



MEDUSA

Gold producer focused on organic growth in the Philippines

INVESTOR PRESENTATION

May 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:
 - CY 2011: 100,000 ounces at cash costs circa US\$190 per ounce
 - CY 2012: 120,000 ounces at cash costs circa US\$200 per ounce
 - CY 2013: 160,000 ounces at cash costs circa US\$210 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 CY 2011 of US\$25M

** 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

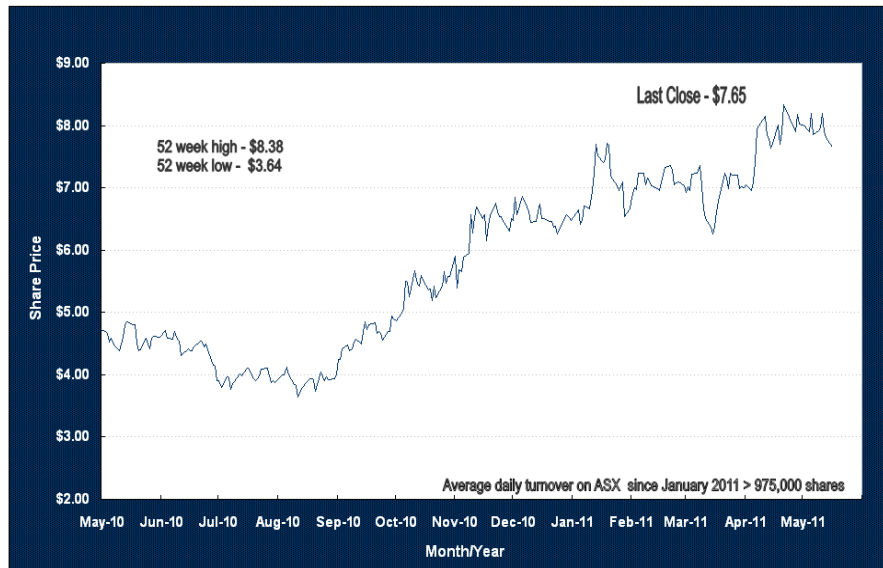


SHARE CAPITAL

- Ordinary shares: 188,233,911
- Unlisted options: 750,000
- Market Cap (at 16 May 2011) ~A\$1.44B

LISTINGS

ASX & LSE (Code: MML); TSX (Code: MLL)



SHAREHOLDER INFORMATION

Top 20 77.36%

Substantial shareholders *

Fidelity 11.45%

Vanguard 10.44%

* Information based on substantial shareholder notices provided to the Company

Directors 3.50%

FINANCIALS & CORPORATE

- Interim un-franked dividend of A\$0.05 paid on 23 March 2011
- Debt free with total cash and cash equivalent in gold on metal account of US\$92.4M at 31 March 2011

FINANCIAL AND PRODUCTION STATISTICS



Description	Unit	31 Dec 2010	31 Dec 2009	Variance	(%)
Revenues *	US\$	\$78.3M	\$41.3M	\$37.0M	89%
EBITDA	US\$	\$63.3M	\$31.5M	\$31.8M	101%
NPAT	US\$	\$58.1M	\$28.3M	\$29.8M	105%
EPS (for six months)	US\$	\$0.310	\$0.168	\$0.142	84%
Cash and gold on metal account	US\$	\$87.2M	\$35.5M	\$51.7M	145%

* Includes the sale of bullion that relate to prior year's production (previously re-classified from revenue to inventory at 30 June 2010 to comply with Australian Accounting Standards). Refer 2010 Annual Report.

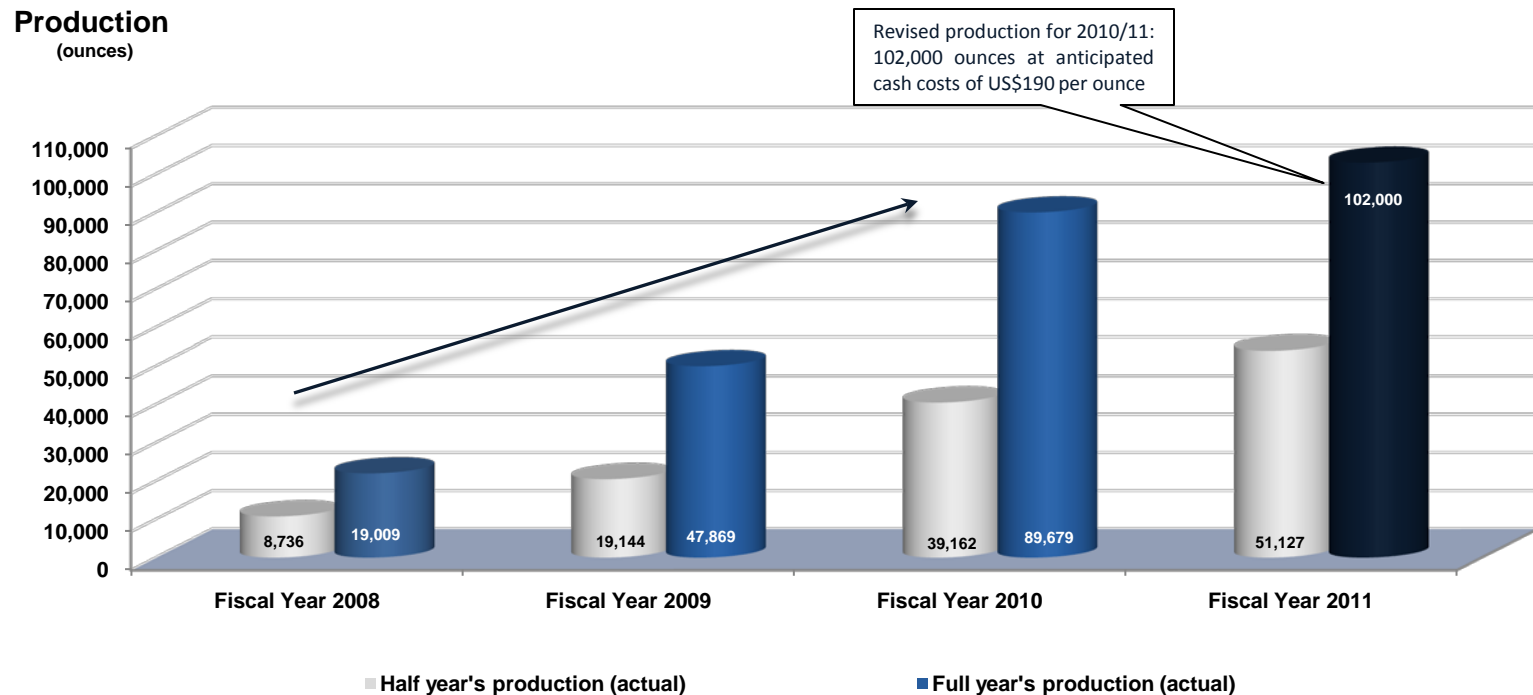
Description	Unit	Mar 2011 Quarter	Dec 2010 Quarter	Sep 2010 Quarter	Jun 2010 Quarter	Mar 2010 Quarter
Ore mined ⁽¹⁾	WMT	71,060	61,621	60,367	53,872	51,512
Ore milled	DMT	71,747	66,038	52,463	60,611	40,943
Recovered grade	gpt	11.58	13.09	15.77	13.65	20.61
Recovery	%	94%	94%	94%	94%	94%
Gold produced ⁽²⁾	ounces	25,114	26,123	25,004	25,012	25,505
Cash costs ⁽³⁾	US\$	\$191	\$185	\$187	\$182	\$180
Gold sold	ounces	25,911	23,224	25,659	24,858	-
Average gold price received	US\$	\$1,401	\$1,384	\$1,208	\$1,182	-

