



MEDUSA

AN EXPANDING GOLD PRODUCER IN THE PHILIPPINES

INVESTOR PRESENTATION

September 2010

SNAPSHOT OF MEDUSA



- ❑ Expanding gold producer operating solely in the Philippines
- ❑ Debt free and un-hedged, long term cash costs circa US\$190 per ounce
- ❑ Co-O Mine (narrow vein underground): production of 100,000 ounces per year
- ❑ Resources:
 - Co-O Mine Indicated resources: - 603,000 ounces
 - Co-O Mine Inferred resources: - 898,000 ounces
 - [Conceptual exploration target size** of Co-O Mine of 3 million to 7 million ounces]
 - Bananghilig Deposit Inferred resources: - 650,000 ounces
- ❑ Reserves of 505,000 ounces at the Co-O Mine
- ❑ Pipeline of projects for potential production expansion to 300,000 to 400,000 ounces per year
- ❑ Excellent exploration upside: high grade vein and disseminated bulk gold targets, plus seven copper targets
- ❑ 800 km² of tenements and exploration budget 2010/11 of US\$21M

** 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



CAPITAL STRUCTURE

- Ordinary shares: 187,584,911
- Unlisted options: 1,190,000
- Market Cap (at 31 Aug 2010) ~A\$750M

SNAPSHOT OF 2010 FINANCIALS

- EBITDA: US\$73.7M
- NPAT: US\$65.8M
- EPS (basic): US\$0.378
- Cash and bullion: US\$55.8M
- Debt free and un-hedged

