



MEDUSA

Gold producer focused on organic growth in the Philippines

INVESTOR PRESENTATION

September 2011

SNAPSHOT OF MEDUSA



- ❑ Un-hedged, low cost, dividend paying gold producer focused on organic growth in the Philippines
- ❑ 5 year, 2-phase growth path to production of 400,000 ounces per year underpinned by strong cash flow from Co-O Mine (narrow vein underground)
- ❑ Targeted production:
 - FY 2012: 100,000 ounces at cash costs circa US\$200 per ounce
 - FY 2013: 120,000 ounces at cash costs circa US\$210 per ounce
 - FY 2014: 200,000 ounces at cash costs circa US\$220 per ounce
- ❑ Co-O Mine Resources and Reserves to be maintained at current levels
- ❑ Conceptual exploration target size** of Co-O Mine of 3 to 7 million ounces
- ❑ Excellent exploration upside (820 km² of tenement):
 - high grade vein and disseminated bulk gold targets, plus nine copper targets
 - exploration budget for FY 2012 of US\$27M

** The potential exploration target size and grade of the Co-O Mine is conceptual in nature and there has been insufficient exploration to define a mineral resource. It is also uncertain if further exploration will result in the target being defined as a mineral resource.

CAPITAL STRUCTURE

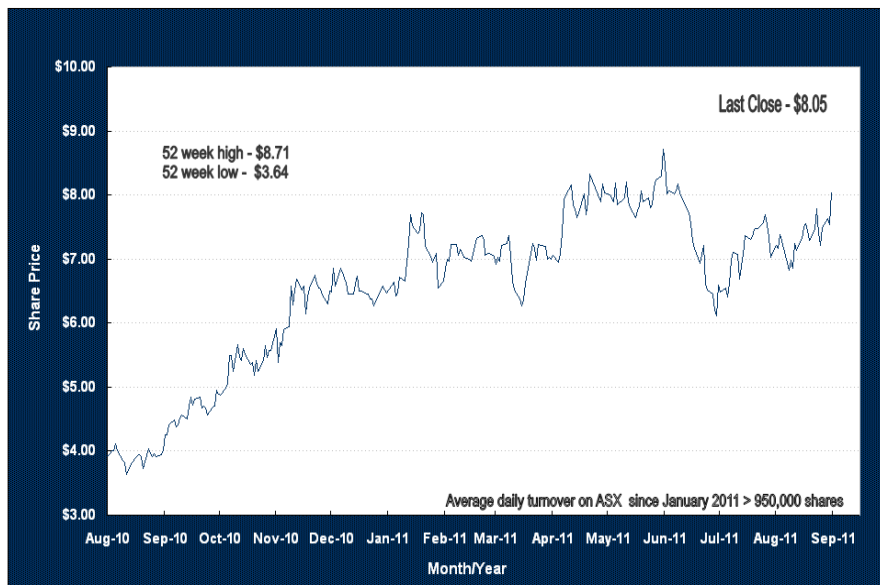


SHARE CAPITAL

- Ordinary shares: 188,233,911
- Unlisted options: 1,325,000
- Market Cap (at 31 August 2011) ~A\$1.5B

LISTINGS

ASX & LSE (Code: MML)



SHAREHOLDER INFORMATION

Top 20 ~63.62%

Substantial shareholders *

Fidelity 13.63%

Vanguard 12.61%

Van Eck 5.00%

* Information based on substantial shareholder notices provided to the Company

Directors 2.76%

FINANCIALS & CORPORATE

- Final un-franked dividend of A\$0.05 payable on 30 September 2011. Total dividend for the year of A\$0.10
- Debt free with total cash and cash equivalent in gold on metal account of US\$102.1M at 30 June 2011

FINANCIAL AND PRODUCTION STATISTICS



Description	Unit	30 Jun 2011	30 Jun 2010	Variance	(%)
Revenues	US\$	\$149.6M	\$94.6M	\$55.0M	58%
EBITDA	US\$	\$120.7M	\$73.7M	\$47.0M	64%
NPAT	US\$	\$110.4M	\$65.8M	\$44.6M	68%
EPS	US\$	\$0.587	\$0.378	\$0.209	55%
Cash and gold on metal account	US\$	\$102.1M	\$55.8M	\$46.3M	83%
Dividend paid	A\$	\$0.10	-	-	-

Description	Unit	Jun 2011 Quarter	Mar 2011 Quarter	Dec 2010 Quarter	Sep 2010 Quarter	FY 2010/11	FY 2009/10
Tonnes mined	WMT	69,562	71,060	61,621	60,367	262,610	198,693
Ore milled	DMT	76,365	71,747	66,038	52,463	266,613	179,609
Recovered grade	gpt	11.05	11.58	13.09	15.77	12.63	16.52
Recovery	%	93%	94%	94%	94%	94%	94%
Gold produced	ounces	25,233	25,114	26,123	25,004	101,474	89,679
Cash costs ⁽¹⁾	US\$	\$194	\$191	\$185	\$187	\$189	\$184
Gold sold	ounces	21,423	25,911	23,224	25,659	96,217	64,020
Avg gold price received	US\$	\$1,518	\$1,401	\$1,384	\$1,208	\$1,371	\$1,100

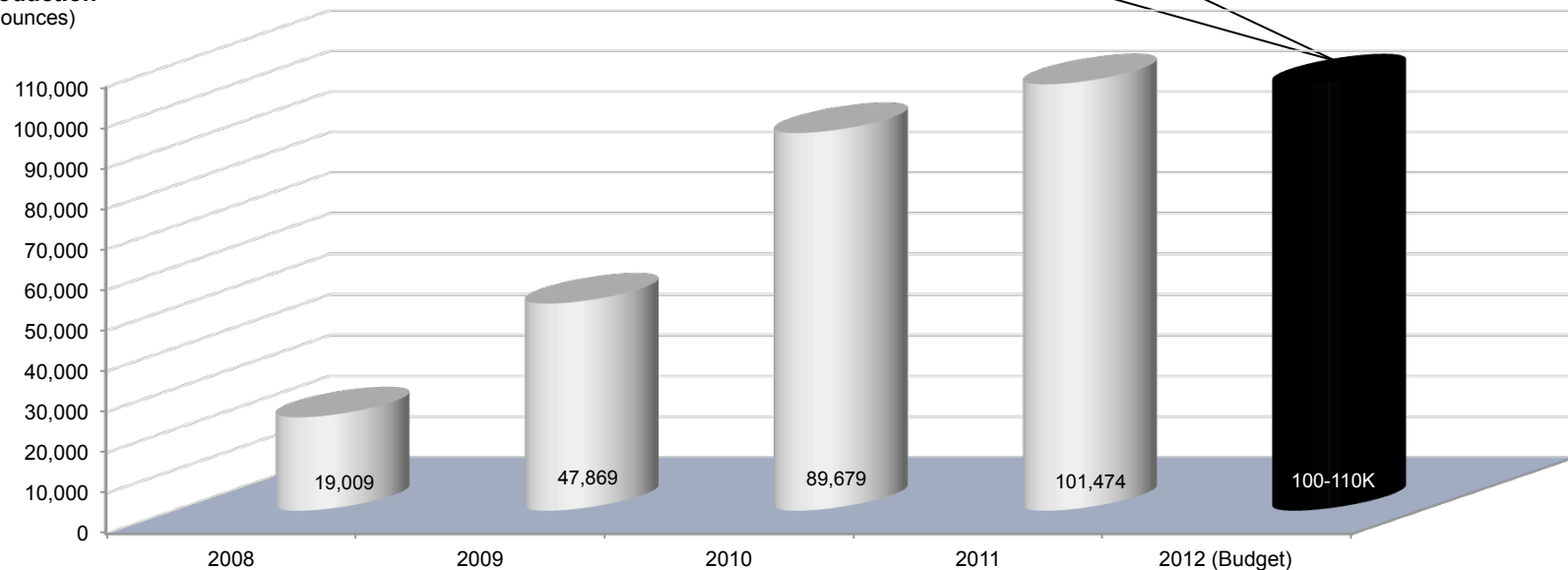
1. Net of development costs and includes royalties and local business taxes but no by-product credits

