QUARTERLY ACTIVITIES REPORT
PERIOD ENDED
31 MARCH 2016

Snapshot of Medusa:

- Un-hedged, low cost, gold producer focused on organic growth in the Philippines
- No long-term debt
- Growth underpinned by improving cash flow from Co-O Mine (narrow vein underground)

Board of Directors:

Andrew Teo (Non-executive Chairman)

Raul Villanueva (Executive Director)

Ciceron Angeles (Non-executive Director)

Roy Daniel (Non-executive Director)

Management

Boyd Timler
(Chief Executive Officer)

Raul Villanueva
(President, Philippine subsidiaries)

Peter Alphonso
(Chief Financial Officer / Company Secretary)

Gary Powell
(Manager Geology & Resources)

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:** 21,980 ounces at a head grade of 5.47 g/t gold (Dec 2015 quarter of 29,674 ounces; head grade of 6.79 g/t gold)
- **Cash Costs:** of US$494 per ounce (Dec 2015 quarter cash costs: US$435 per ounce)
- **AISC** of US$1,033 per ounce (Dec 2015 quarter AISC US$950 per ounce).
- **Mill Performance:** gold recovery averaged 94% (Dec 2015 quarter 94%).
- **Development:** A total advance of 5,266 metres of horizontal and vertical development (Dec 2015 quarter was 4,836 meters, an improvement of 8%).
- **Mine Infrastructure:**
  - **Service Shaft:** Blind sinking complete from surface to 65 metres, 26 metres remaining to connect with top of Alimak raise completed from Level 8 to above Level 3.
  - **Main Levels and Winzes:** Developing three internal winzes from Level 8 to Level 10 in advance of the Service Shaft extension to L10. The primary exploration drift on L8 was completed in Q3 to 84E with drilling to start in April.
  - **Mine Ventilation:** New Primary fan installed on surface and dry commissioned. Final commissioning and ventilation development will be completed in Q4.
- **Resource Drilling:** Underground drilling targeting resource extensions from Levels 8 to 16 commenced in March. Initial delays due to drill rig availability and development of underground drill chambers.
- The Co-O Mine production guidance for 2015-16 financial year has been adjusted to 108,000 ounces from the lower end of the December 2016 quarter guidance of 120,000 ounces.

Co-O MINE EXPLORATION

- **Underground resource drilling** results include 3.35 metres @ 146 g/t Au; 3.1 metres @ 76 g/t Au; 2.35 metres @ 69 g/t Au, and 0.55 metres @ 336 g/t Au. These are significant intersections within resource blocks on primary veins between L8 and L10
- Surface exploration continuing at South Agsao veins.

REGIONAL EXPLORATION

- **Bananghilig Deposit:** Resource modelling continuing with emphasis on QAQC.
- **Guinhalinan Prospect:** Scout drilling completed in January 2016.

COAL EXPLORATION

- Reconnaissance drilling of sub-bituminous coal seams identified at surface continues to intersect coal seams. Best results to date include 1.91 metres (3307 kcal/kg) and 1.24 metres (4361 kcal/kg).
- Regional mapping of coal bearing stratigraphy nearing completion.

NEW PROJECTS GENERATION

- Company is reviewing opportunities for acquisition and development of gold resource projects outside of current tenement portfolio.

CORPORATE & FINANCIALS

- Total cash and bullion on hand at the end of the quarter of approximately US$16.8 million (approximately US$16.0 million at 31 Dec 2015).
- Mr Boyd Timler was appointed Chief Executive Officer on 21 March 2016.

PROJECT OVERVIEW

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

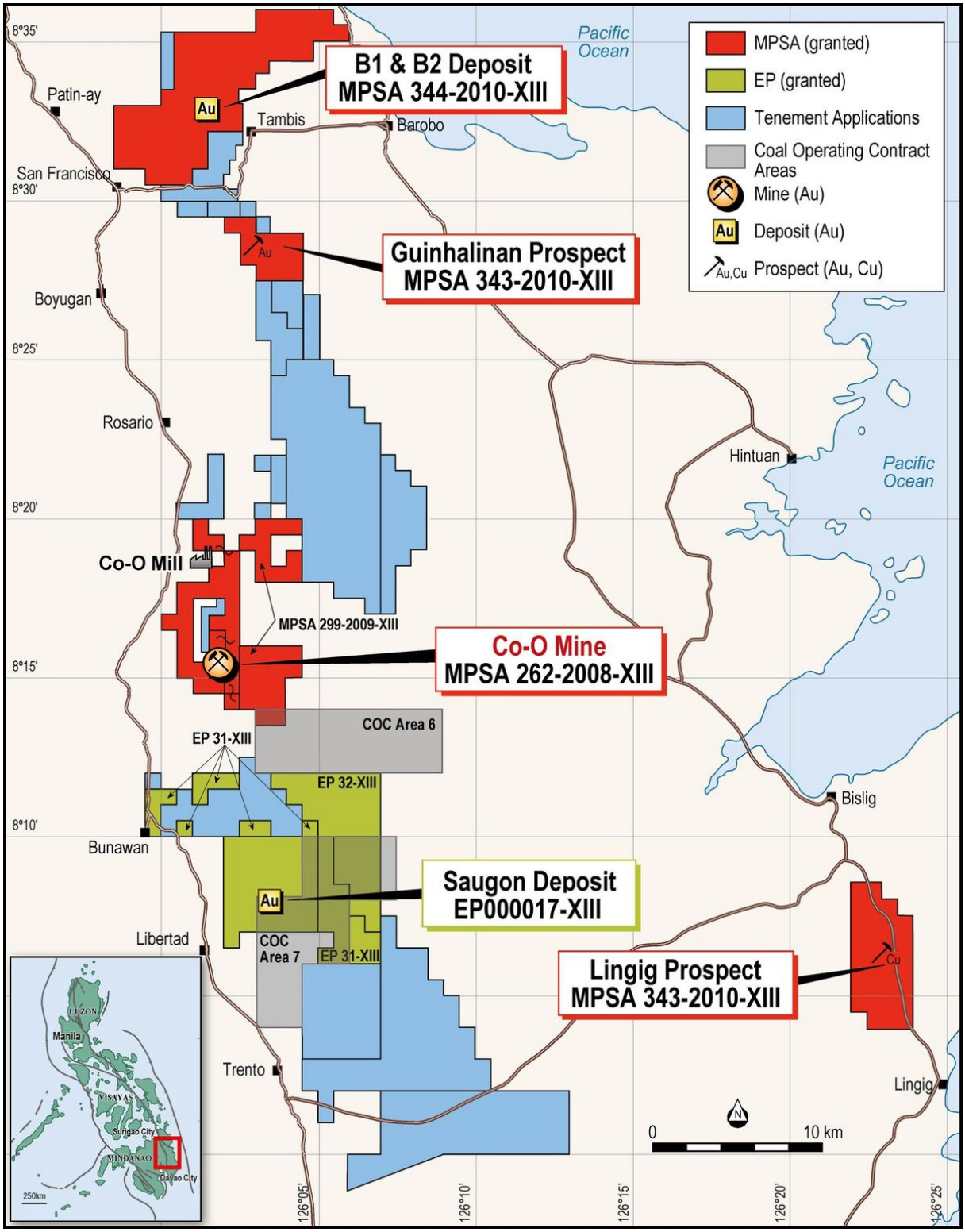

Figure 1. Location diagram showing the Company's Co-O mine and mill operations, tenement areas and main project areas