1. The moisture content in wet tonnes ranges between 6 to 7%
2. Gold production, is actual gold poured at site (and requires no further processing) during the period and does not reflect changes in the balance of gold in circuit. It includes any gold awaiting shipment
3. Cash costs refers to the cost of gold mined (net of development costs), produced but not necessarily sold and includes royalties and local business taxes of US\$52 per ounce for the Mar 2011 quarter (Dec 2010 qtr: US\$51/oz, Sep 2010 qtr: US\$50/oz, Jun 2010 qtr: US\$46/oz, Mar 2010 qtr: US\$48/oz)

HALF-YEAR HIGHLIGHTS



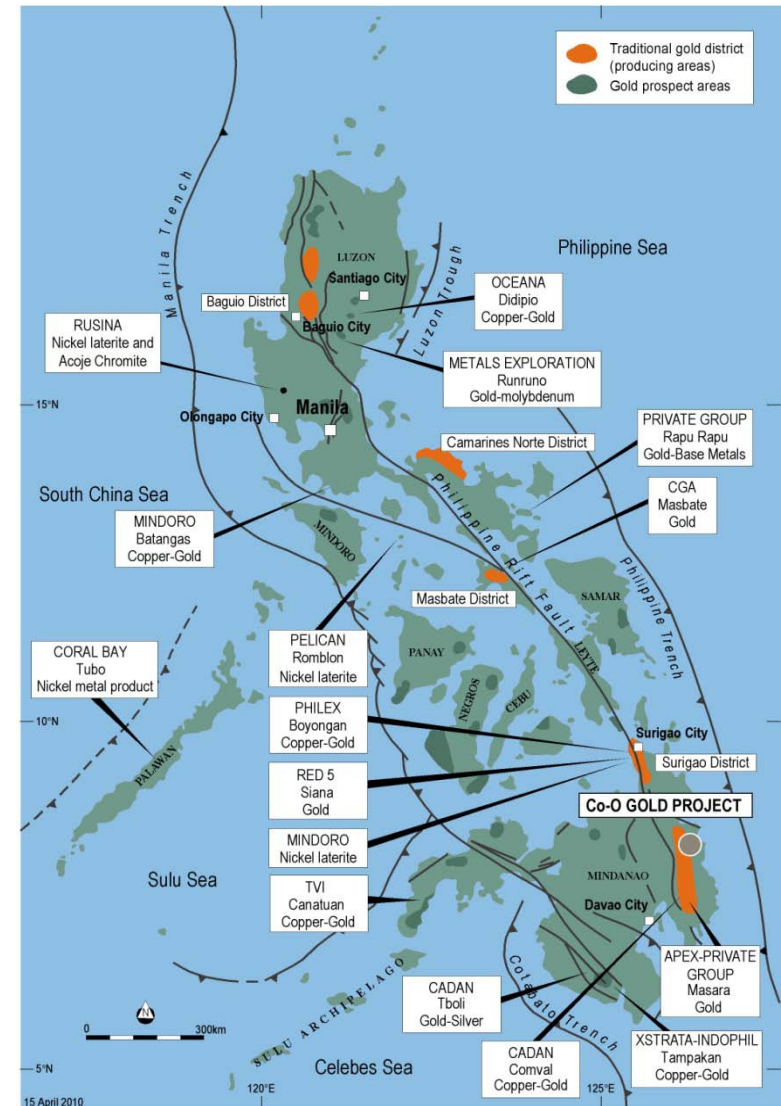
- ❑ Record gold production of 51,127 ounces
- ❑ Cash costs of US\$186 per ounce (including royalties and local business taxes)
- ❑ Construction of dedicated power line for mill and mine completed on schedule
- ❑ Board approved construction of new Co-O Mill with capacity for 200,000 ounces per year
- ❑ Interim un-franked dividend of A\$0.05 per share paid on 23 March 2011