2010/11 HIGHLIGHTS



- ❑ Board approved construction of new Co-O Mill with capacity for 200,000 ounces per year
- ❑ Record gold production of 101,474 ounces
- ❑ Cash costs of US\$189 per ounce (net of development costs and includes royalties and local business taxes but no by-product credits)
- ❑ Increased total Co-O Resources by 459,000 ounces to 1,960,000 ounces
- ❑ Maintained Co-O Probable Reserves at the 500,000 ounces level
- ❑ Total un-franked dividends paid for the year of A\$0.10 per share

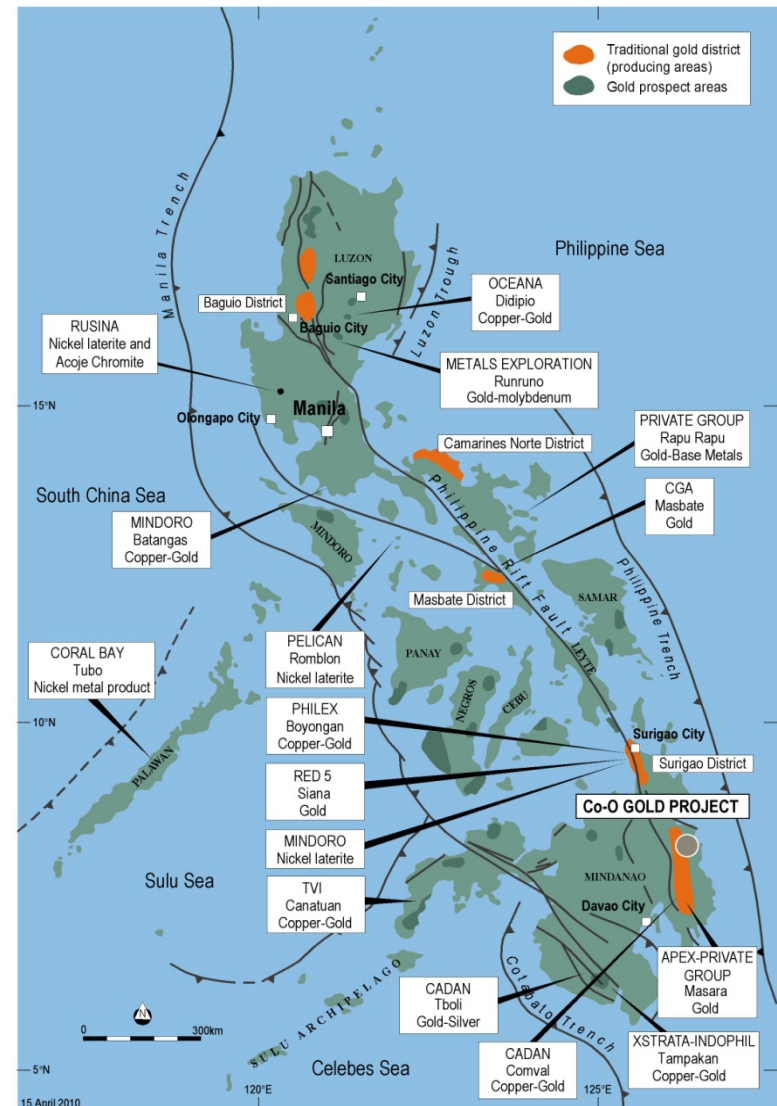
Production
(ounces)



PHILIPPINES MINING INVESTMENTS



- ❑ Government support revitalising mining
- ❑ Increasing foreign investment
- ❑ Projects in feasibility studies and development
- ❑ New projects commenced production
- ❑ Co-O project south of typhoon belt
- ❑ Fraser Institute rates Philippines as 34th safest country to conduct business



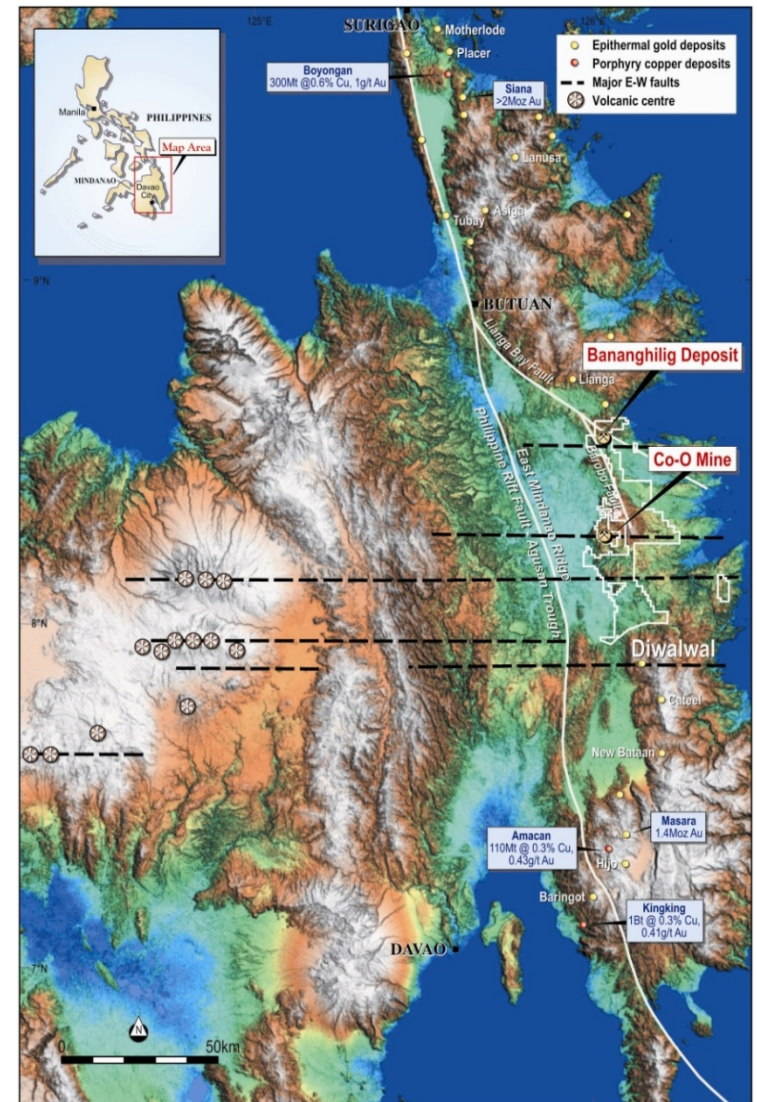
SETTING



- East Mindanao Ridge - richly endowed
- Long mining history
- World class gold & gold-copper deposits