Co-O MINE

Production

The production statistics for the March 2016 quarter and comparatives for the previous three quarters are summarised in Table I below:

Table I. Gold production statistics

Description	Unit	Qtr ended 31 Mar 2016	Qtr ended 31 Dec 2015	Qtr ended 30 Sep 2015	Qtr ended 30 Jun 2015	Qtr ended 31 Mar 2015
Tonnes mined	WMT	148,478	159,149	166,620	166,497	157,489
Ore milled	DMT	132,393	144,123	151,463	146,095	135,725
Head grade	g/t	5.47	6.79	6.80	6.01	5.84
Recovery	%	94%	94%	94%	94%	94%
Gold produced	ozs	21,980	29,674	31,495	26,542	23,940
Cash costs (1)	US$/oz	$494	$435	$439	$390	$391
Gold sold	ozs	20,999	30,835	31,176	29,350	17,169
Average gold price received	US$	$1,173	$1,096	$1,121	$1,197	$1,217

Note:

(1) Net of development costs and includes royalties and local business taxes of approximately US$91/oz (YTD: US$79/oz)

The Company produced 21,980 ounces of gold for the quarter, at an average head grade of 5.47 g/t gold.

All-In-Sustaining-Costs ("AISC") for the March quarter was US$1,033 per ounce of gold and includes discretionary exploration expenditure of US$0.6 million. (YTD: AISC of US$972 per ounce, including discretionary exploration expenditure of US$5.3 million).

The increase in cash costs and AISC is due to reduced ounces from a combination of the following factors:

- Mine development advance was up by 8% quarter on quarter, lowering the overall grade of ore material hoisted, and the development waste displaced ore material as the Co-O mine is hoist constrained.
- Mill throughput was down by 9% quarter on quarter. The Mine feed grade was down by 20% quarter on quarter based on the available stoping material. Broken stockpiles are at 50,000 tonnes as or 31 March 2016.

Production Guidance

The Company had previously advised production guidance for 2015-16 financial year of between 120,000 to 130,000 ounces, however given the lower than expected production ounces for the March quarter and preliminary results of a recently conducted review of operations, the revised annual production is expected to be approximately 108,000 ounces.

As previously advised, the AISC guidance will remain at elevated levels (that is between US$900 to US$1,000) until such time as all mine medium term waste infrastructure projects are completed and the cost efficiencies they produce materialise.

Co-O OPERATIONS

E15 Service Shaft

The Co-O Mine is at its hoisting capacity from the primary production shifts from the upper levels 1 to 5, to the lower levels 6 to 8. This limitation was recognized in 2014 with the Board approving the E15 Service Shaft on 9th April 2015.

There was a delayed start to the blind sinking due to limited in-country shaft sinking equipment and skilled staff. The blind sink was planned from surface to Level 1, 70 metres. Due to ground conditions the plan was revised to blind sink for 91 metres to where the Alimak Raise stopped just above Level 3. The shaft is currently sunk to 65 metres from the concreted collar and is fully bolted and shotcreted to the working bench. The Alimak was stopped due to deteriorating ground conditions that were not identified in the pilot hole. This is detailed in figure 2.

The Alimak raise from Level 8 to Level 3 was completed in the December quarter.

Once the blind sinking phase connects to the Alimak Raise, the shaft will be slashed to final dimensions from the top down. The ground conditions at Level 3 did not allow for an upper Alimak Nest to be established.

During the March quarter all of the required modifications that were outlined in the December quarterly report have been addressed, redesigned or scheduled for completion. This work has been completed by an Independent Consulting firm and incorporated into the Independent Operations Review that was started last quarter.

With these changes the shafts key milestones are:

- 26 meters of blind sinking to L3. Complete in Q4.
- Double Deck sinking stage to arrive early May. Will allow slashing of the Alimak raise and ground support from the upper deck.
- Headframe and Winder house delivery in May.
- Winder with modified PLC's and controls to arrive in June.
    - Winder and Rope Guide design changed with extension to L10 and revised safety controls.
- Winder house, Headframe civil work 70% complete.
- Collar and level doors to arrive in May.
- June 2017 completion date assumes blind sinking from L8 to L10.