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



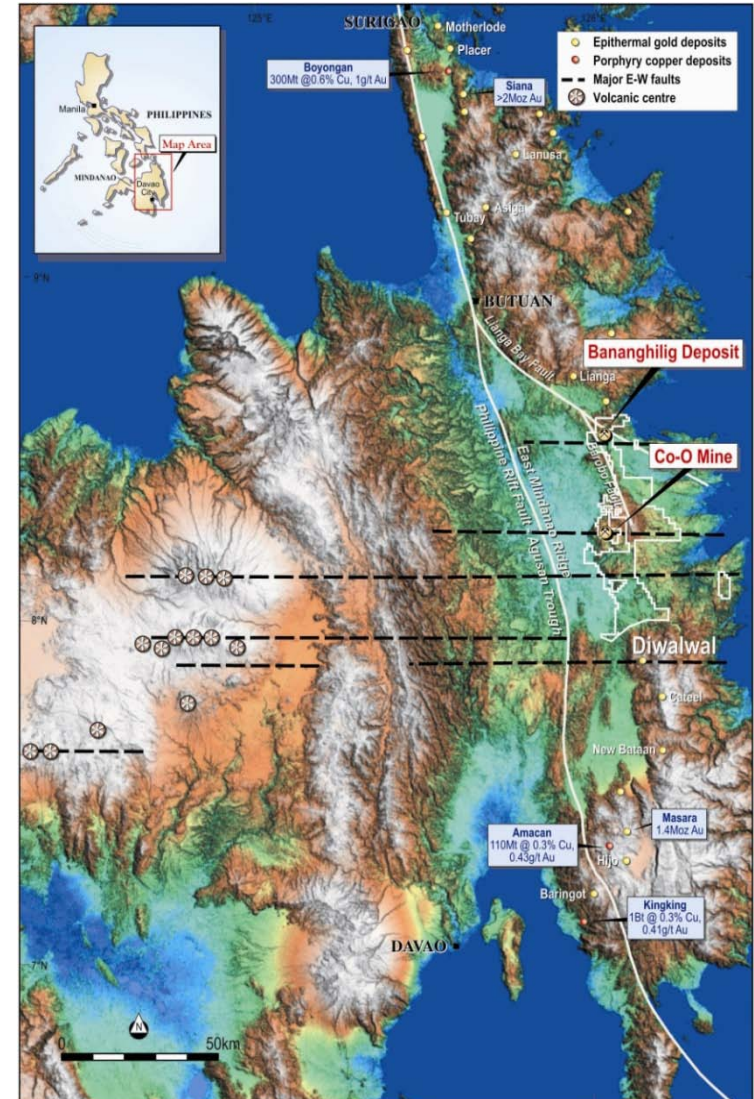
SETTING



- 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

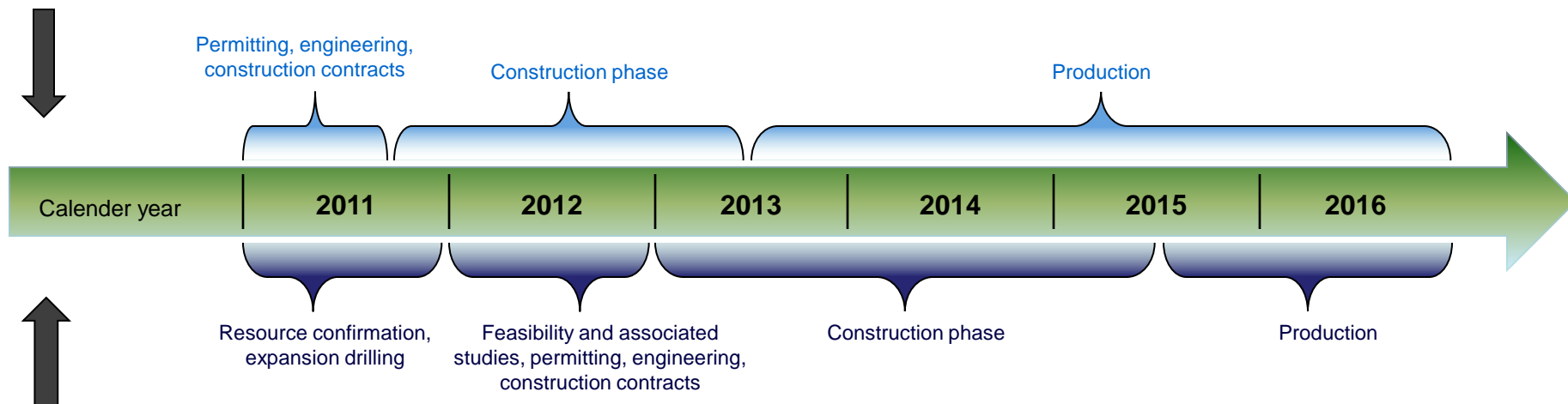
- ❑ Continue dividend payments

PRELIMINARY DEVELOPMENT TIMETABLE



Co-O Phase 3 Expansion

Indicative capital cost inclusive of development & infrastructure ~US\$80M



Bananghilig Development

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

Production profile (ounces)

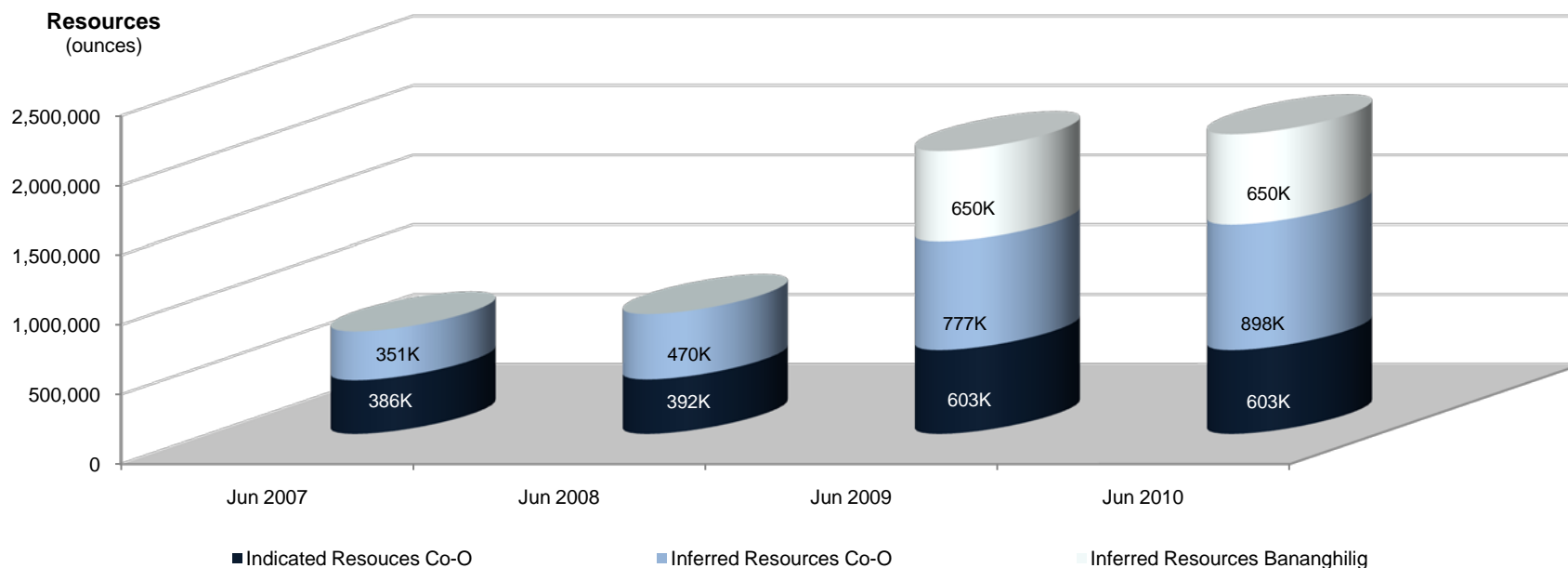
Name	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
Co-O Mill	100,000	120,000	160,000	200,000	200,000	200,000
Bananghilig Mill	-	-	-	-	100,000	200,000
Total	100,000	120,000	160,000	200,000	300,000	400,000