Tenement area covers:

- Well defined new mineral province
- Excellent structural framework
- Major mineralised districts
- Extensive alteration zones



CORPORATE STRATEGY



- ❑ Organic growth (5 year, 2 phase growth path to 400,000 ounces)
 - Co-O Mill (200,000 ounces)
 - Bananghilig Mill (200,000 ounces)

- ❑ Aggressive exploration program
 - Gold (projects beyond Co-O and Bananghilig)
 - Copper (unlock value through discovery to crystallise early returns)

- ❑ Self fund all capital requirements

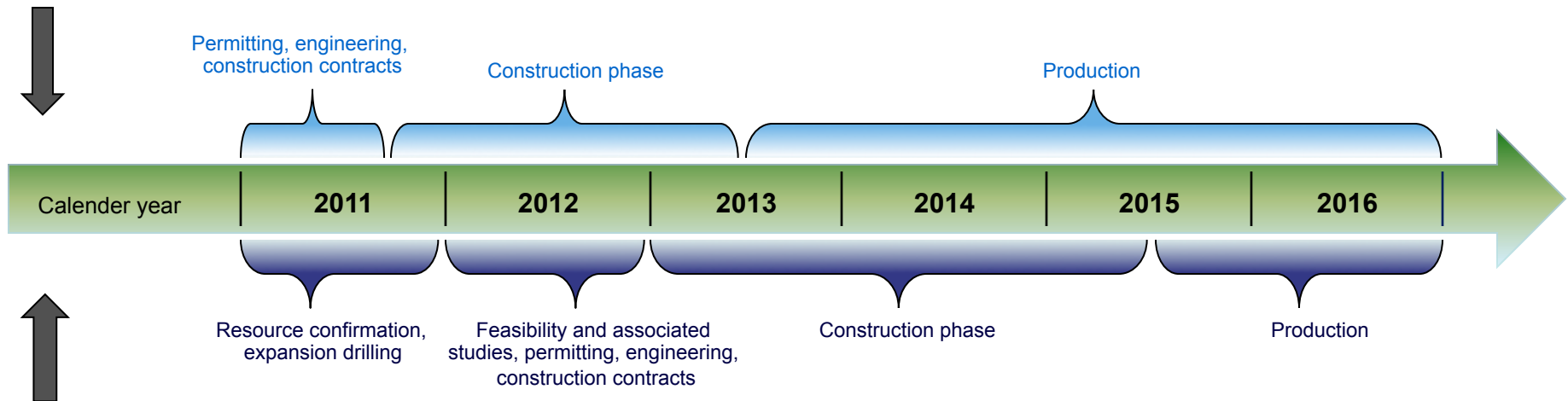
- ❑ Continue dividend payments

PRELIMINARY DEVELOPMENT TIMETABLE



Co-O Phase 3 Expansion

Indicative capital cost inclusive of development & infrastructure ~US\$70M



Bananghilig Development

Guesstimate capital costs inclusive of development & infrastructure ~US\$200M

Production profile (ounces)

Name	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Co-O Mill	100,000	120,000	200,000	200,000	200,000
Bananghilig Mill	-	-	-	-	200,000
Total	100,000	120,000	200,000	200,000	400,000

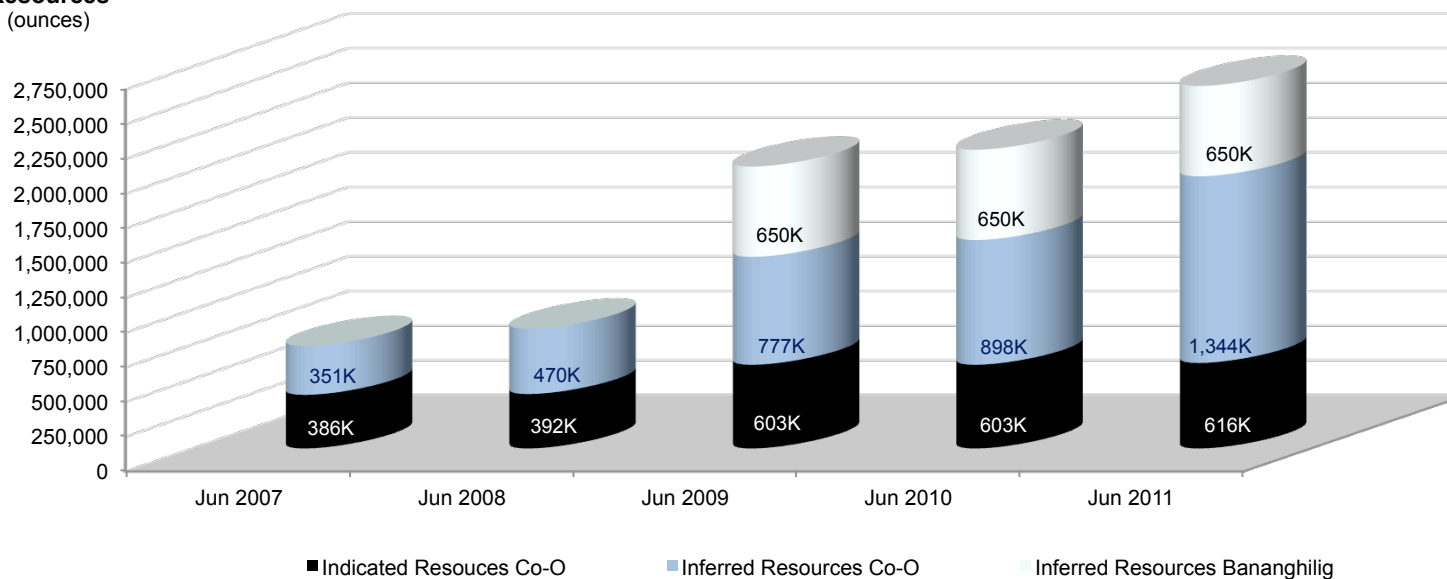
RESOURCES AND RESERVES



Category	Tonnes	Grade	Ounces
Resources			
Co-O Mine Indicated Resources ⁽¹⁾	1,601,000	12.0	616,000
Co-O Mine Inferred Resources ⁽¹⁾	4,747,000	8.8	1,344,000
Bananghilig Inferred Resources ⁽²⁾	15,000,000	1.3	650,000
Reserves			
Co-O Mine Probable Reserves ⁽³⁾	1,500,000	10.1	502,000

1. Co-O resources estimates (as at 30 June 2011) are quoted using a > 0 g/t gold lower cut-off and undertaken by Cube Consulting Pty Ltd
2. Bananghilig resources estimates are quoted using a 0.6 g/t gold cut-off and undertaken by Cube Consulting Pty Ltd
3. Co-O reserves estimates (as at 30 June 2011) were undertaken on the Indicated Resources by Carras Mining Pty Ltd

Resources
(ounces)



Co-O MILL & INFRASTRUCTURE



- ❑ CIP Mill capacity 1,000 tonnes per day
- ❑ Grid hydro power at Mine and Mill (standby power at mine and mill)
- ❑ 99% local workforce
- ❑ On site assay laboratory and support services
- ❑ Industry standard health & safety
- ❑ LTA frequency rate to 30 Jun 2011: 1.63 (West Australia Gold Mining Industry 2009: 2.10)