PROPOSED MAIDEN DIVIDEND OF A\$0.05 PER SHARE

* Subject to shareholder approval in general meeting to amend the Constitution

SHAREHOLDER INFORMATION

Top 20 68.61%

Substantial shareholders *

Rex Harbour & Associates 12.31%

* Information based on substantial shareholder notices provided to the Company

Directors 3.50%

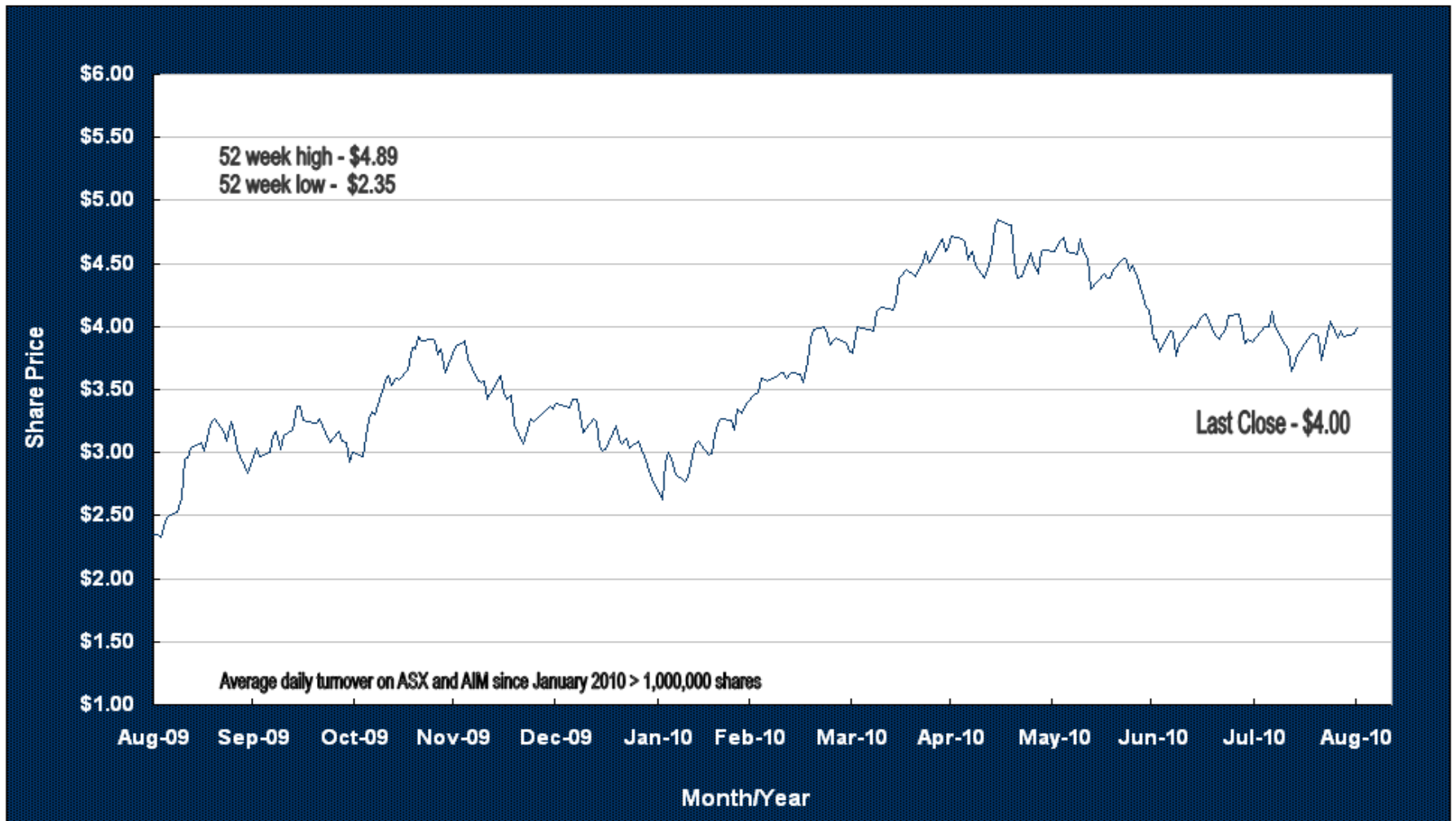
LISTINGS

ASX & AIM *(Code: MML); TSX (Code: MLL)

* The Company is awaiting approval from the UKLA to move from AIM to the Main Market of the LSE

SHARE PRICE PERFORMANCE

(12 months to 31 Aug 2010)



HIGHLIGHTS OF 2009/10 FINANCIAL YEAR



Description	Unit	30 Jun 2010	30 Jun 2009	Variance	(%)
Revenues	US\$	\$94.6M	\$42.8M	\$51.8M	121%
EBITDA	US\$	\$73.7M	\$30.4M	\$43.3M	142%
NPAT	US\$	\$65.8M	\$28.5M	\$37.3M	131%
Adjusted underlying NPAT *	US\$	\$71.7M	\$28.5M	\$43.2M	152%
EPS (basic)	US\$	\$0.378	\$0.187	\$0.191	102%
Adjusted underlying EPS (basic) *	US\$	\$0.412	\$0.187	\$0.225	120%
Cash and bullion	US\$	\$55.8M	\$26.5M	\$29.3M	111%
Adjusted underlying cash and bullion *	US\$	\$63.4M	\$26.5M	\$36.9M	139%

* As a result of a timing issue, bullion awaiting shipment at year end that relate to current year's production has been re-classified from revenue to inventory at cost to comply with Australian Accounting Standards. This timing issue has had a material reduction of US\$5.893 million to current year's profit. Refer Note 6 under Notes to the Financial Statements of the 2010 Annual Report. Subsequent to year end the bullion has been shipped and sold in July 2010 and proceeds relating to the sale have been received.

2009/10 PRODUCTION STATISTICS



Description	Unit	Jun 2010 Quarter	Mar 2010 Quarter	Dec 2009 Quarter	Sep 2009 Quarter	FY 2009/10	FY 2008/09
Tonnes mined ⁽¹⁾	WMT	53,872	51,512	50,116	43,193	198,693	118,076
Ore milled	DMT	60,611	40,943	37,588	40,467	179,609	116,451
Recovered grade	gpt	13.65	20.61	18.68	14.78	16.52	13.30
Recovery	%	94%	94%	94%	94%	94%	94%
Gold produced ⁽²⁾	ounces	25,012	25,505	21,108	18,054	89,679	47,869
Cash costs ⁽³⁾	US\$	\$182	\$180	\$184	\$193	\$184	\$213
Gold sold	ounces	24,858	-	21,108	18,054	64,020	47,869
Avg gold price received	US\$	\$1,182	-	\$1,111	\$975	\$1,100	\$880