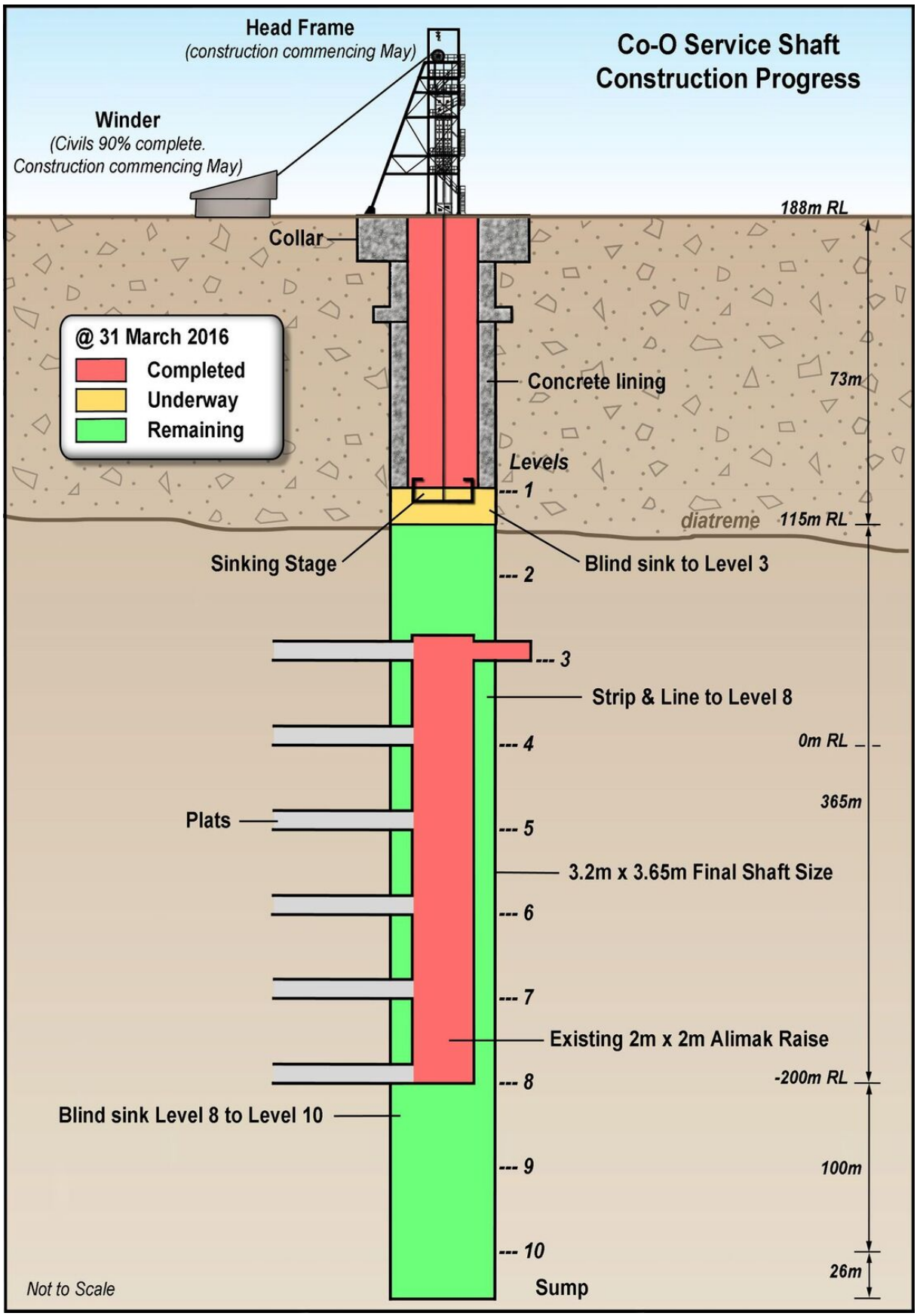

Figure 2. Service Shaft currently under construction - schematic progress diagram (including revised design to Level 10).

Production Shafts

Material hoisting at Co-O Mine is through the primary L8 Production Shaft and the two inclines shafts; Baguio and Agsao, for a total of 60,000 tonnes/month (tpm).

Currently L8 shaft is capable of 33,000 tpm. Once the Service Shaft is completed the L8 Shaft will have a hoisting capacity of 52,000 tpm, a 36% improvement.

The shaft schedules have been optimized for; shaft maintenance & servicing, manpower movement, materials delivery, major equipment movements, to ensure the skipping capacity is maximized. A new L8 Shaft servicing cage has been ordered from Australia to further optimized the shaft maintenance resulting in improved utilization for skipping.

The internal shafts from L8 to L10 are progressing to plan. Three winzes have been started from Level 8, sinking down to L10. 29E Winze is at Level 9, where horizontal development has started. 12E Winze has been advanced below Level 9 and 17E Winze above Level 9.

Underground Mining

Mine tonnage production was down by 10% overall for the March quarter compared to previous periods, but mine development was up 8%.

A total of 3,473 metres of horizontal development (80% 'on vein') and 1,793 metres of vertical development (97% 'on vein') were completed during the March 2016 quarter, for a total combined advance of 5,266 metres.

The volume of development material impacts on the L8 hoisting capacity, so this was not unexpected. The higher volume of development ore lowers the overall mill feed blend as well.

Broken ore stocks (broken ore in stopes) as of 31st March was at 50,000 tonnes, down from 60,000 tonnes in the previous quarter. The level of broken stocks is cyclic and lags behind the mine development rates. The higher development rates will bring the broken stock levels up over time as new stope blocks are started. Higher broken stocks tends to increase the overall mill feed grades as well.

New ventilation

The mine ventilation plan is to break the mine into two systems; above / below Level 6. A new primary raise from L6 to surface was completed in the previous quarter. The new primary fan was dry commissioned in the March quarter. Vertical development is ongoing and will be completed in the June quarter, connecting L6 raise to L8. The existing ventilation fans will then be reversed and become an intake system for the above L6 system, all to happen in the 4th quarter.

Co-O Mine Geology

Co-O Mine Drilling

The resource drilling program between Levels 12 to 16 has been delayed again due to the late arrival and commissioning of the newly purchased drill rigs as well as delays in the development of the drill chambers. This program is planned to target and intercept the depth and strike extensions of the mineralized vein system between Levels 8 to Level 12 (-200m to -400m RL) and Levels 12 to Level 16 (-400m to -600m RL). As previously reported, 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).

During March, the three new rigs were all installed and commissioned, and are now operational. Development of the second drilling chamber (L8-2W position) is ongoing and is anticipated to be completed by end of April. Due to delays in establishing the L8-64E drill chamber, a crosscut is being driven towards the L8-85E position to develop a third drill chamber, and is expected to be completed by the end of the June 2016 quarter, after which access will commence towards the planned drill chamber near to the L8-105E position (Fig. 3)

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

A total of 20 drill holes were completed for an advance of 3,360.9 metres, of which resource definition drilling totaled 10 drill holes for an advance of 2,489.6 metres.

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

Table II. Co-O Mine underground drill hole results ≥ 3 gram-metres/tonne gold (since 31 December 2015)
(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-004	613834	913084	-42	277.6	164	-31	74.00	0.90	8.53
L5-17W-005	613830	913083	-43	405.1	237	-19	66.70	1.70	4.15
							84.90	1.10	11.19
UNDERGROUND RESOURCE DRILLING - LEVEL 8									
L8-28E-010	614271	912866	-190	380.4	130	-30	32.55	0.65	13.30
							80.90	1.70	5.85
L8-45E-015	614464	913036	-190	398.4	174	-14	115.25	0.50	17.30
							155.00	2.05	4.81
							188.20	0.50	12.23
L8-45E-018	614468	913037	-191	200.3	124	-45	139.00	2.95	19.59
							171.25	1.05	4.55
L8-45E-020	614465	913036	-189	181.4	200	-50	105.80	3.35	146.52
						Incl…	*107.70*	*0.45*	*803.50*
							116.25	1.35	22.82
							163.00	3.10	76.24
						Incl…	*163.00*	*0.55*	*345.20*
L8-45E-021	614464	913036	-191	272.4	215	-44	104.95	0.60	17.17
							137.05	0.55	336.20

Notes:

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) ≥ 3 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. Analysis is carried out by Philsaga Mining Corporation's laboratory; Inter-laboratory check assays are carried out with an independent accredited commercial laboratory (Intertek Philippines, Manila) on a regular basis every quarter.
4. Grid coordinates are rounded and based on the Co-O Mine Grid. RL is elevation, rounded in metres relative to Mine Datum.