Co-O Mill - Crushing Circuit



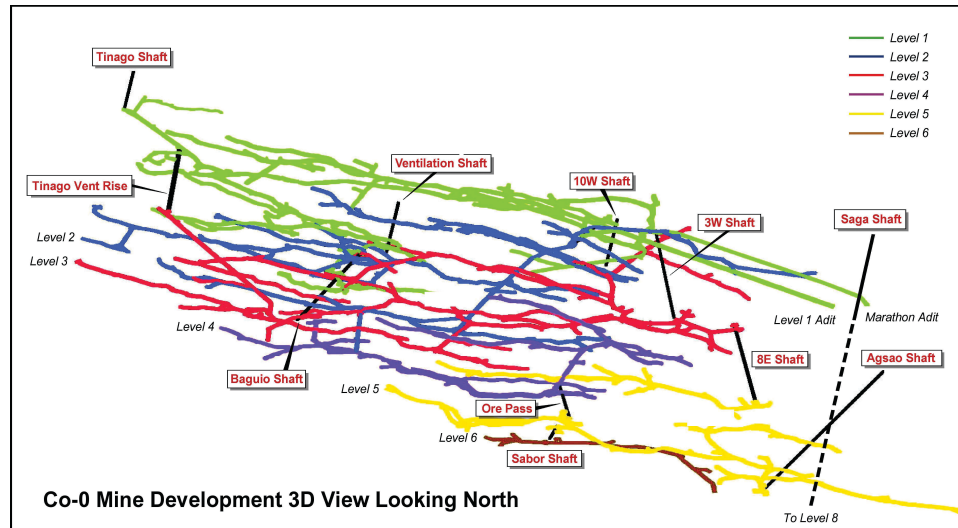
Co-O Laboratory

NEW Co-O MILL



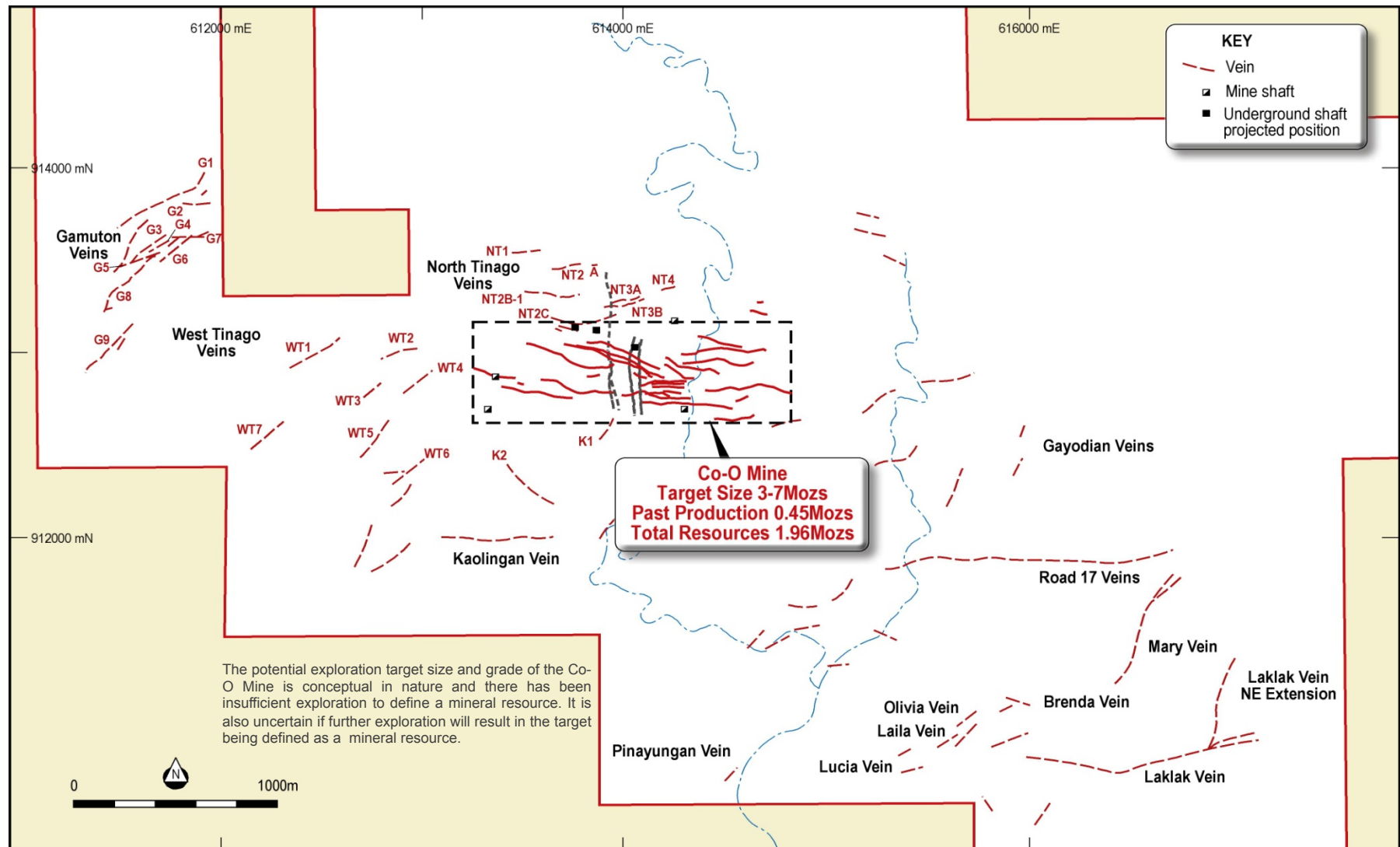
- ❑ Upgraded Environmental Clearance Certificate to 2,500 tpd, due October 2011
- ❑ Modernize and upgrade existing millsite
- ❑ Long lead time items:
 - Crusher :- ordered, price fixed, due December 2011
 - SAG Mill :- ordered, price fixed, due mid CY2012
- ❑ New tailings dam #5 under construction
- ❑ Additional leach tanks
- ❑ Tie in of new crushing circuit to leach circuit in 2013: 2-3 weeks tie in time