RESOURCES AND RESERVES



Category	Tonnes	Grade	Ounces
Resources (at 23 Jul 2010)			
Co-O Mine Indicated Resources ⁽¹⁾	1,418,000	13.2	603,000
Co-O Mine Inferred Resources ⁽¹⁾	2,905,000	9.6	898,000
Bananghilig Inferred Resources ⁽²⁾	15,000,000	1.3	650,000
Reserves (at 9 Aug 2009)			
Co-O Mine Probable Reserves ⁽³⁾	1,465,000	10.7	505,000

1. Co-O resources estimates are quoted using a > 0 g/t gold lower cut-off and undertaken by Cube Consulting Pty Ltd (2010)
2. Bananghilig resources estimates are quoted using a 0.6 g/t gold cut-off and undertaken by Cube Consulting Pty Ltd (2009)
3. Co-O reserves estimates were undertaken on the Indicated Resources by Crosscut Consulting (2010)



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



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)
 - ~ 800 metres development per month
- ❑ New Level 1 adit underway
- ❑ 3 compartment Saga Shaft underway
- ❑ Revised production for fiscal year 2011 - 102,000 ounces (subject to normal mining conditions)

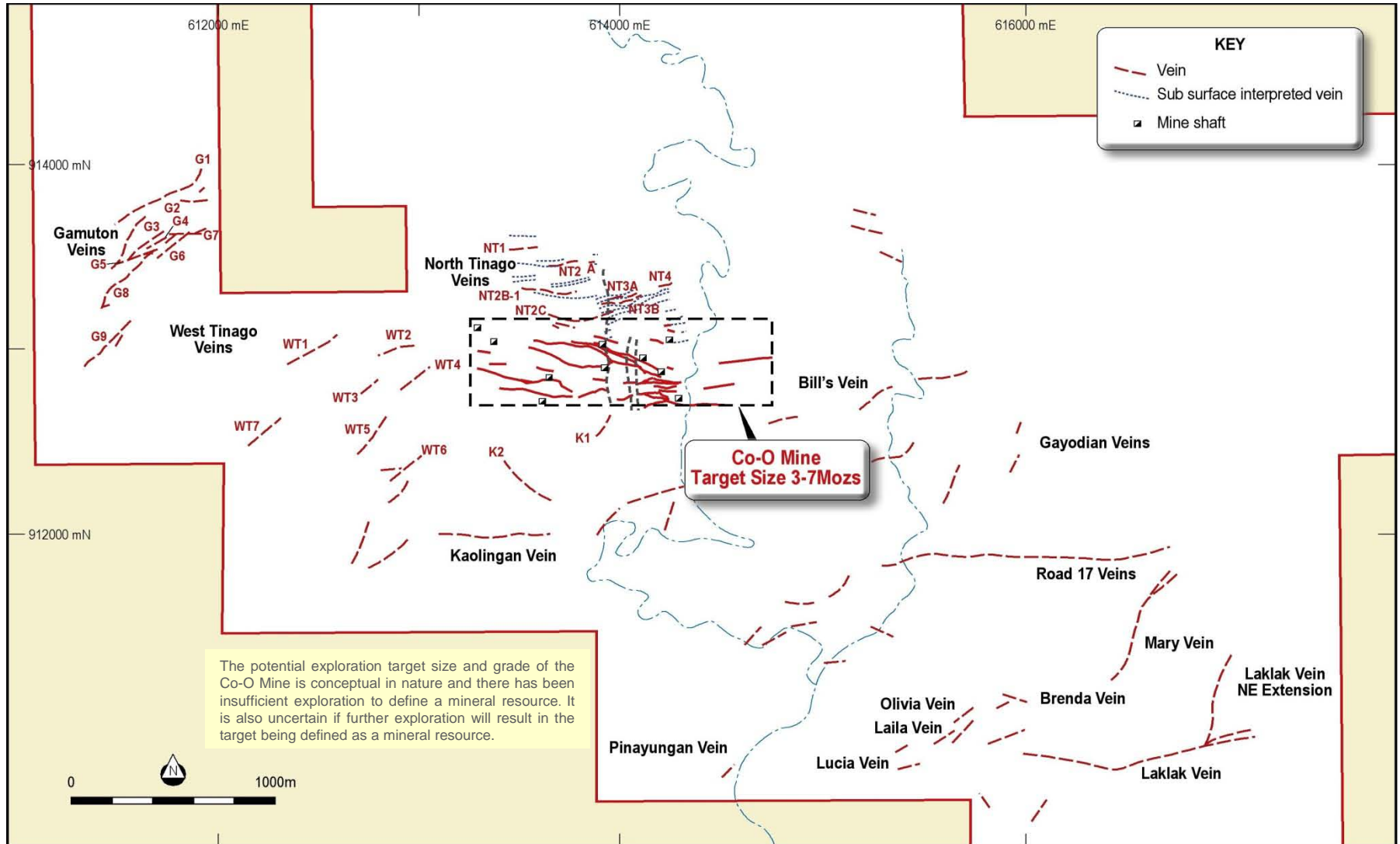