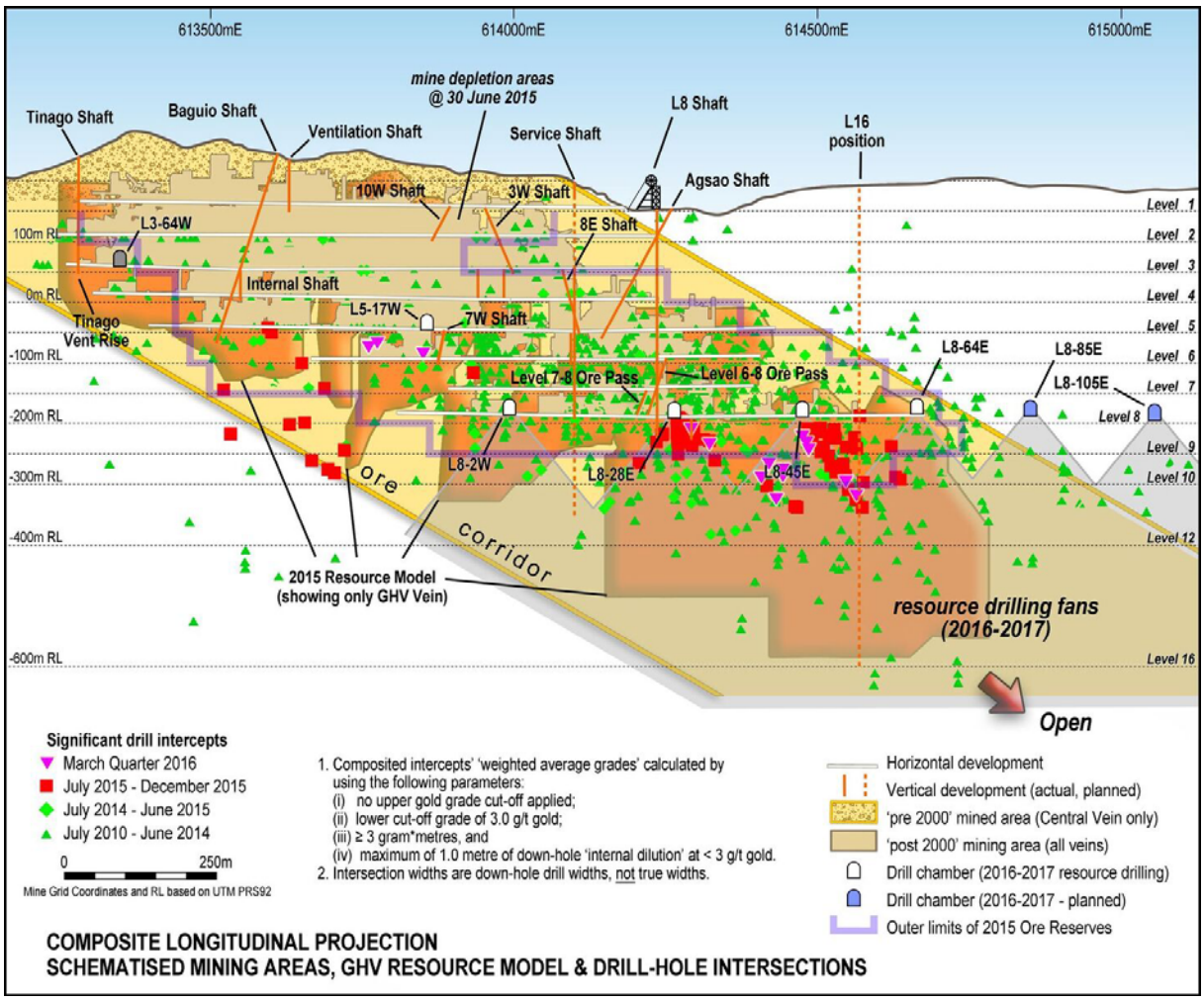

Figure 3. Co-O Mine Longitudinal Projection showing composited mining depletion, vertical development, Ore Reserves limits, and significant drill intercept locations (including previously reported).

HEALTH, SAFETY & ENVIRONMENT

The Lost Time Accident Frequency Rate for March quarter FY was 0.51. There were no reported LTI related injuries in this period.

There were no environmental breaches during the March quarter.

Co-O SURFACE EXPLORATION

Reconnaissance Programs

Detailed geological mapping, trenching and sampling programs are continuing proximal to the Co-O Mine environs, targeting the South Agsao and West Road 17 areas (Fig. 4). Results are continuously being evaluated to derive drilling targets.