Co-O MINE PRODUCTION

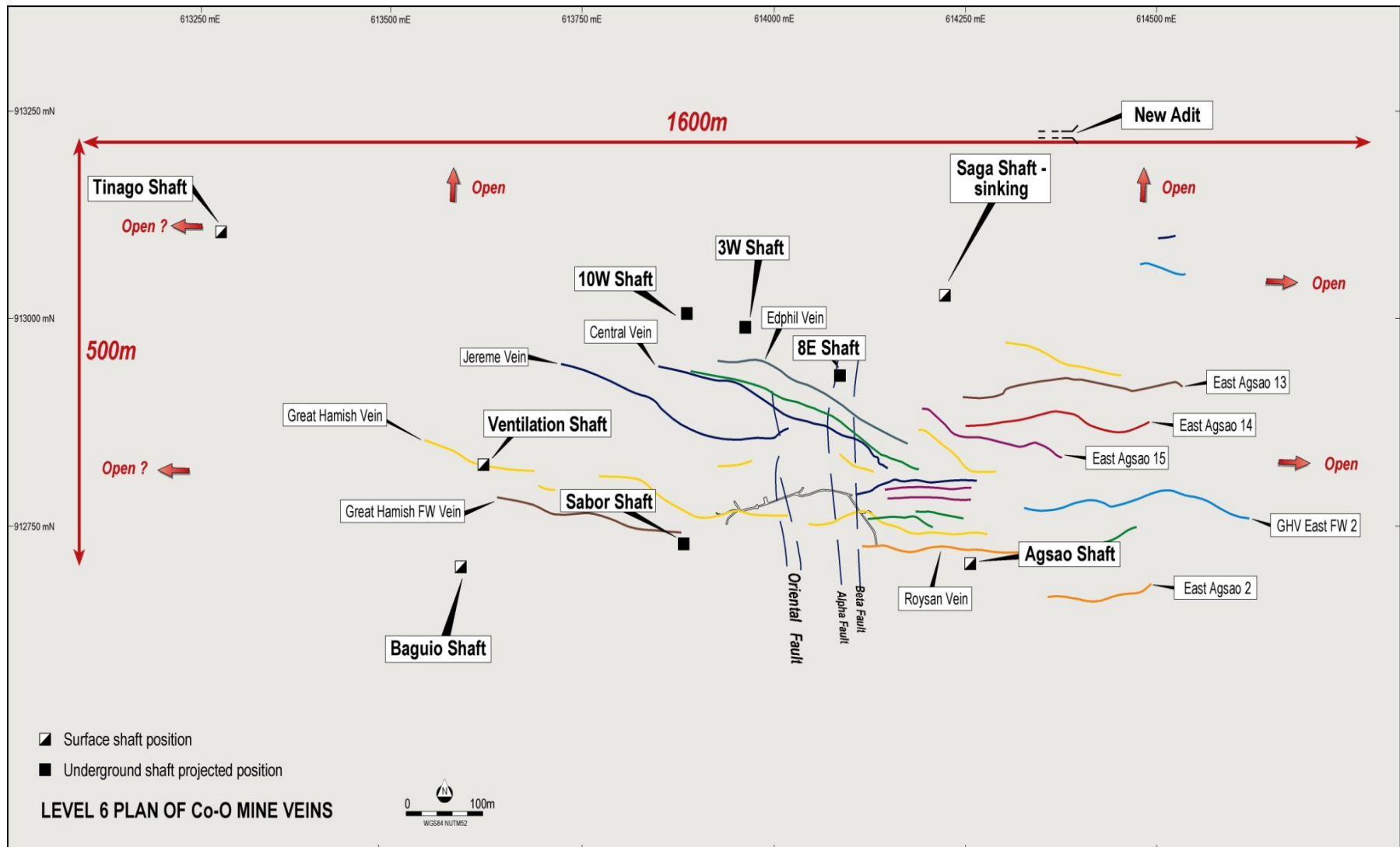


- ❑ 25 year Mining Licence (renewable by another 25 years)
- ❑ 6 levels at 50 metre spacing
 - ~ 25 headings on ore
 - ~ 36 stopes on breaking cycle (approx 55,000 tonnes broken ore)
- ❑ Emphasis on development of ~ 800 metres per month to increase production
- ❑ Agsao Shaft recommissioned 01 Sep 2011
- ❑ 3 compartment Saga Shaft underway to Levels 6 and 8
- ❑ New winder ordered, due Dec 2011
- ❑ Production guidance for FY 2012: between 100,000 to 110,000 ozs (subject to normal mining conditions)

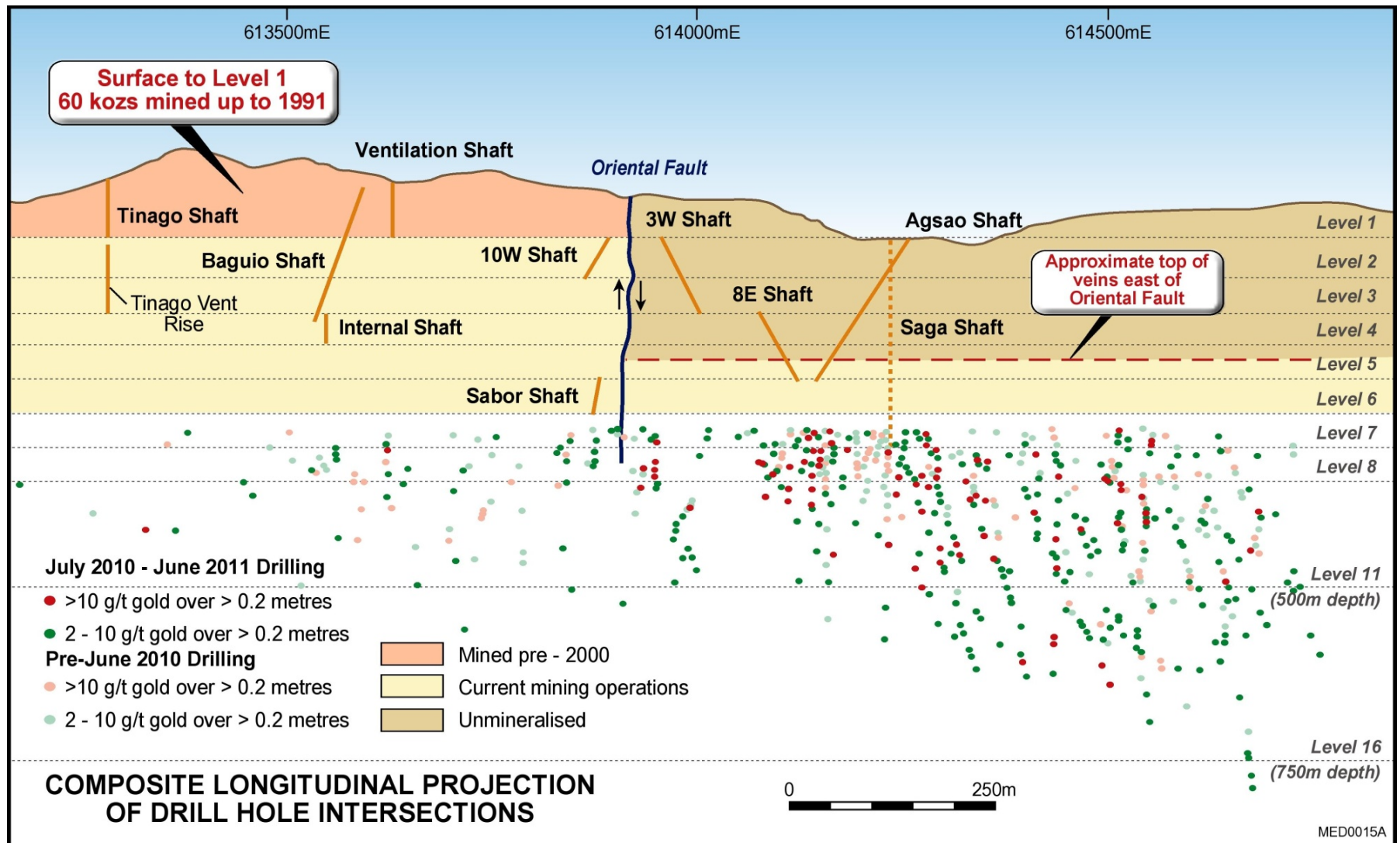
Co-O REGIONAL SETTING



Co-O MINE LEVEL 6 PLAN



Co-O MINE LONG PROJECTION (Drilling up to 30 June 2011)



Co-O MINE CONCEPTUAL EXPLORATION TARGET PARAMETERS AND ESTIMATES **



Strike length	Depth below Level 1	Aggregate vein width (metres)	Conceptual tonnes	Gold grade (g/t)	Conceptual contained ounces
1,500	500	5	9,825,000	10	3,159,000
		8	15,720,000	10	5,054,000
		10	19,650,000	10	6,318,000
	750	5	14,737,000	10	4,738,000
		8	23,580,000	10	7,581,000
		10	29,475,000	10	9,477,000
2,000	500	5	13,100,000	10	4,212,000
		8	20,960,000	10	6,739,000
		10	26,200,000	10	8,424,000
	750	5	19,650,000	10	6,318,000
		8	31,440,000	10	10,109,000
		10	39,300,000	10	12,636,000

Notes:

SG of 2.62 used for all estimates; tonnes and ounces estimates rounded down to nearest 1,000 and highlighted cases indicate most geologically reasonable based on current knowledge. Approximately 450,000 ounces already mined to 30 June 2011.

