth is reported in magnetic degrees, as the direction toward which the hole is drilled. Magnetic North <-1° west of True North. • Down hole length is the distance from the surface to the end of the hole, as measured along the drill trace. Interception depth is the distance down the hole as measured along the drill trace. Intersection width is the downhole distance of a mineralised intersection as measured along the drill trace.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade result, the procedure used for aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No top cutting of assays was done for the reporting of exploration results. • Short lengths of high-grade (≥ 20 g/t Au) assays are included within composited intercepts. • Metal equivalent values are not reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The majority of drilling is oriented approximately orthogonal to the known orientation of mineralization. However, the intersection length is measured down the hole trace and may not be the true width. • The orientation of the veins is typically E-W, with variations from NE-SW to NW-SE with dips varying from flat-lying to steep to the NW-NE quadrant. Surface drillholes are generally orientated towards the S and vary in dip (-45° to -60°). Underground drill holes are orientated in various directions and dips, depending on rig access to intersect the various mineralised veins at different locations within the mining area. • All drill results are downhole intervals due to the variable orientation of the mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported these should include but not limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A longitudinal section is included in this announcement showing significant assay results locations (Figure 3). Tabulated significant intercepts are included in this announcement in Table III.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration*	• Significant intercepts have previously been reported for all DD drillholes that form the basis of Mineral Resource estimates. Less significant intercepts have not been reported since the drilling is carried within

Criteria	JORC Code explanation	Commentary
	Results.	the mine environs.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other substantive exploration data has been acquired or considered meaningful and material to this announcement.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions of depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling area, provided this information is not commercially sensitive.*	• Mineralisation is still open to the east, and at depth. Underground exploration and development drilling will continue to test for extensions along strike and at depth to the Co-O vein system.

APPENDIX B: Lingig Project – JORC Code 2012 – Table 1 Report

Section 1. Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handled XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverized to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond (DD) core samples are the main sample types. • Diamond (DD) core samples: Half core samples for all core sizes PQ and HQ. • DD drilling is carried out to industry standard to obtain drill core samples, which are split longitudinally in half along the core axis using a diamond saw. Half core samples are then taken at 2 metre downhole intervals or at lithological boundary contacts (if >20cm), whichever is least. The half core sample is crushed with a 1kg split taken for pulverization to obtain four (4) 250g pulp samples. A 30g charge is taken from one of the 250g pulp packets for fire assay gold analysis, and a10g charge taken for multi-element (copper, silver, lead, zinc & molybdenum) analysis. The remaining pulp samples are retained in a secure storage for future reference.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drillholes are collared using PQ3 drill bits (core diameter 83mm) until competent bedrock. The holes are then completed using either HQ3 or NQ3 drill bits depending on ground conditions. • Drill core orientation is measured using the Ezy-Mark™ front-end core orientation tool.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measure taken to maximize sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• For each core run, total core length is measured with the recovery calculated against drilled length. Recovery averaged better than 95%, which is considered acceptable by industry standards. • Sample recovery is maximised by monitoring and adjusting drilling parameters (e.g. mud mix, drill bit series, rotation speed). Core sample integrity is maintained using triple tube coring system. • No known relationship has been observed to date between sample recovery and grade. Core recovery is high being >95%. No sampling bias has been observed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core samples have been logged geologically and geotechnically to a level of sufficient detail to support appropriate mineral resource estimation, mining and metallurgical studies. Lithology, mineralisation, alteration, oxidation, sulphide mineralogy, RQD, fracture density, core recovery are recorded by geologists, then entered into a digital database and validated. • Qualitative logging is carried out on all drill core. More detailed quantitative logging is carried out for all zones of interest, such as in mineralised zones. Since July 2010, all drill core has been photographed. The drill core obtained prior to July 2010 has a limited photographic record.
Sub-sampling techniques and	• *If core, whether cut or sawn and whether quarter, half or call core taken.*	• All drill core is sawn longitudinally in half along the core axis using a diamond saw to