1. The moisture content in wet tonnes ranges between 6 to 7%

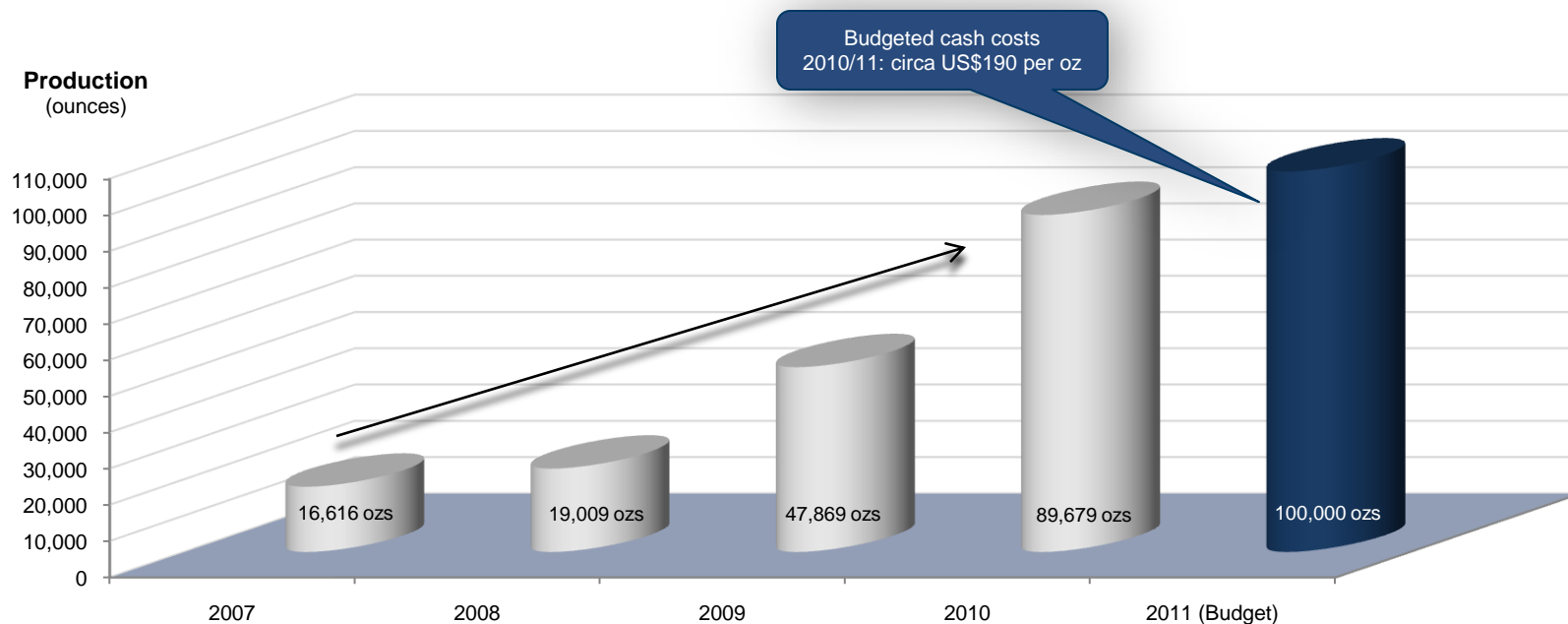
2. Gold production, is actual gold poured (and requires no further processing) during the period and does not reflect changes in the balance of gold in circuit

3. Cash costs refers to the cost of gold produced (net of development costs) and includes royalties and local taxes of US\$46 per oz for the Jun 2010 qtr (Mar 2010 qtr: US\$48 per oz, Dec 2009 qtr: US\$48 per oz, Sep 2009 qtr: US\$34 per oz; YTD 2009/10: US\$46 per oz)