** The potential exploration target size and grade of the Co-O Mine is conceptual in nature and there has been insufficient exploration to define a mineral resource. It is also uncertain if further exploration will result in the target being defined as a mineral resource.

GOLD PORTFOLIO



Gold exploration budget FY 2012: ~US\$22M

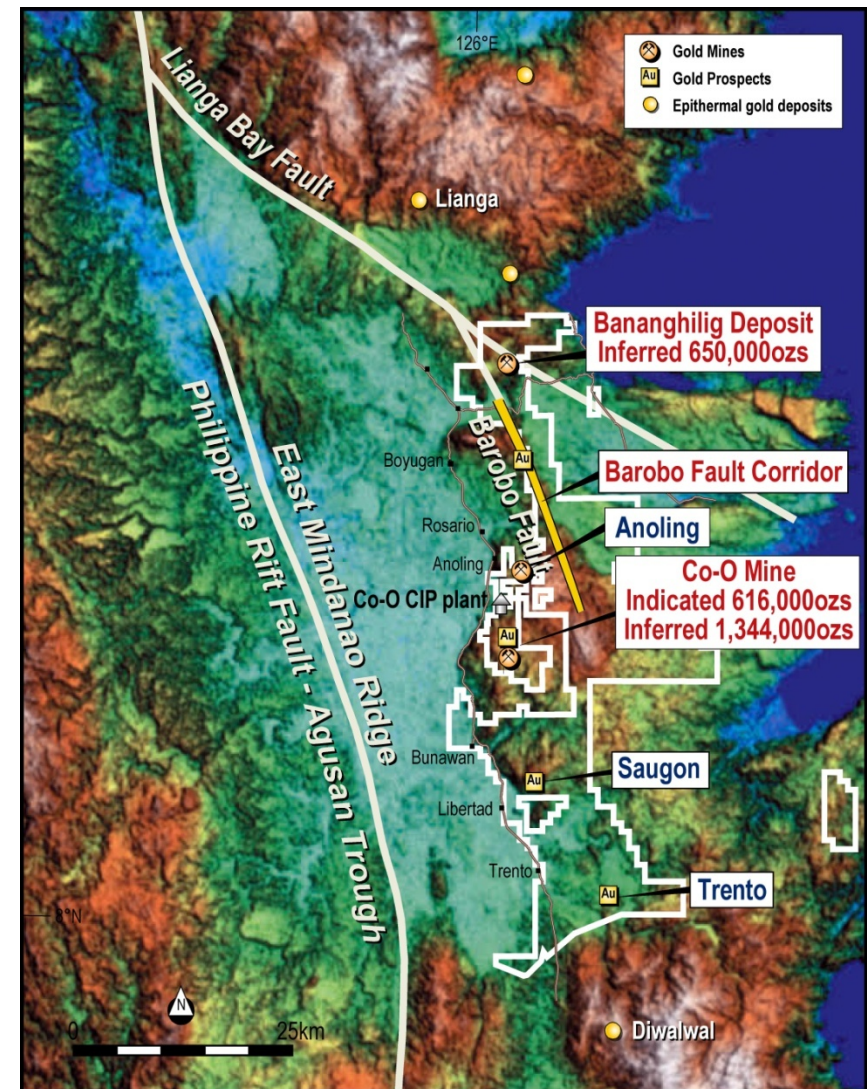
PORTFOLIO:

Bulk disseminated gold targets

- ❑ Bananghilig
- ❑ Barobo Corridor
- ❑ Others

Multiple high grade vein targets

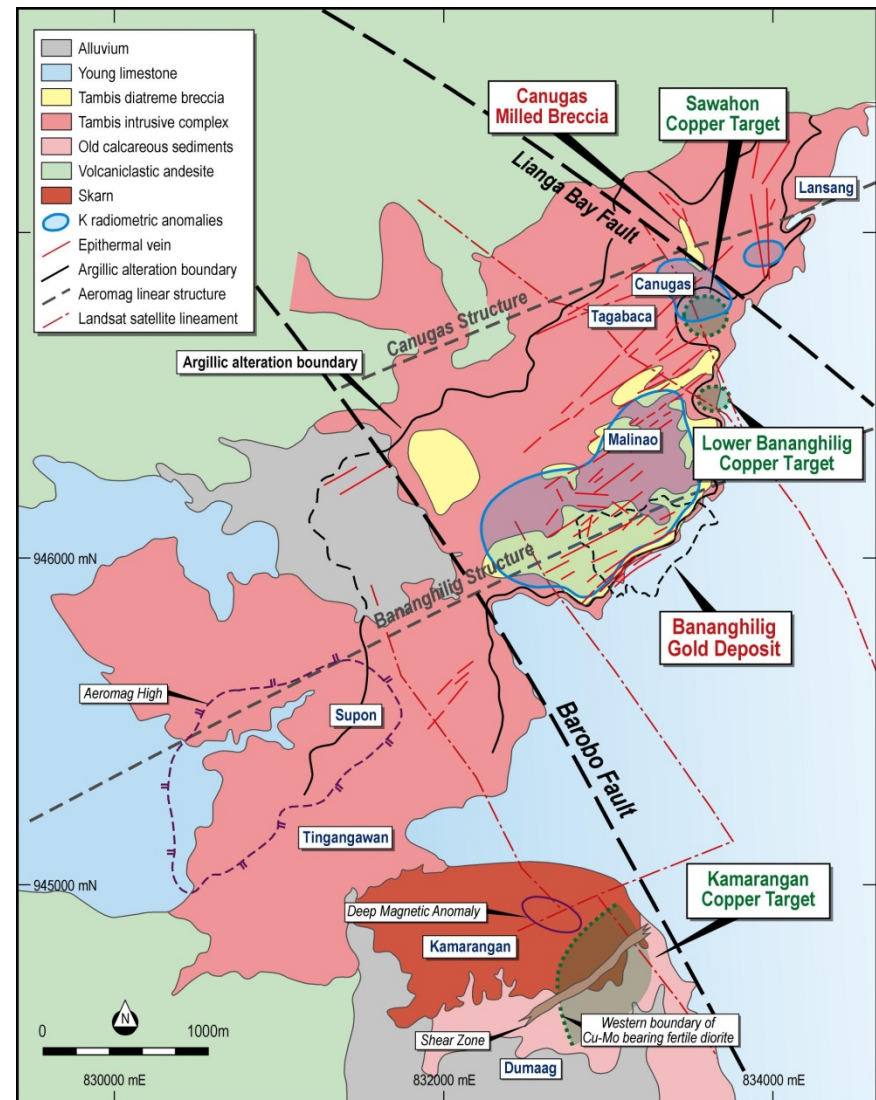
- ❑ Anoling
- ❑ Saugon
- ❑ Trento
- ❑ Others