Saga Shaft temporary headframe



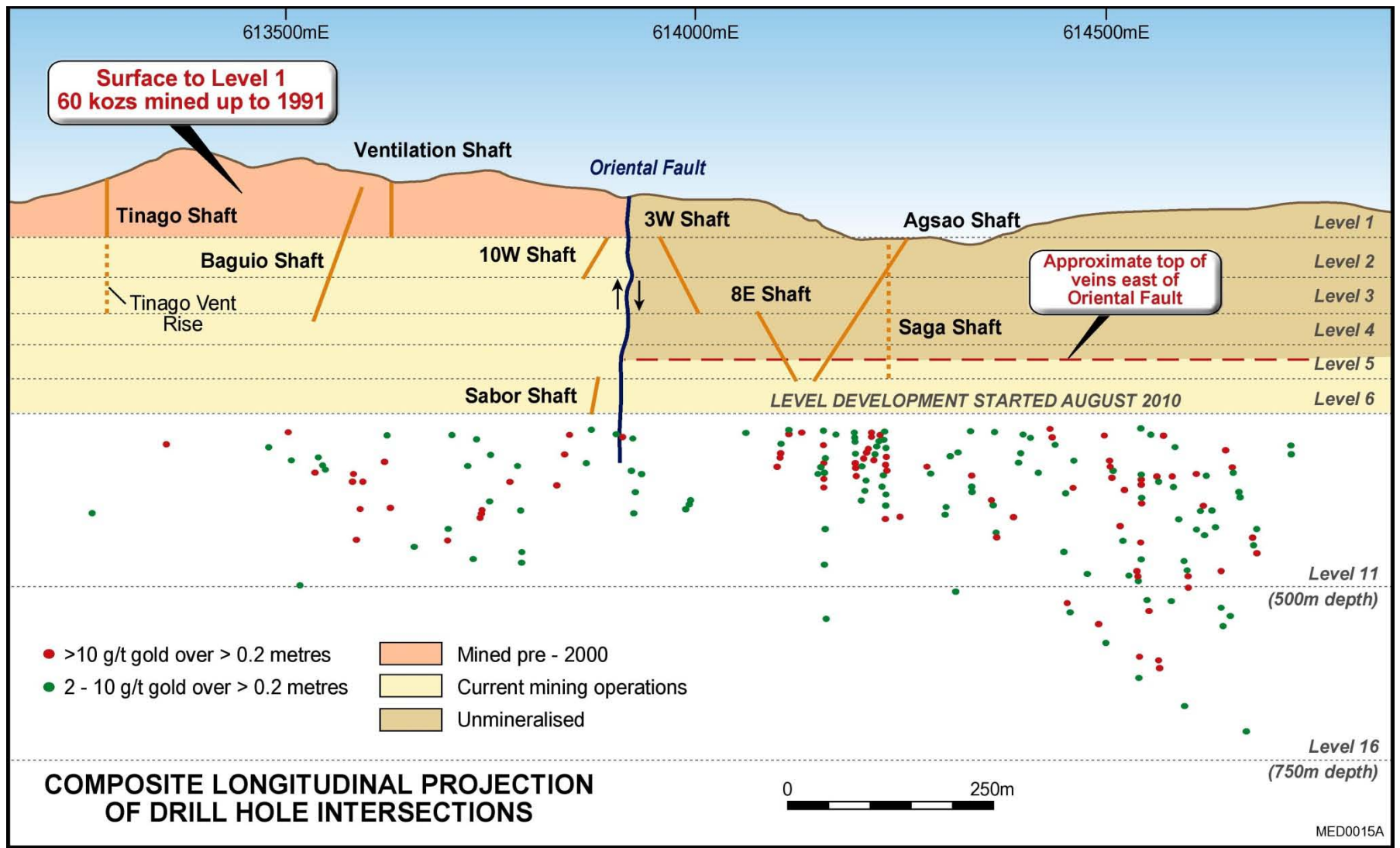
Part of Great Hamish Vein on Level 5, immediately west of Oriental Fault where it averages +4 metres over a length of 80 metres at a grade of greater than 1 ounce per tonne. Photo courtesy of Mr Louis James

Co-O REGIONAL SETTING



Co-O MINE LONG PROJECTION

(Drilling up to 30 June 2010)



MED0015A

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	9,375,000	10	3,125,000
		8	14,700,000	10	4,725,000
		10	18,750,000	10	6,250,000
	750	5	15,000,000	10	5,000,000
		8	22,050,000	10	7,000,000
		10	30,000,000	10	10,000,000
2,000	500	5	12,500,000	10	4,160,000
		8	19,600,000	10	6,300,000
		10	25,000,000	10	8,125,000
	750	5	20,000,000	10	6,660,000
		8	29,400,000	10	9,450,000
		10	40,000,000	10	11,815,000

Notes:

SG of 2.45 used for all estimates; estimates rounded to nearest 1000; and highlighted cases indicate most geologically reasonable based on current knowledge

** 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 CY 2011: ~US\$20M

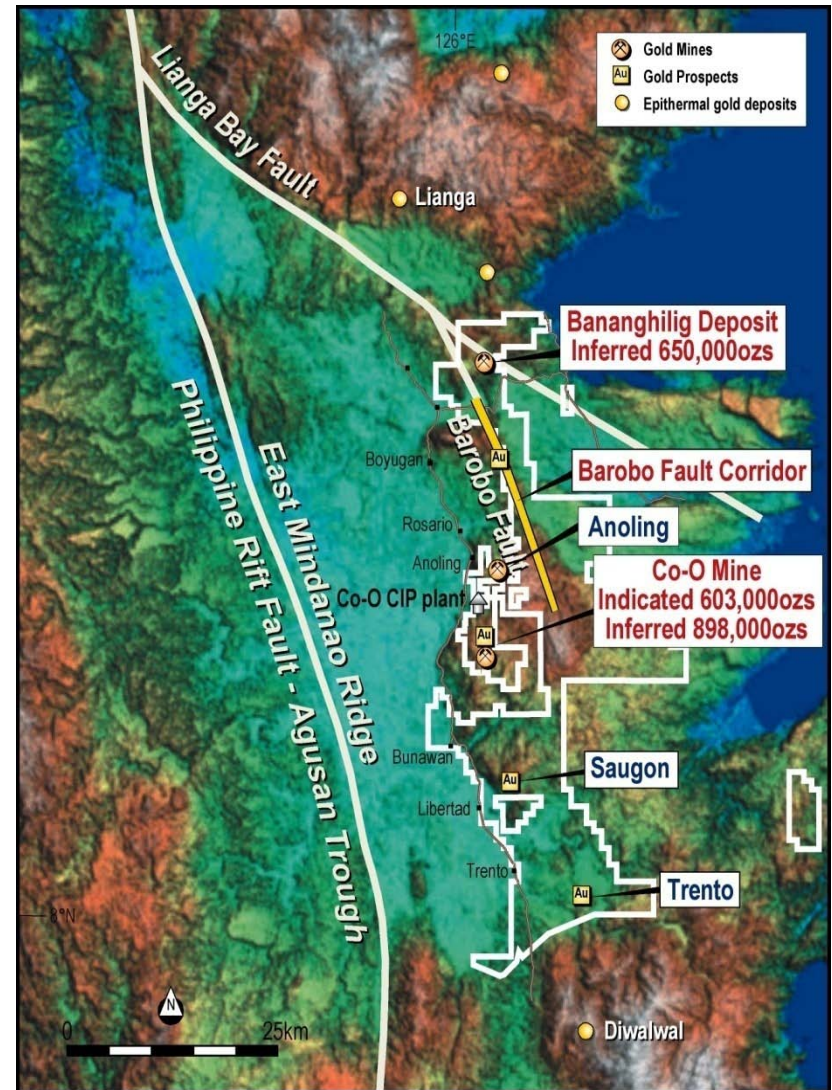
PORTFOLIO:

Bulk disseminated gold targets

- ❑ Bananghilig
- ❑ Barobo Corridor
- ❑ Others

Multiple high grade vein targets

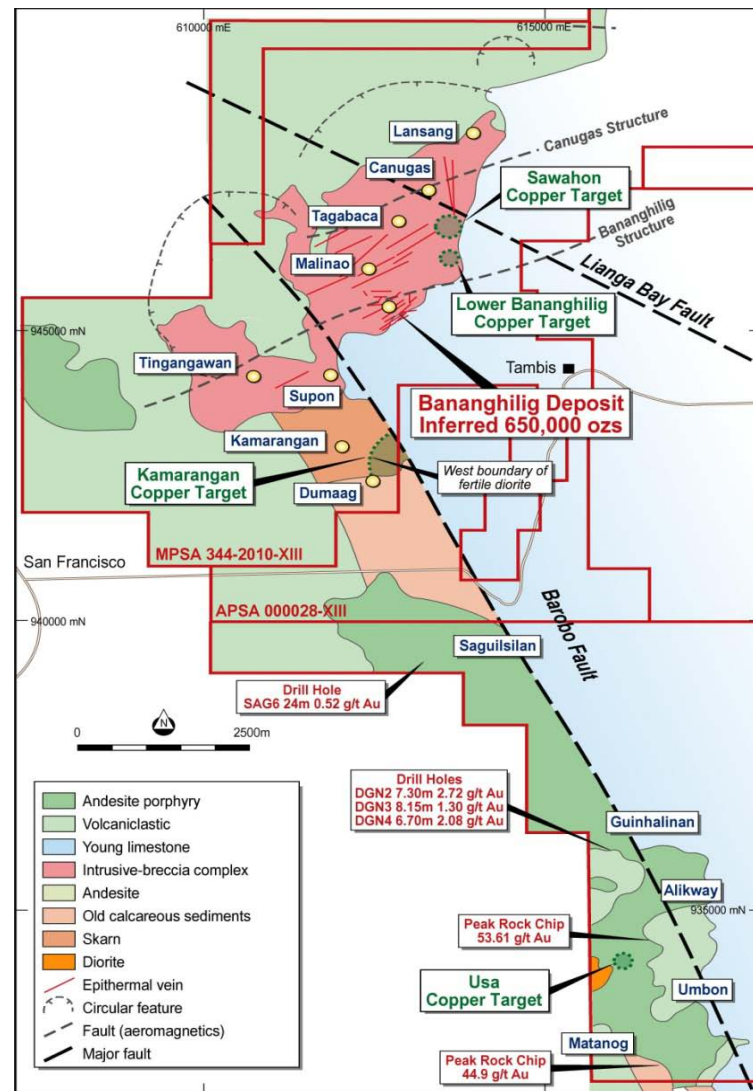
- ❑ Anoling
- ❑ Saugon
- ❑ Trento
- ❑ Others



TAMBIS DISTRICT



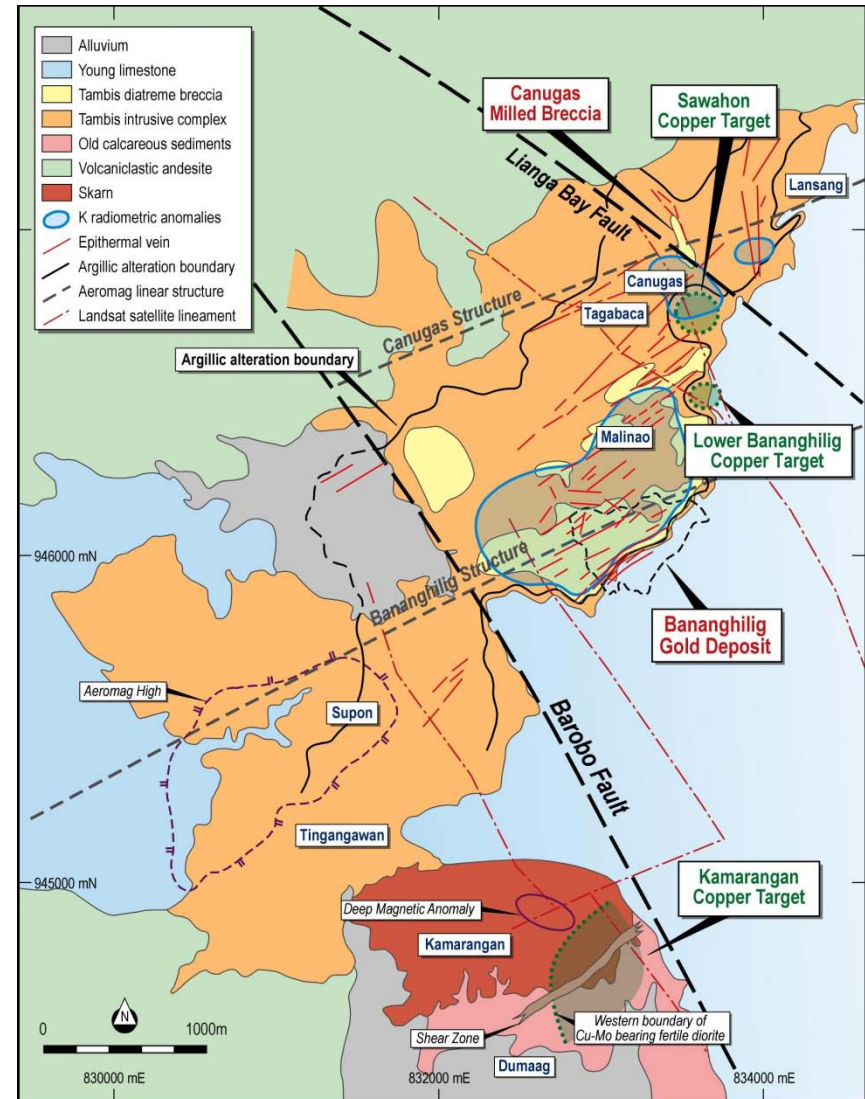
- ❑ Belt approximately 7km x 3km
- ❑ Typifies a structurally complex, intermediate sulphidation, epithermal gold, breccia type system
- ❑ Mineralisation overprints an igneous package intruded into an andesitic basement
- ❑ Fertile igneous suite comprises:
 - Multi-phase calc-alkaline, high level intrusives cut by
 - Extensive bodies of diatremes and hydrothermal breccias