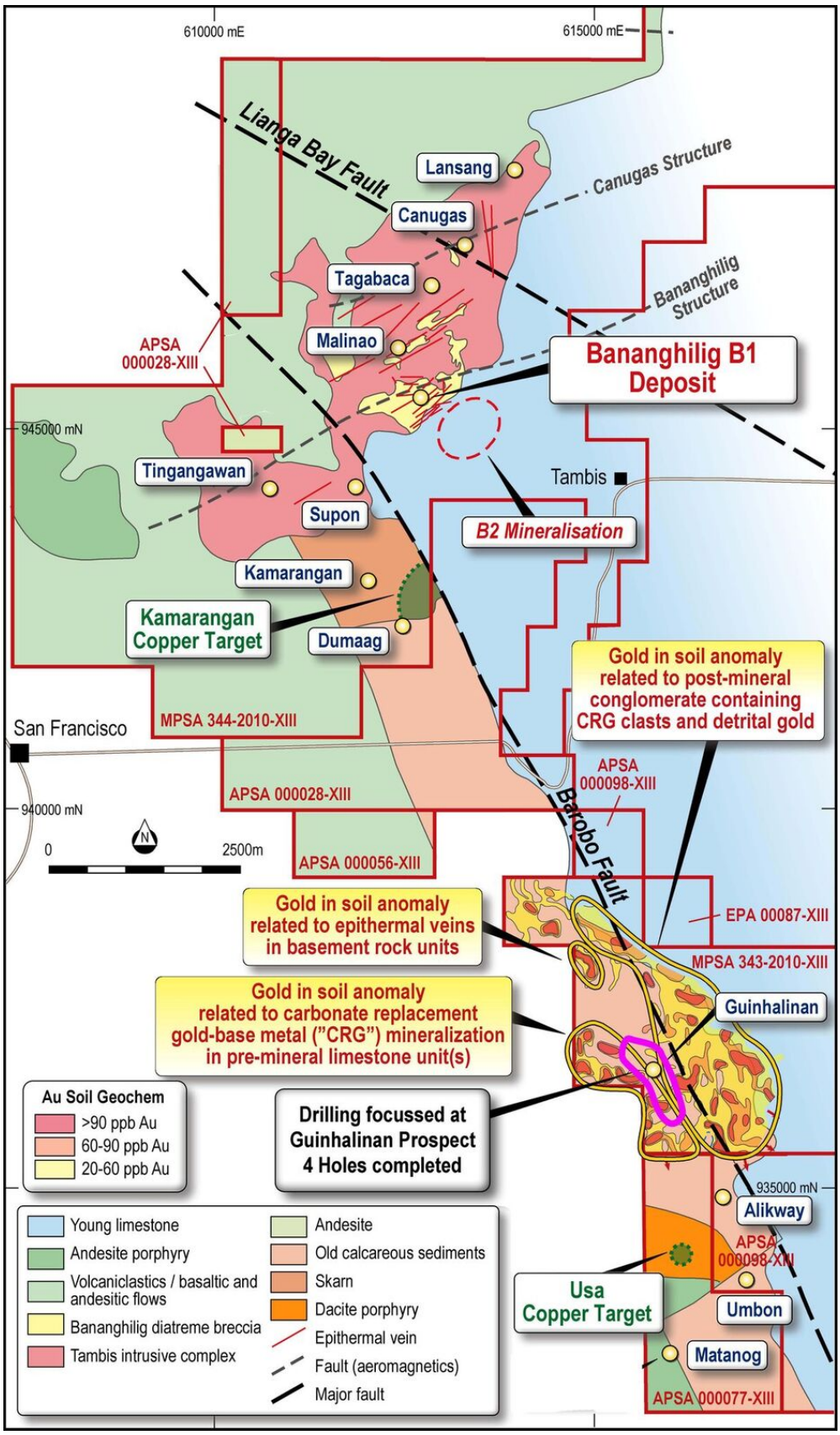

Fig 4. Guinhalinan Soil Geoch + DHoles

TAMBIS REGION

The Tambis Project, comprising the Bananghilig B1 Gold Deposit and the B2 Mineralisation (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

Geological re-interpretation

A detailed geological re-interpretation of the B1 deposit has been completed and is currently undergoing verification and geo-statistical analysis prior to final modelling and estimation of a mineral resource in compliance with the JORC Code 2012. Various QAQC studies, including survey, analytical, and small-scale mining depletion audits are still in progress.

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.

The Guinhalinan prospect area comprises strata-bound sediment-hosted carbonate replacement style gold+silver+base-metal (CRG) mineralisation and lesser associated intermediate sulphidation, epithermal quartz-calcite gold±base-metal veins.

A 1,200 metre NW-trending zone of sub-cropping CRG-related mineralisation, inferred from the presence of: CRG float; weak to moderate 'gold in soil' geochemistry anomalies, detailed geological and regolith mapping, sampling and trenching were initially drill tested in late 2006, and more recently from October 2015 to January 2016.

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

CRG mineralisation is generally focused proximal to the contact of the limestone with calcareous siltstone/shale. Mineralisation within the limestone, however, is typically of a lower tenor.

Exploration

Scout drilling targets were defined during the September 2015 quarter and diamond drilling of these commenced in October 2015. A total of 5 diamond drill holes have been completed for an advance of 757.0 metres, of which one hole was completed during the March 2016 quarter for an advance of 137.1 metres.

Results of this recent drilling program were disappointing, especially given the size and tenor of the 'gold in soil' geochemistry anomalies and the previous (2006) drilling results. Only one drill hole (DGN005) returned assays greater than 0.3 ppm Au (i.e. 0.6m @ 0.97 g/t Au from 65.4m depth, and 1.0m @ 0.39 g/t Au from 8.75m depth).

The project is currently under review to determine if future exploration efforts are warranted in this area, given the poorer than expected results.

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 program commenced at the end of November 2015. During the March 2016 quarter, fifteen (15) drillholes were completed for a total advance of 1,656 metres. Locations of the drillholes are shown in Figures 5, 6 and 7. Numerous seams have been intercepted, with thicknesses ranging from 0.2 metres to 2.35 metres. Sampling of the coal seams intercepted is ongoing. Results from the first batch of samples submitted for analysis have been received and a summary of significant intercepts is included below in Table III.

Table III. Coal Project – significant drill intercepts

(Refer Appendix C for JORC Code, 2012 Edition - Table 1 Report)

Hole Number	East [4]	North [4]	RL [4]	Depth (m)	Dip (°)	From (m)	Width [2] (m)	Total Moisture (%)	Ash (%)	Volatile Matter (%)	Fixed Carbon (%)	Total Sulfur (%)	Heating Value (kcal/kg)
AGDH02	619991	900627	63	142	-90	16.60	0.70	6.7	47.9	21.7	23.8	0.6	3241
						73.70	0.40	9.1	48.0	22.1	20.8	0.5	3043
AGDH03	619413	900693	99	100	-90	52.10	0.80	8.6	35.7	25.6	30.2	0.8	4305
RIDH01	622069	907417	85	150	-90	70.12	0.43	21.9	15.0	30.1	33.0	0.4	4589
						71.17	1.91	20.6	32.0	23.9	23.5	0.2	3307
						111.50	0.56	22.0	28.7	23.6	25.7	0.2	3414
RIDH02	622221	907386	108	182	-90	113.66	1.24	20.5	18.5	28.9	32.1	0.5	4361
						149.74	0.42	19.7	32.8	23.7	23.7	0.5	3196
RIDH04	622002	907830	83	80	-90	51.70	1.00	21.9	30.8	23.5	23.8	0.3	3280

Notes:

1. Composited intercepts' 'weighted average' analysis calculated by using the following parameters:
   (i) Minimum downhole intercept length of 0.3 metres;
   (ii) Minimum Heating Value of 3,000 kcal/kg;
   (iii) Maximum Total Sulphur content of 1%;
2. Drillholes are collared vertical and deviate no more than 2° from vertical
3. Intersection widths are downhole drill widths not true widths;
4. Quality analysis is carried out by Inspectorate (Philippines) Corporation, a Bureau Veritas Group Company.
5. Grid coordinates and elevation are rounded and based on PTM PRS92.