TAMBIS INTRUSIVE-BRECCIA COMPLEX



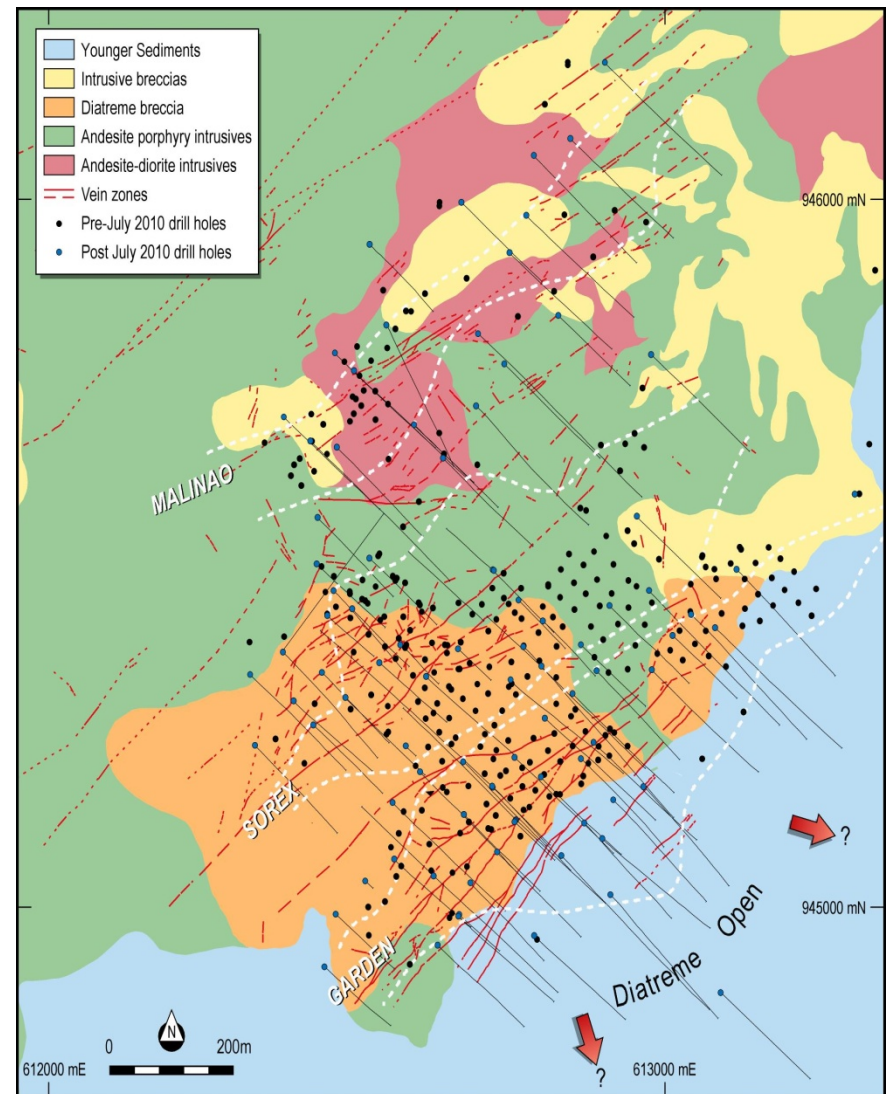
- Intermediate sulphidation, epithermal gold, breccia type system approximately 7km x 3km
- Extensive argillic alteration, K-radiometric and aeromagnetic anomalies
- Gold mineralisation:
 - extensive vein systems
 - stockworks
 - disseminated (Bananghilig)
- Copper targets:
 - Sawahon
 - Lower Bananghilig
 - Kamarangan



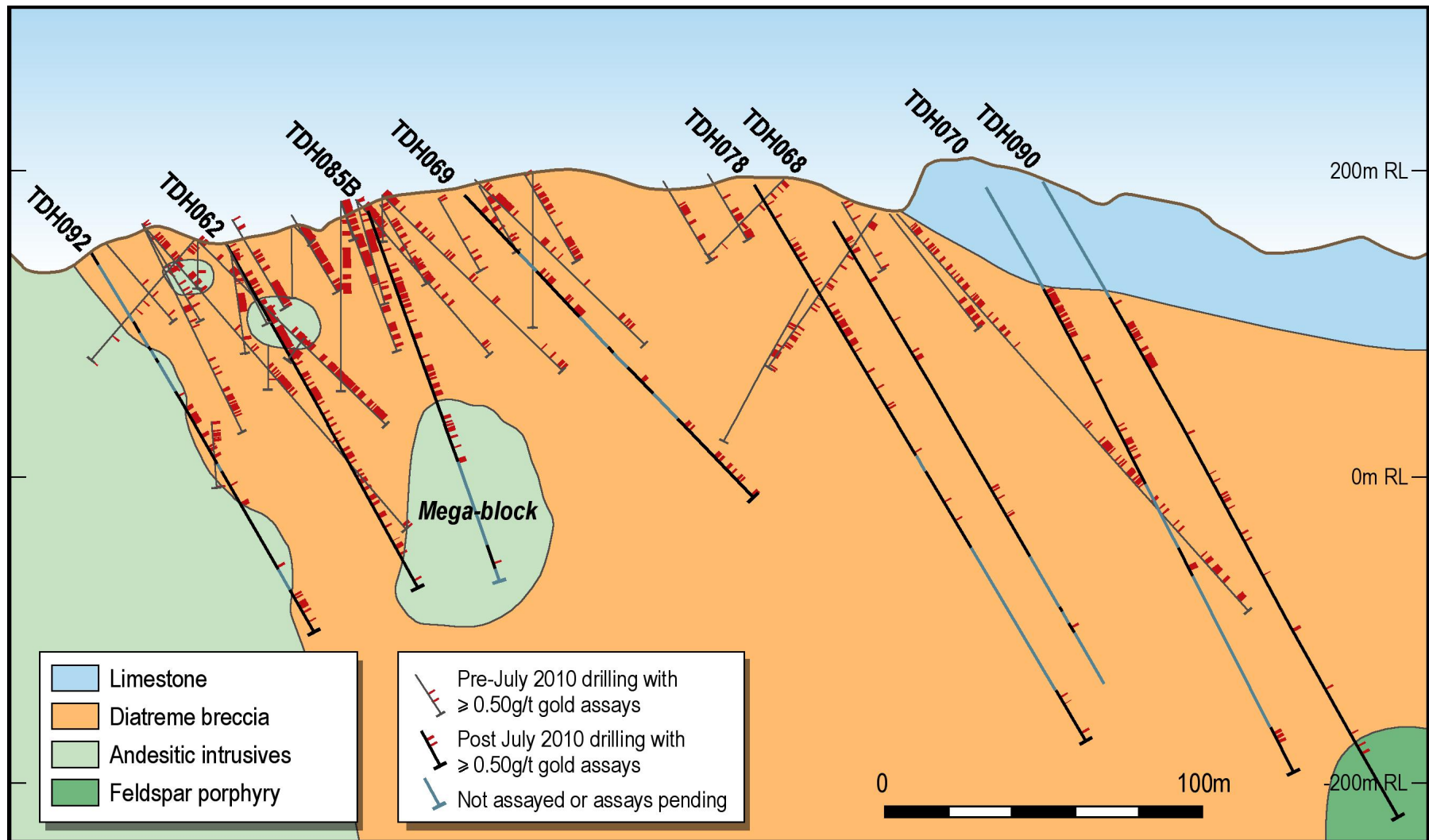
BANANGHILIG GOLD DEPOSIT



- ❑ Large diatreme breccia system
- ❑ Current resource 650,000 ounces at 1.3 g/t gold
- ❑ Historical drilling 36,000 metres to 2007
- ❑ New drilling commenced Jul 2010
 - Confirming historical results
 - Extending mineralisation
- ❑ Results: 23.40m @ 2.33g/t Au, 18.30m @ 2.23g/t Au, 12.35m @ 2.74g/t Au, 8.25m @ 8.67g/t gold
- ❑ Aiming initially for 1 million ounces of reserves – 5 year mine life, 200,000 ozs per year