2009/10 OPERATIONAL HIGHLIGHTS



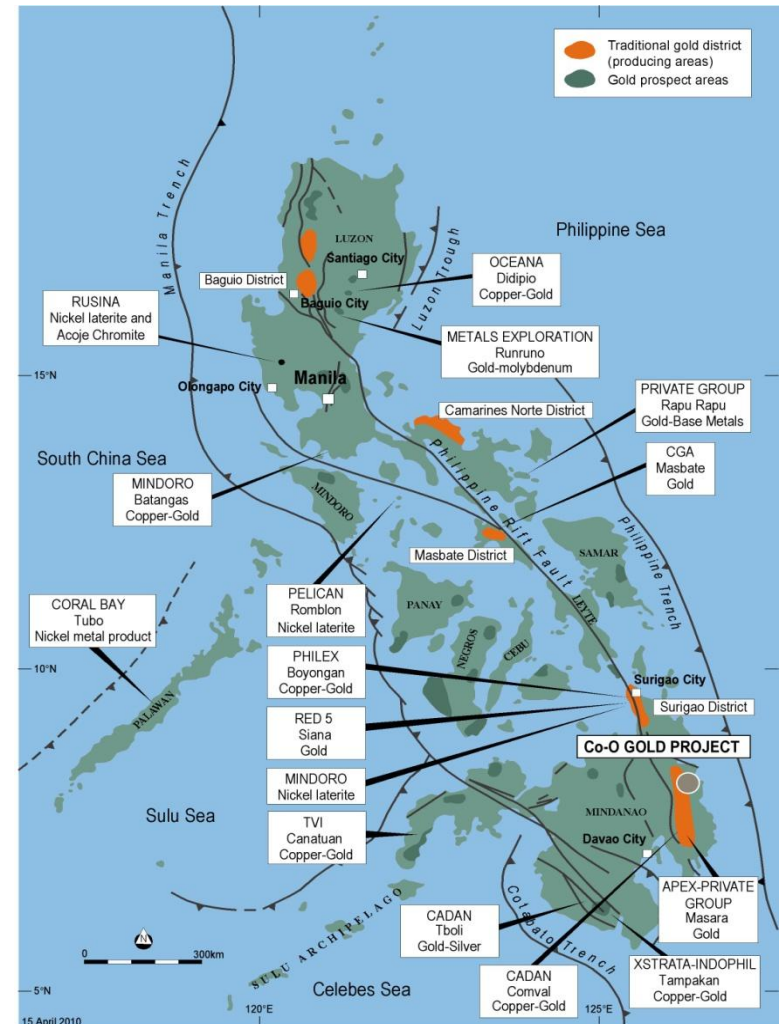
- ❑ Phase 2 expansion to annualised 100,000 ounces completed in March 2010 quarter
- ❑ Record gold production of 89,679 ounces
- ❑ Maintained Co-O Probable Reserves at 500,000 ounces
- ❑ Increased Co-O Inferred Resources by 238,000 ounces to 898,000 ounces
- ❑ Cash costs of US\$184 per ounce (including royalties and local taxes)



PHILIPPINES MINING INVESTMENTS



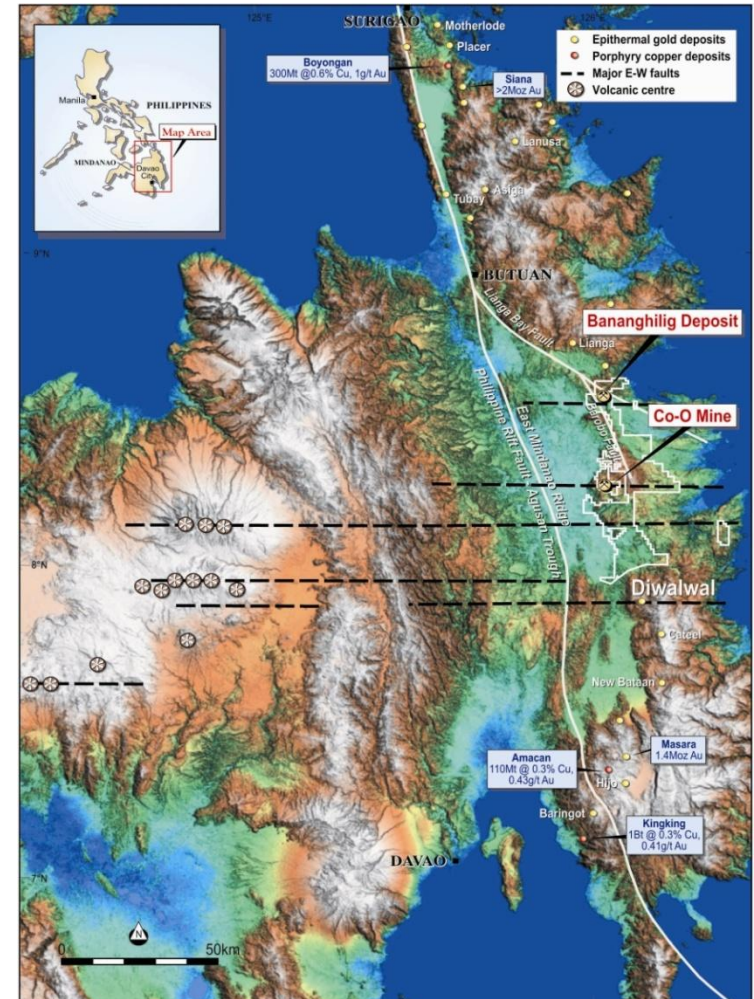
- ❑ Government support revitalising mining
- ❑ Increasing foreign investment
- ❑ Projects in feasibility studies and development
- ❑ New projects commenced production
- ❑ Co-O project south of typhoon belt