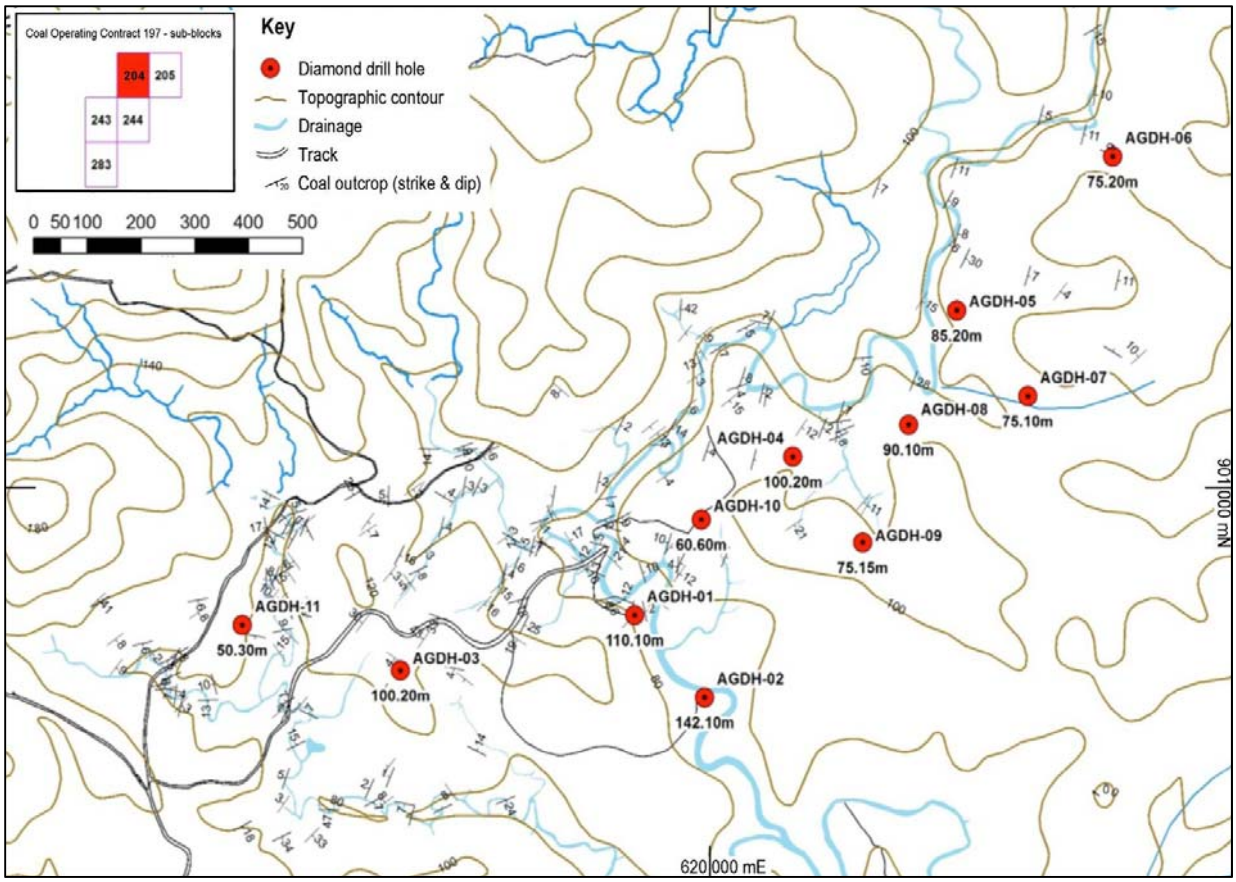

Figure 5. Coal Project – COC 197 – drillhole locations (AGDH01 – AGDH11).

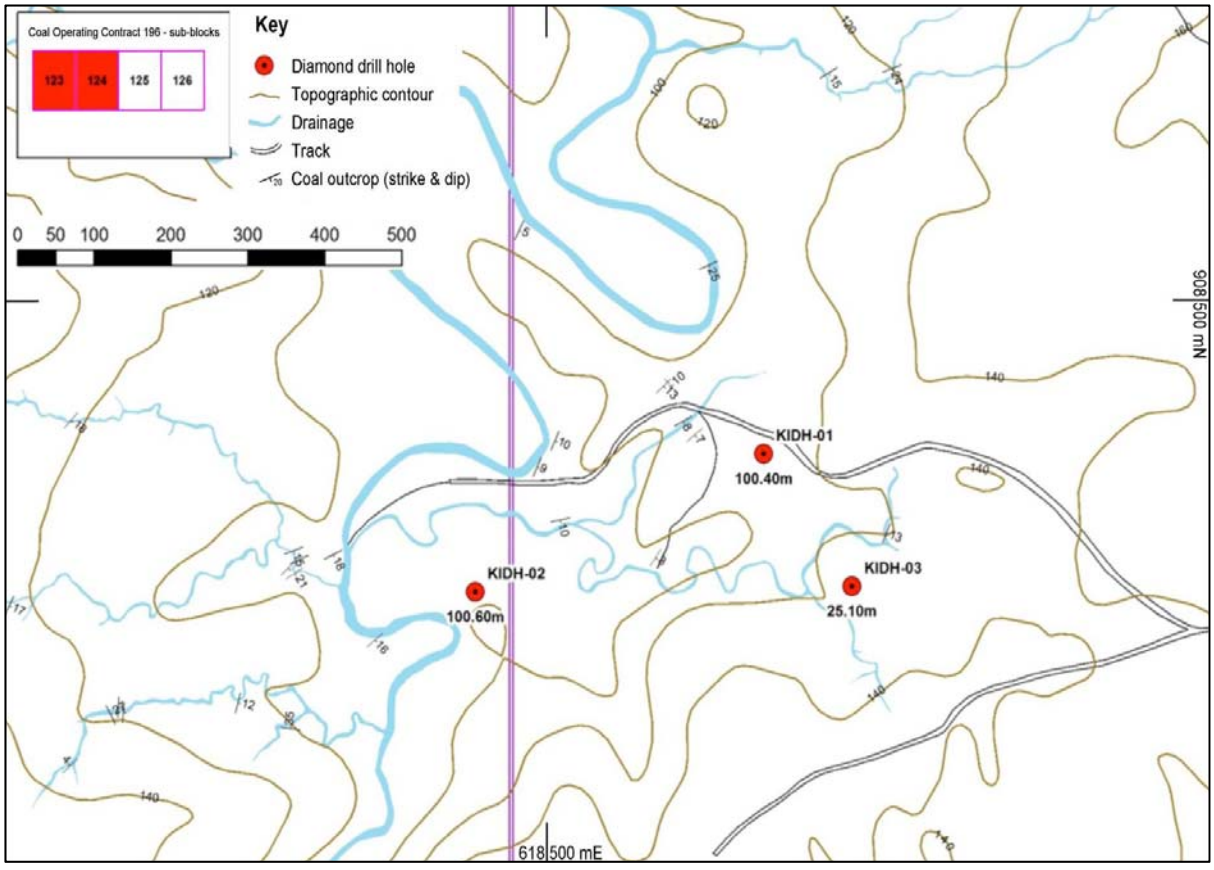

Figure 6. Coal Project – COC 196 – drillhole locations (KIDH01 – KIDH03).