Criteria	JORC Code explanation	Commentary
sample preparation	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	predetermined intervals for sampling. Cutting is carried out using a diamond saw with the core resting in a specifically designed cradle to ensure straight and accurate cutting. • No non-core drill hole sampling has been carried out for the purposes of this report. • The sample preparation techniques are to industry standard. • The sample preparation procedure employed follows volume and grain size reduction protocols (-200 mesh) to ensure that a representative aliquot sample is taken for analysis. Grain-size checks for crushing and pulverizing are undertaken routinely. • For PQ/PQ3, HQ/HQ3, and NQ/NQ3 core, the remaining half core is retained for reference. • Core sample submission sizes vary between 2-5kg depending on core size, sampling interval, and recovery. The assay sample sizes are considered to be appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All half core samples were submitted to Intertek's Surigao laboratory for sample preparation and Intertek's Manila laboratory for gold and multi-element analysis (copper, gold, silver, lead, zinc and molybdenum) • Gold is assayed by the fire assay method using a 30g charge, an industry standard commonly employed for gold deposits. • Determination by AAS for copper, silver, lead, zinc and molybdenum following ore grade three-acid digest (HNO3/HClO4/HCl) with volumetric finish. • Sample preparation and analytical procedures are of industry standards applicable to the styles of mineralisation. • The Company employs a QAQC program for all sample submissions. CRMs are nominally inserted into sample batches at 1:20 to 1:10 frequency. Blanks inserted at 1:50 or 1 per batch. Acceptable levels of accuracy and precision have been established.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Visual inspections to validate mineralisation with assay results have occurred on a regular basis. Independent and alternative company personnel on a regular basis verify significant mineralised intersections. • All drilling is diamond drilling and no twinning of holes has been undertaken. • Geological logging of drill core and drilling statistics are hand written and transferred to a digital database. Original logs are filed and stored in a secure office. Laboratory results are received as hardcopy and in digital form. Hardcopies are kept onsite. Digital data is imported into dedicated mining software programs and validated. The digital database is backed up on a regular basis with copies kept onsite. • There is no adjustment to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Suitably qualified surveyors and/or experienced personnel, using total station survey equipment locate all drillhole collars. Coordinates are located with respect to Survey Control Stations (SCS) established within or near to the project area. • The grid system used is the Philippine Reference System of 1992 (PRS92). • Topographic survey control is maintained using

Criteria	JORC Code explanation	Commentary
		located SCS, which are located relative to the national network of geodetic control points within 10km of the project area. Accuracy is considered to be appropriate for the purposes of Mineral Resource estimation.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied* • *Whether sample compositing has been applied.*	• Surface exploration drillholes are located at varying spacings, as a function of topography and accessibility for drilling equipment. • Sufficient drilling has been completed in some areas, in the past, to support Mineral Resource estimation procedures. This recent drilling however, is reconnaissance in nature and therefore not spaced close enough to support Mineral Resource estimation. • Sample compositing has not been applied to exploration data.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assesses and reported if material.*	• Surface drillholes are drilled at varying orientations depending on accessibility. Generally the mineralisation occurs in a NNE-SSW orientation, and most drilling has been orientated orthogonal to the main mineralisation trend. • Due to the nature of the surface topography and accessibility restrictions to drilling equipment, drilling may not always intersect the mineralisation or structures at an optimum angle, however this is not considered to be material. • No sampling bias has been recognised.
Sample security	• *The measures taken to ensure sample security.*	• Drilling is supervised by company geologists and exploration personnel. All samples are retrieved from the drill site at the first opportunity and taken to a secure compound where the core is geologically logged, photographed and sampled. Samples are collected in tagged plastic bags, and stored in a secure area prior to transportation to the laboratory. The samples are transported using company vehicles and accompanied by company personnel to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of sampling techniques was undertaken during the drilling program on two occasions by Mr Gary Powell. In addition, senior Philsaga geological staff members routinely visit the drilling sites and inspect the drill core handling and sampling procedures. • No independent audits or reviews were undertaken for this drilling program. • Sampling techniques and database management is to industry standard.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Lingig tenement is operated under a Mineral Production Sharing Agreement ("MPSA") 343-2010-XIII, which covers 3,810 hectares. • Aside from the prescribed gross royalties payable to the Philippine government (2%) and the Indigenous People (1%), a 3% Gross Smelter Royalty is payable on production from any mining activities within the MPSA.

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• The Lingig discovery was located during a joint Filipino-Japanese aid programme in 1972 to 1974 over eastern Mindanao. A 170 km² area was selected and subjected to detailed geological mapping and geochemistry followed by Induced Polarisation ("IP") geophysical surveys. In 1974, the consortium completed 5 diamond drillholes and intersected significant copper mineralisation, including 150m @ 0.4% copper towards the bottom of the first hole. • Medusa Mining Ltd ("MML") listed on the ASX in December 2003, and in 2007, concluded an agreement with the claim owner, and completed 40 diamond drillholes between 2008 and 2010.
Geology	• *Deposit type, geological setting and style mineralisation.*	• Lingig comprises two styles of copper mineralisation, located in three zones: Zone 1 (Au-bearing porphyry related Cu), and Zones 2 and 3 (magmatic-hydrothermal breccia-hosted Cu with porphyry-related Cu). The prospect is located in the Eastern Mindanao volcano-plutonic belt of the Philippines.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not distract form the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Detailed information in relation to the drill holes is not included in this report on the basis that the much of the information has been previously publically reported. The information is not material in the context of this report and its exclusion does not detract from the understanding of this report. For the sake of completeness, the following background information is provided in relation to the drill holes. • Easting, northing and RL of the drillhole collars are located in both Philippine Reference System of 1992 (PRS92) and UTM WGS84 coordinates. • Dip is the inclination of the hole from the horizontal. For example a vertically down drilled hole from the surface is -90°. Azimuth is reported in magnetic degrees, as the direction toward which the hole is drilled. Magnetic North < -1° west of True North. • Down hole length is the distance from the surface to the end of the hole, as measured along the drill trace. Interception depth is the distance down the hole as measured along the drill trace. Intersection width is the downhole distance of a mineralised intersection as measured along the drill trace.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade result, the procedure used for aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No top cutting of assays was done for the reporting of exploration results. • There are no short lengths of high-grade (≥ 5000 ppm Cu) assays within composited intercepts. • Metal equivalent values are not reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The majority of drilling is oriented approximately orthogonal to the known orientation of mineralization. However, the intersection length is measured down the hole trace and may not be the true width. • The orientation of the mineralisation based on previous drilling and geophysical surveys. It is essentially oriented NNE-SSW. The two drillholes are orientated towards the West and dip (-50° & -60°). This orientation is considered to be most appropriate for targeting the IP anomalies. • All drill results are downhole intervals. True widths