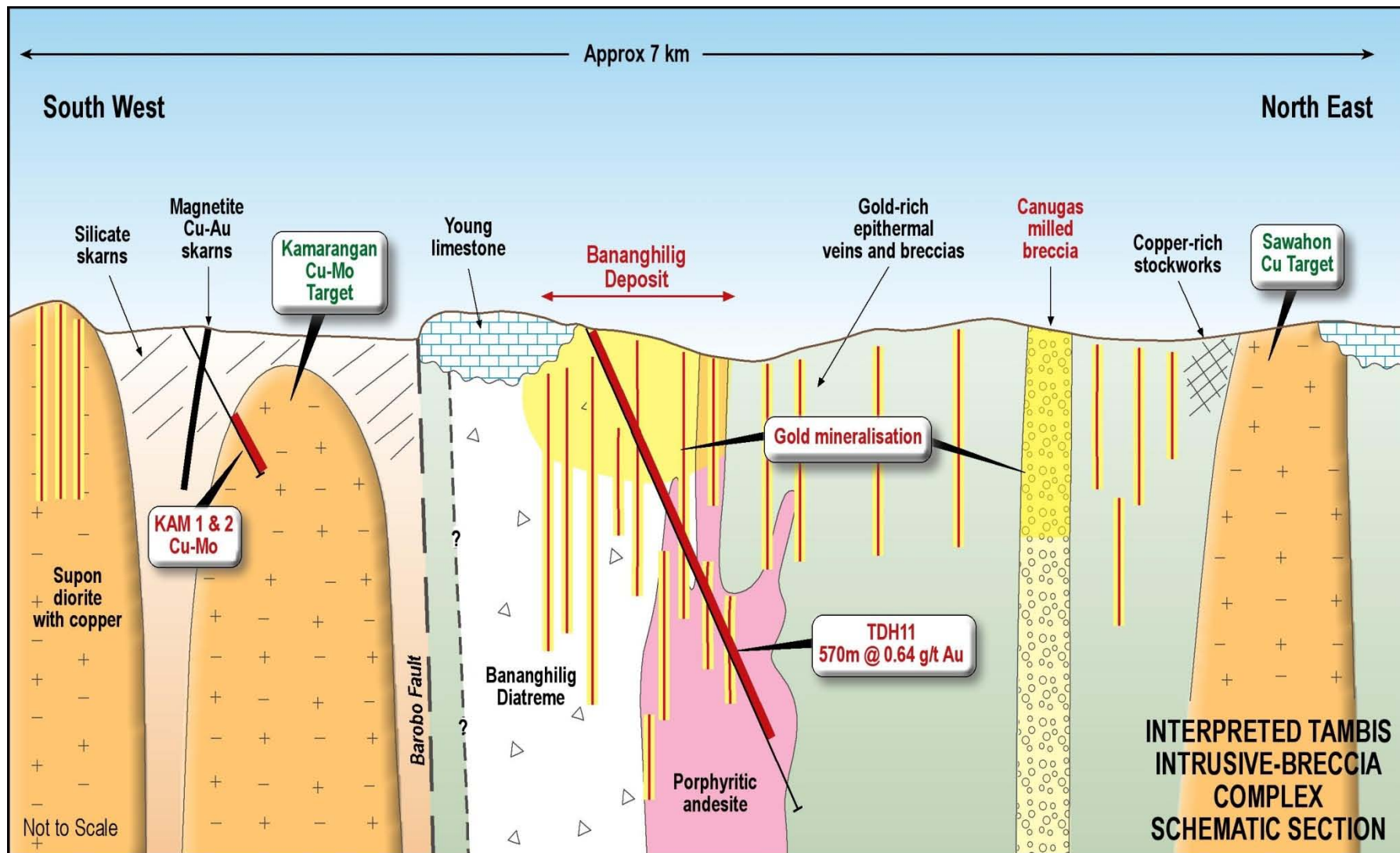
TAMBIS COMPLEX



- ❑ Structurally controlled by branches of Philippine Rift Fault and orthogonal structural corridors
- ❑ Extensive argillic alteration
- ❑ K-radiometric anomalies
- ❑ Aeromagnetic features
- ❑ Gold mineralisation:
 - extensive vein systems
 - stockworks
 - disseminated (Bananghilig)
- ❑ Copper targets:
 - Sawahon
 - Lower Bananghilig
 - Kamarangan



TAMBIS SCHEMATIC SECTION



COPPER PORTFOLIO



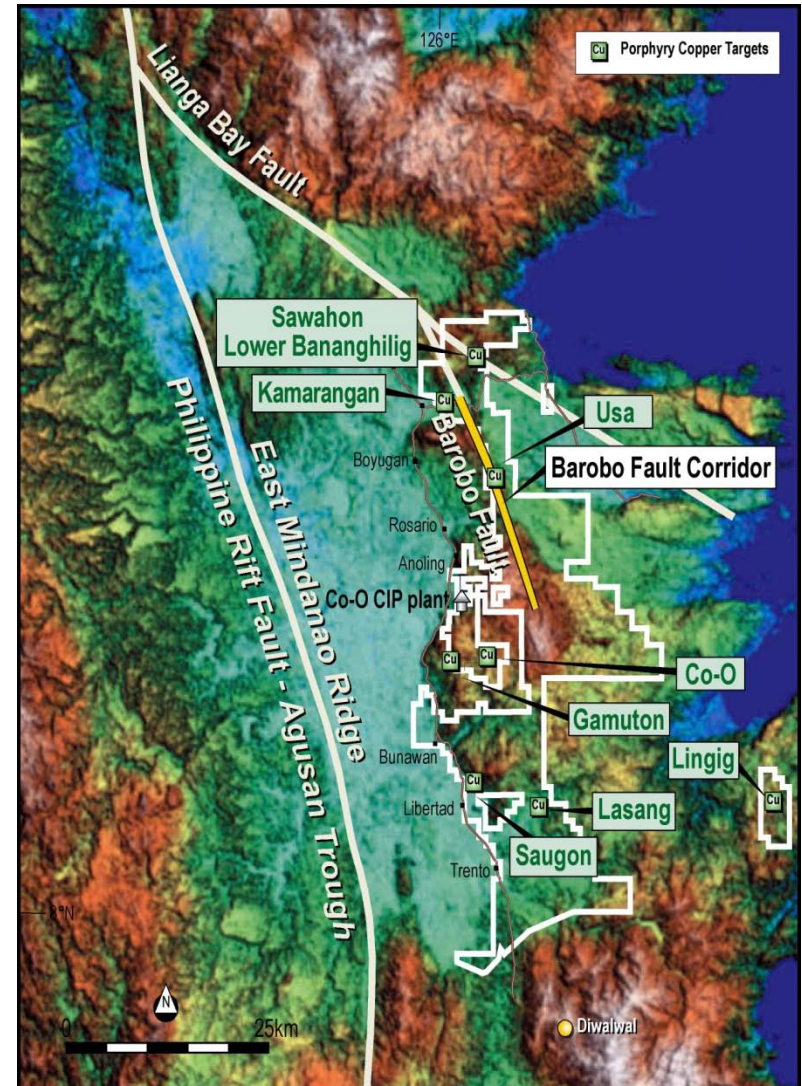
Copper exploration budget CY 2011: ~US\$5M