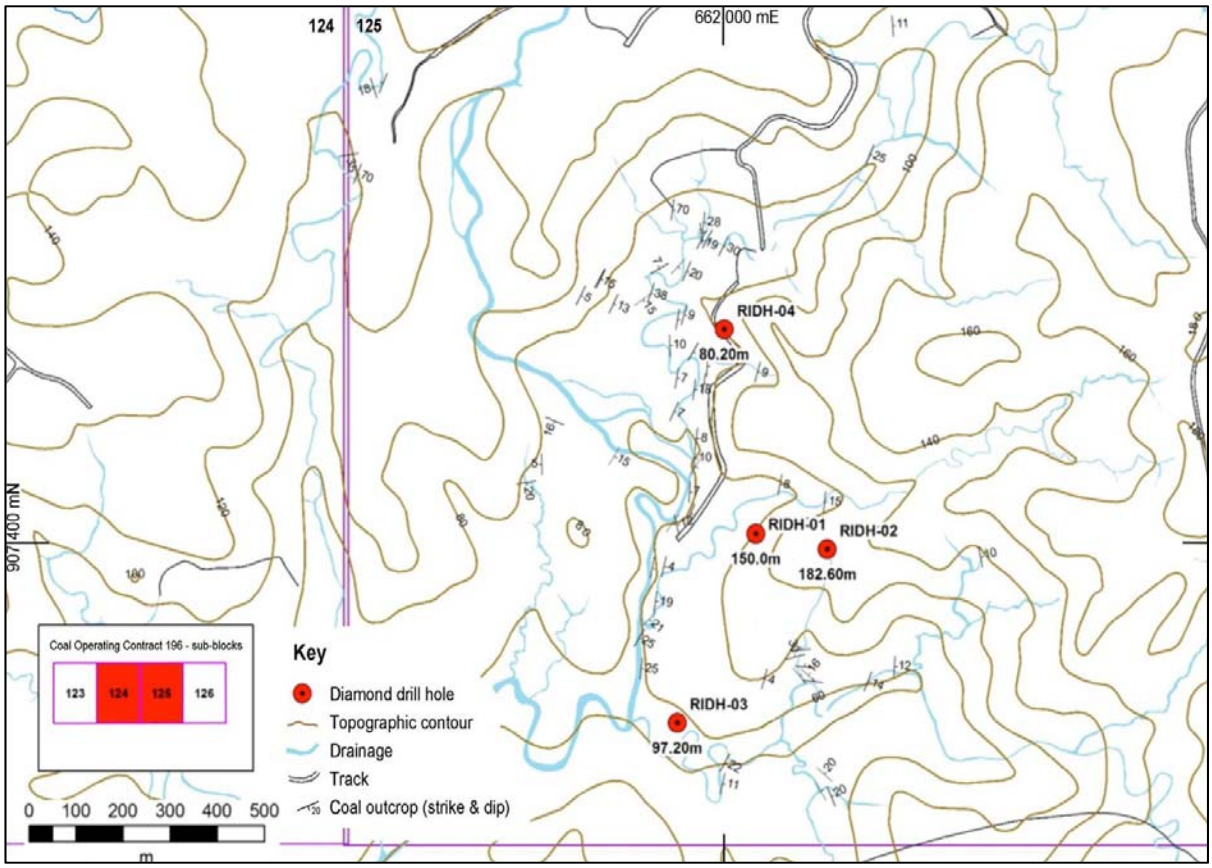

Figure 7. Coal Project – COC 196 – drillhole locations (RIDH01 – RIDH04).

NEW PROJECTS GENERATION

The Company is in the process of reviewing various opportunities to acquire gold (± base metals) resource projects outside of the current tenement portfolio, to provide additional mill feed to the Co-O CIL mill. In addition the Company will be reviewing opportunities elsewhere in the Philippines and South East Asia region with the potential to develop standalone mining operations in the medium term, as part of the Company's growth strategy.

ISO 14001 CERTIFICATION

The Company received ISO 14001 certification in the March quarter.

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

As at 31 March 2016, the Company had total cash and cash equivalent in gold on metal account of approximately US$16.8 million (31 December 2015: US$16.0 million).

The Company sold 20,999 ounces of gold at an average price of US$1,173 per ounce in the March 2016 quarter (31 Dec 2015: 30,835 ounces sold at an average price of US$1,096 per ounce).

During the March 2016 quarter, the Company incurred;

- exploration expenditure of US$0.6 million (YTD: US$5.3 million; Dec 2015 quarter: US$2.7 million);
- US$3.9 million on capital works (inclusive of new Service Shaft) and associated sustaining capital at the mine and mill (YTD: US$13.4 million; Dec 2015 quarter: US$4.2 million); and
- US$6.1 million on continued mine development (YTD: US$20.3M; Dec 2015 quarter: US$6.8 million); and
- corporate overheads of US$1.2 million (YTD: US$4.3 million; Dec 2015 quarter: US$1.6 million).

In addition to the expenses highlighted above, which form part of AISC of US$1,033 per ounce, the Company also paid indirect value added tax (refundable in tax credits) of approximately US$1.5 million.

CORPORATE

On 21 March 2016, the Board announced the appointment of Mr Boyd Timler as the Company's Chief Executive Officer.

JORC CODE 2012 COMPLIANCE - CONSENT OF COMPETENT PERSONS

Medusa Mining Limited

Information in this report relating to **Exploration Results** has been directed and reviewed by Mr Gary Powell, and is based on information compiled by Philsaga Mining Corporation's 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.* • *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.

Criteria	JORC Code explanation	Commentary
		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 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	• *The verification of significant intersections*	• Visual inspections to validate mineralisation with

Criteria	JORC Code explanation	Commentary
sampling and assaying	*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.*	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 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

Criteria	JORC Code explanation	Commentary
		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 mineralisation.*	• The Co-O deposit is an intermediate sulphidation, 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*	• Easting, northing and RL of the drillhole collars are located 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.