REGIONAL SETTING



- ❑ East Mindanao Ridge - richly endowed
- ❑ Excellent mineralised structural framework
- ❑ World class gold-copper deposits
- ❑ Long mining history
- ❑ Major recent discoveries



Co-O PLANT & INFRASTRUCTURE



- ❑ CIP plant capacity 1,000 tonnes per day
- ❑ Grid power at Mine and Mill
(standby power station at mine and mill)
- ❑ 99% local workforce
- ❑ On site assay laboratory and support services
- ❑ Industry standard health & safety



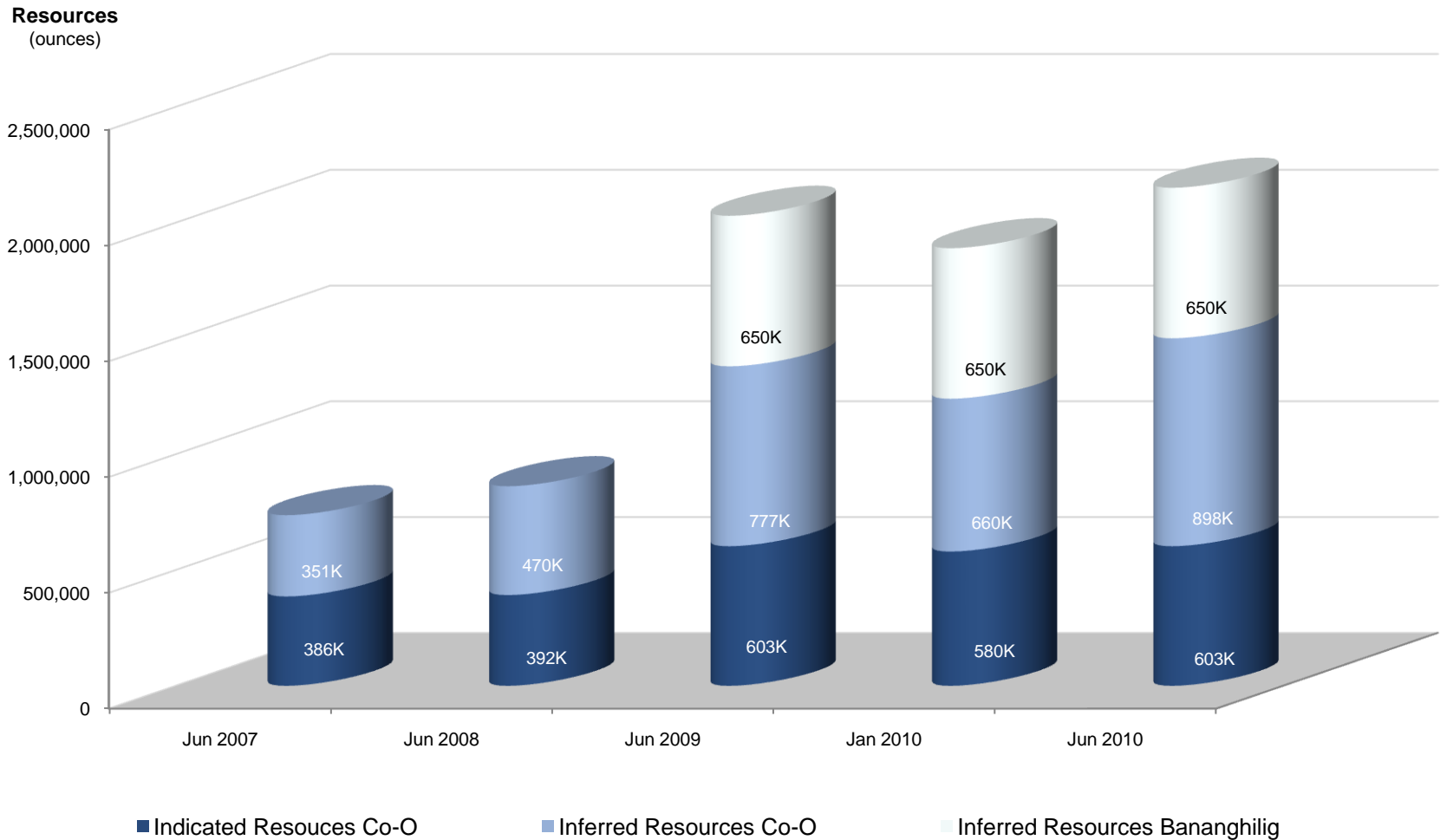
RESOURCES AND RESERVES



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)