Criteria	JORC Code explanation	Commentary
		are not known due to the variable orientation of the mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported these should include but not limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A plan is included (Figure 5). Tabulated intercepts are included (Table IV).
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Significant intercepts have previously been reported for all historical DD drillholes. Less significant intercepts have not been reported since they are not considered to be material, and the reported intercepts are not significant enough to be misleading.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other substantive exploration data has been acquired or considered meaningful and material to this announcement.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions of depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling area, provided this information is not commercially sensitive.*	• Mineralisation is still open to the north and south, and at depth. The tenor of mineralisation encountered to date is not sufficiently high enough in this current economic climate to warrant further exploration.

APPENDIX B: TENEMENT SCHEDULE (as at 31 December 2015)

Name	Tenement ID	Registered Holder	Company's Interest [1] at		Royalty [2]	Area (hectares) at	
			30 Sep 2015	31 Dec 2015		30 Jun 2015	30 Sep 2015
Co-O Mine	MPSA 262-2008-XIII	PMC	100%	100%	-	2,539	2,539
	MPSA 299-2009-XIII	PMC	100%	100%	-	2,200	2,200
Co-O	APSA 00012-XIII	BMMRC	100%	100%	-	340	340
	APSA 00088-XIII	Phsamed	100%	100%	-	4,742	4,742
	APSA 00098-XIII	Philcord	100%	100%	1% NPI	507	507
	APSA 00099-XIII	Philcord	100%	100%	1% NPI	592	592
Saugon	EP 017-XIII	PMC	100%	100%	-	3,132	3,132
	EP 031-XIII [3]	PMC	100%	100%	-	2,456	2,456
	EP 032-XIII	PMC	100%	100%	-	3,048	3,048
	EPA 00066-XIII	PMC	100%	100%	-	6,769	6,769
	EPA 00069-XIII [3]	Phsamed	100%	100%	-	2,519	2,519
	EPA 00087-XIII [3]	PMC	100%	100%	-	87	87
Tambis	MPSA 344-2010-XIII	Philex	100%	100%	7% NSR	6,208	6,208
Das-Agan	MPSA 343-2010-XIII	Das-agan	100%	100%	3% GSR	3,810	3,810
Apical	APSA 00028-XIII	Apmedoro	Earning 70% (JV)		-	1, 235	1,235
Corplex	APSA 00054-XIII	Corplex	100%	100%	3% NSR	2,118	2,118
	APSA 00056-XIII	Corplex	100%	100%	-	162	162
	APSA 00077-XIII	Corplex	100%	100%	4% GSR	810	810
	EPA 00186-XIII [3]	Corplex	100%	100%	3% NSR	7,111	7,111
Sinug-ang	EPA 00114-XIII	Salcedo / PMC	100%	100%	-	190	190
Coal Project	COC Area 6	PMC	-	100%	-	4,000	4,000
	COC Area 7	PMC	-	100%	-	5,000	5,000

NOTES:

1. There have been no material changes to the Company's interest since 30 September 2015.
2. Royalties payable to registered holders, aside from the prescribed royalties payable to the Philippine government and the Indigenous People.
3. Awaiting for approval and confirmation by MGB of area reduction.

ABBREVIATIONS:

Tenement Types

MPSA	Granted Mineral Production Sharing Agreement	APSA	Application for Mineral Production Sharing Agreement
EP	Granted Exploration Permit	EPA	Application for Exploration Permit

Registered Holders

PMC	Philsaga Mining Corporation		
BMMRC	Base Metals Mineral & Resources Corporation	Philex	Philex Gold Philippines Incorporated
Phsamed	Phsamed Mining Corporation	Das-Agan	Das-Agan Mining Corporation
Philcord	Mindanao Philcord Mining Corporation	Apmedoro	APMEDORO Mining Corporation
Corplex	Corplex Resources Incorporated	Salcedo	Neptali P. Salcedo

Royalty

NPI	Net Profit Interest	GSR	Gross Smelter Royalty
NSR	Net Smelter Royalty		