Criteria	JORC Code explanation	Commentary
	• *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.*	• 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 (≥ 300 g/t Au) assays included within composited intercepts are also individually reported. • 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').*	• Wherever possible, drilling is oriented approximately orthogonal to the known orientation of mineralization. However due to access limitations, drillholes are often orientated at varying angles up to 30° from orthogonal. Intersection length is measured down the hole 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 Results.*	• Significant intercepts have previously been reported for all drillholes that form the basis of Mineral Resource estimates. Less significant intercepts have not been reported since the drilling is carried within 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: Guinhalinan 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 a 10g 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 was not recorded due to prioritised use of orientation tools elsewhere.
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 sample	• *If core, whether cut or sawn and whether quarter, half or call core taken.* • *If non-core, whether riffled, tube sampled,*	• All drill core is sawn longitudinally in half along the core axis using a diamond saw to predetermined intervals for sampling. Cutting is

Criteria	JORC Code explanation	Commentary
preparation	*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.*	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 2-7kg 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, 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. • Copper, silver, lead, zinc and molybdenum determination by AAS following ore grade three-acid digest (HNO_3/$HClO_4$/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 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.

Criteria	JORC Code explanation	Commentary
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. • Insufficient drilling has been completed to support Mineral Resource estimation procedures, since the drilling 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 NNW-SSE orientation, and the recent drilling has been orientated towards 270°, generally 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 is undertaken intermittently 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 Guinhalinan 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.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• Little exploration has been reported for the Guinhalinan area prior to the involvement of Medusa Mining Ltd. In 2006. • MML listed on the ASX in December 2003, and in 2006, concluded an agreement with the claim owner. Four diamond drillholes were completed in 2006.
Geology	• *Deposit type, geological setting and style mineralisation.*	• Guinhalinan comprises comprises strata-bound sediment-hosted carbonate replacement style gold+silver+base-metal (CRG) mineralisation and lesser associated intermediate sulphidation,

Criteria	JORC Code explanation	Commentary
		epithermal quartz-calcite gold±base-metal veins. 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 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 significant results were received and reported for this drilling programme.
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 lengths are 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 NNW-SSE. The five drillholes are orientated towards the West and dip (-55° & -65°). This orientation is considered to be most appropriate for targeting the mineralisation horizons. • All drill results are downhole intervals. True widths 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 showing general location of the drilling is included (Figure 5).
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. No intercepts have been reported for this programme since they are not considered to be significant.
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*	• No other substantive exploration data has been acquired or considered meaningful and material to this announcement.

Criteria	JORC Code explanation	Commentary
	results; bulk density, groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.	
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 to a lesser likelihood at depth. However, the tenor of mineralisation encountered to date is considered to have downgraded this project, and further drilling is not considered warranted nor scheduled at this time.

APPENDIX C: Coal 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.*	• All drillholes were drilled using industry standard wireline diamond drilling techniques to obtain core throughout the entire drillhole. • Whole core samples are then selected at 1 metre downhole intervals or at lithological boundary contacts (if >20cm), whichever is least. • No geophysical logging was carried out since the drilling is reconnaissance in nature.
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 Ø 83mm) until competent bedrock. The holes are then completed using HQ3 (core Ø 61mm) drill bits to end of hole. • Drill core orientations were not measured since the holes are vertical.
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. • Core samples used for coal quality analysis contained greater than 95% recovery • 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, although not necessarily to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Lithology, mineralisation, alteration, oxidation, sulphide mineralogy, RQD, fracture density, core recovery are recorded by Philsaga 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 coal seams. All drill core has been photographed.
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*	• Drill core was not split for sampling. Only whole core samples were selected for analysis.

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• Quality analysis was carried out by Inspectorate (Philippines) Corporation, a Bureau Veritas Group Company, located in Manila. • Bureau Veritas Laboratories comply with the Australian Standards for coal quality testing and are certified by the National Association of Testing Authorities Australia (NATA). • No downhole geophysical logging was conducted.
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 analysis results occurred on a regular basis. Alternative company personnel verify coal intersection data on a regular basis. • 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 analysis 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 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.*	• The drilling programme is reconnaissance in nature and therefore not spaced close enough to support Mineral Resource estimation. • Sample compositing has not been applied to exploration data.

Criteria	JORC Code explanation	Commentary
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.*	• Drillholes have been drilled vertically, since the stratigraphy is dipping gently to the east. • No sampling bias has been recognised as a result of the orientation of the stratigraphy relative to drillhole orientation.
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 transported to a secure compound where the core is geologically logged, photographed and sampled. Samples are stored in purpose built lockable boxes, then couriered direct to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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.*	• All exploration activities were conducted on two granted Coal Operating Contracts (COC) 196 & 197. • Aside from the prescribed royalties payable to the Philippine government, no other royalties are payable to any third party.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• *Coal exploration has been conducted within the COCs during the 1970s by the Philippine National Oil Company (PNOC), including some stratigraphic drilling. Results from this work is limited in nature and not complete.*
Geology	• *Deposit type, geological setting and style mineralisation.*	• The project is located on the western margin of the Bislig Basin, which abuts the eastern flanks of the Eastern Mindanao volcano-plutonic belt of the Philippines. • The coal seams are generally thin (<3m), gently east dipping (<20°), relatively consistent, and laterally continuous over strike distances of 1km or more.
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*	• Detailed information in relation to the drill holes is not included in this report on the basis that 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, and reported in PRS92. • All drillholes have been drilled vertically. • 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

Criteria	JORC Code explanation	Commentary
	form the understanding of the report, the Competent Person should clearly explain why this is the case.	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 individual analysis was carried out prior to length weighted compositing of the reported intercepts has been applied. • There are no short lengths of high-grade (≥ 5,000 kcal/kg) analysis within composited intercepts. • Reporting of significant intercepts is based on applying the following parameters: (i) Minimum Heating Value of 3,000 kcal/kg; (ii) Maximum Sulphur content of 1% S, and (iii) Minimum intercept length of 0.3 metres. • No bulk density measurements have been obtained for the core samples
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 60° to 75° to the known orientations of the coal seams outcropping at surface. • All drill results are downhole intervals. True widths are not known due to the variable orientation of the coal seams.
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.*	• Drill hole location plans are included (Figures 6, 7 and 8). Tabulated intercepts are included (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 Results.*	• All of the relevant data from this exploration drilling program has been provided.
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.*	• The current drilling program is anticipated to be completed by the end of the June 2016 quarter. No further exploration work has been scheduled at this time, however a desktop study may commence following the completion of the current drilling program and receipt of all results, to determine if further work is warranted.

APPENDIX D: TENEMENT SCHEDULE (as at 31 March 2016)

Name	Tenement ID	Registered Holder	Company's Interest [1] at		Royalty [2]	Area (hectares) at	
			31 Dec 2015	31 Mar 2016		31 Dec 2015	31 Mar 2016
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 31 December 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		