Aim: to monetise through resource discovery

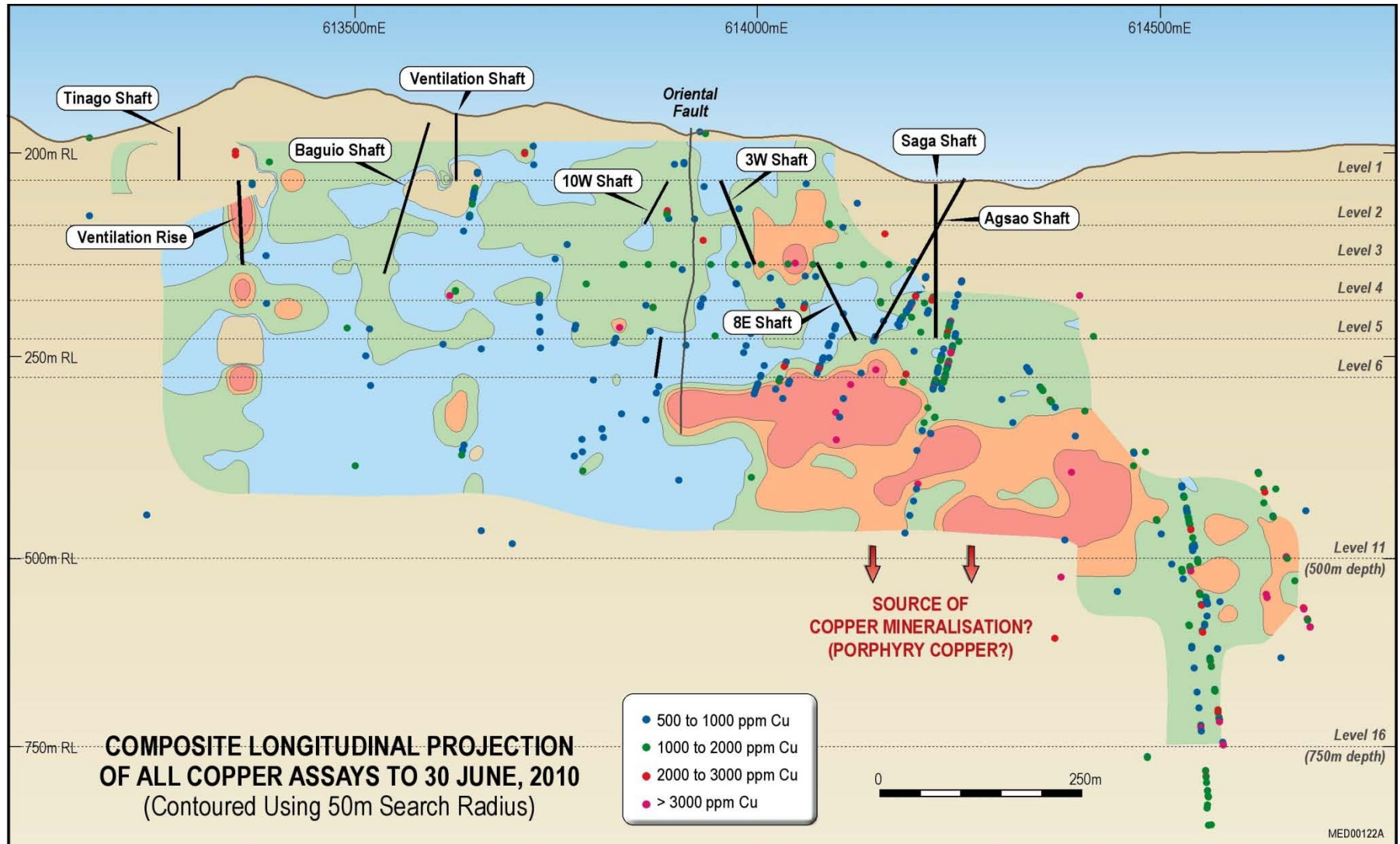
PORTFOLIO:

- ❑ * 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



Co-O COPPER POTENTIAL



SOCIAL PROGRAMMES



❑ Education

- Scholarships and assistance
- Adopt-a-school programmes
- Over 4,400 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-afforestation 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\$25M on 820 km² of tenements to unlock value

** 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.

IMPORTANT NOTICE



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

This presentation contains a number of forward-looking statements. Known and unknown risks and uncertainties, as well as factors outside of Medusa’s control, may cause the actual results, performance and achievements of Medusa to differ materially from those expressed or implied in this presentation. Medusa does not warrant the accuracy, currency or completeness of the information with respect to forward-looking statements contained in this presentation, nor the future performance of Medusa.

To the maximum extent permitted by law, Medusa and its officers, employees and advisers are not liable for any loss or damage (including, without limitation, any direct, indirect or consequential loss or damage) suffered by any person directly or indirectly as a result of relying on this presentation or otherwise in connection with it.

This presentation is not intended to be an offer for subscription, invitation, solicitation or recommendation with respect to securities in Medusa in any jurisdiction including the United States. No securities in Medusa have been nor will be registered under the US Securities Act of 1933,(USA) as amended. This presentation does not constitute an advertisement for an offer or proposed offer of securities under Australian law, US law or any other law and is for general information purposes only.

The information contained in this presentation is not a substitute for detailed investigation or analysis of any particular issue and has been prepared without consideration of your objectives and needs and financial position. Current and potential investors and shareholders should seek independent advice before making any investment decision in regard to Medusa or its activities.

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 Geoff Davis, who is a member of The Australian Institute of Geoscientists. Mr Davis is the Managing Director 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 Declan Franzmann, B Eng (Mining), MAusIMM. Mr Franzmann is a full-time employee of Crosscut Consulting. Mr Franzman has sufficient 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. Mr Franzmann 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:

Peter R.Jones (Non-executive Chairman)

Geoffrey Davis (Managing Director/CEO)

Peter Hepburn-Brown (Operation Director/COO)

Roy Daniel (Finance Director/CFO)

Robert Weinberg (Non-executive Director)

Andrew Teo (Non-executive Director)

Address and Contact Details:

PO Box 860

Canning Bridge WA 6153

Australia

Telephone: +618 9367 0601

Facsimile: +618 9367 0602

Email: admin@medusamining.com.au