BANANGHILIG CROSS SECTION



COPPER PORTFOLIO



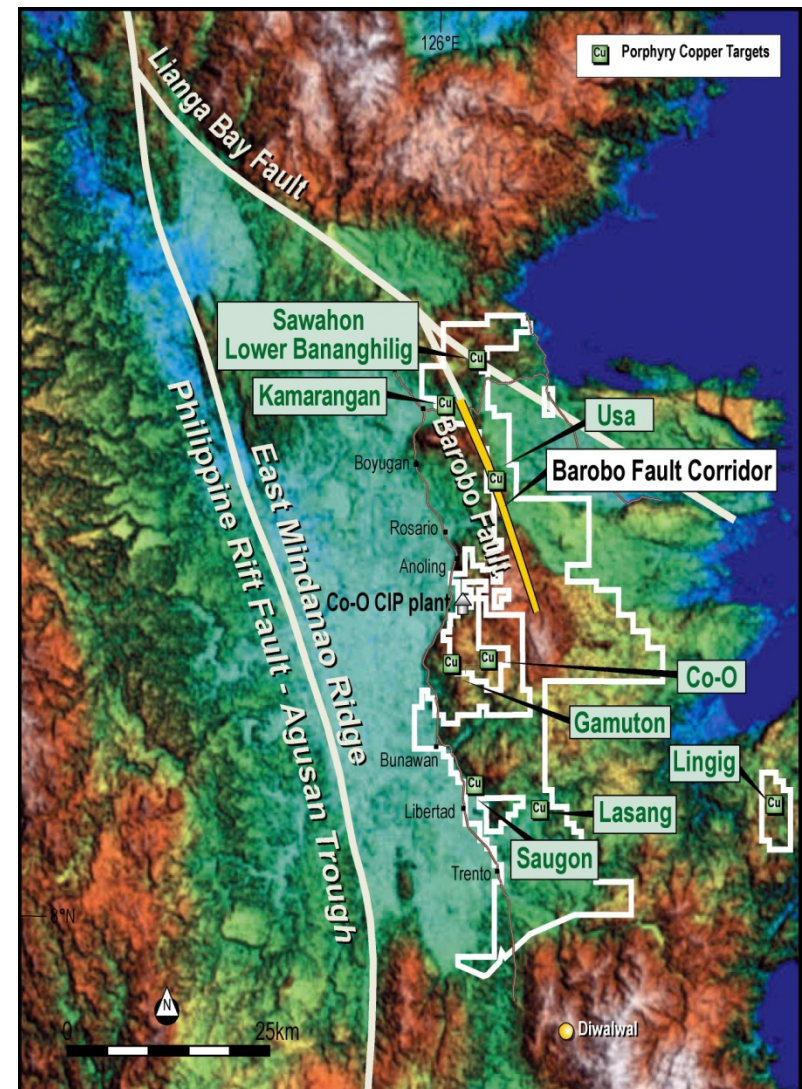
Copper exploration budget FY 2012: ~US\$5M

Aim: to monetise through resource discovery

PORTFOLIO:

- ❑ * Lingig (Cu-Au): drill intersections
- ❑ * Usa (Cu-Au): target size 500m x 500m
- ❑ * Sawahon (Cu-Au): outcropping
- ❑ * Lower Bananghilig (Cu-Au): outcropping
- ❑ Kamarangan (Cu-Mo): drill intersections
- ❑ Co-O (Cu): indications of underlying porphyry
- ❑ Gamuton (Cu-Au-Ag): drill indications
- ❑ * Saugon (Cu-Au-Ag): drill/aeromag indications
- ❑ Lasang (Cu): aeromagnetic signature

* Induced polarisation in progress



SOCIAL PROGRAMMES



Education

- Scholarships and assistance
- Adopt-a-school programmes
- Over 4,500 students benefitting

Co-O Mine 16 bed hospital with doctors

Community Development

- Micro loans to rice farmers
- Day care & community health centres
- Road maintenance and bridge building
- Construction of community buildings
- Water projects

Environmental Protection Enhancement

- Environmental monitoring
- Re-forestation using rubber plantations



WHY MEDUSA!!



- ❑ Un-hedged, low cost, dividend paying gold producer
- ❑ Self-funded growth path to production of 400,000 ounces per year underpinned by strong cash-flow generated from the Co-O Mine
- ❑ Potential for long mine life at the Co-O Mine (Conceptual exploration target size** of 3 to 7 million ounces)
- ❑ Un-explored new mineral field offering excellent upside for:
 - high grade gold veins
 - disseminated gold deposits
 - porphyry copper-gold deposits
- ❑ Exploration budget of US\$27M on 820 km² of tenements to unlock value

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IMPORTANT NOTICE



This presentation contains only a brief overview of Medusa Mining Limited and its associated entities (“Medusa”) and their respective activities and operations. The contents of this presentation (including matters relating to the geology of Medusa’s projects), may rely on various assumptions and subjective interpretations which is not possible to detail in this presentation and which have not been subject to any independent verification.

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JORC COMPLIANCE - CONSENT OF COMPETENT PERSONS

Information in this report relating to Exploration Results has been reviewed and is based on information compiled by Mr Geoffrey Davis, who is a member of The Australian Institute of Geoscientists. Mr Davis is the Non-Executive Chairman of Medusa Mining Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a “Competent Person” as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and is a “Qualified Person” as defined in “National Instrument 43-101” of the Canadian Securities Administrators. Mr Davis consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report relating to Mineral Resources has been estimated and compiled by Mark Zammit of Cube Consulting Pty Ltd of Perth, Western Australia. Mr Zammit is a member of The Australasian Institute of Mining & Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and is a “Qualified Person” as defined in “National Instrument 43-101” of the Canadian Securities Administrators. Mr Zammit consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information in this report relating to Ore Reserves is based on information compiled by Dr Spero Carras, FAusIMM of carras Mining Pty Ltd. Dr Carras has 30 years of experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” and is a “Qualified Person” as defined in “National Instrument 43-101” of the Canadian Securities Administrators. Dr Carras consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



MEDUSA

www.medusamining.com.au

Board of Directors:

Geoffrey Davis (Non-Executive Chairman)

Peter Hepburn-Brown (Managing Director/CEO)

Robert Weinberg (Non-Executive Director)

Andrew Teo (Non-Executive Director)

Ciceron Angeles (Non-Executive Director)

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