INDICATED & INFERRED RESOURCES



Co-O MINE, EXPLORATION & PRODUCTION



- ❑ 25 year Mining Licence, renewable
- ❑ Vertical and horizontal continuity, open at depth and along strike, drilling continuing
- ❑ 6 levels at 50 metre spacing
 - approximately 21 headings on ore
 - approximately 36 stopes on breaking cycle (+60,000 tonnes broken ore)
- ❑ Budgeted production for fiscal year 2010/11 -100,000 ounces

Subject to normal mining conditions

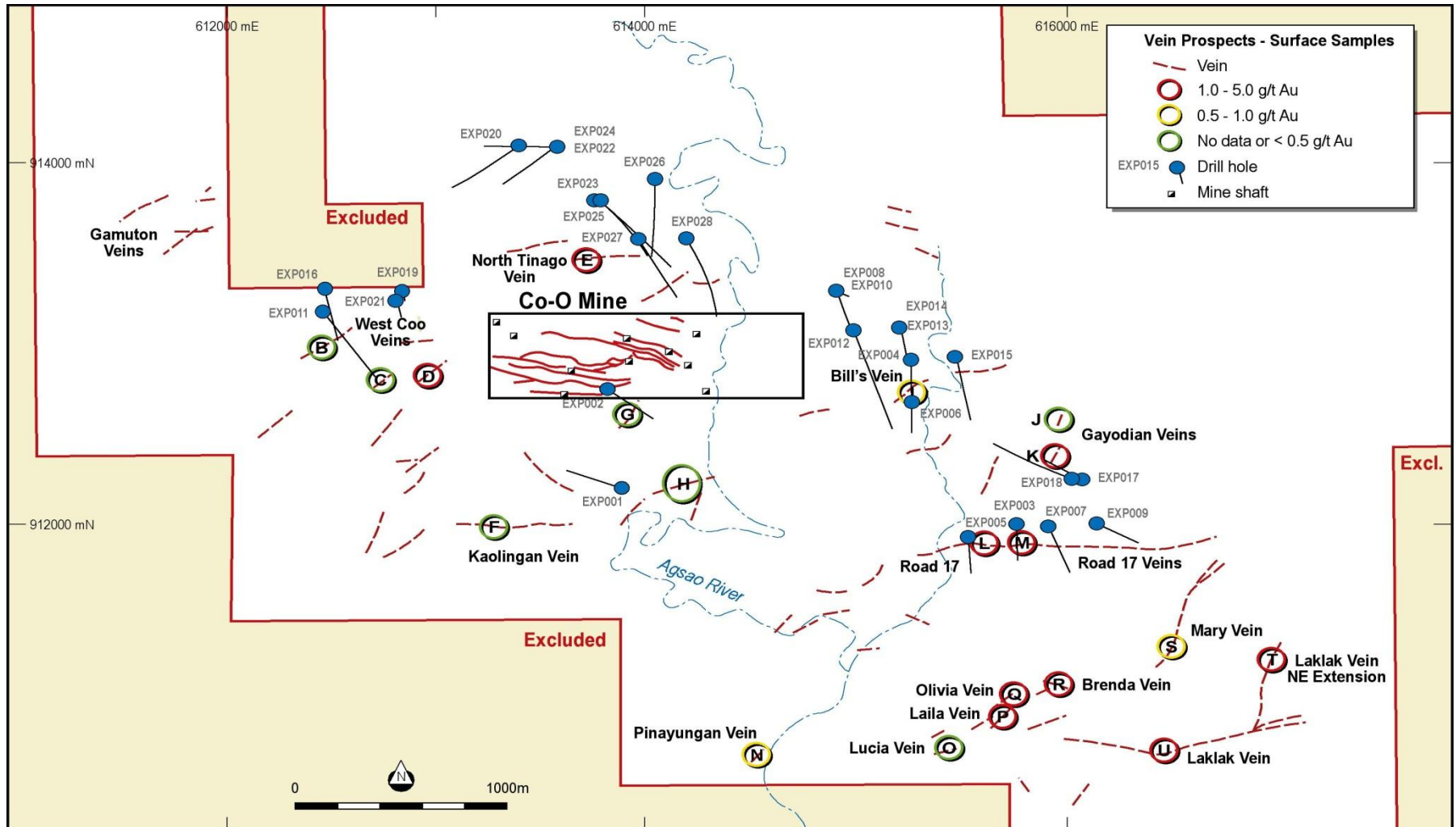


New Mine Office at Co-O

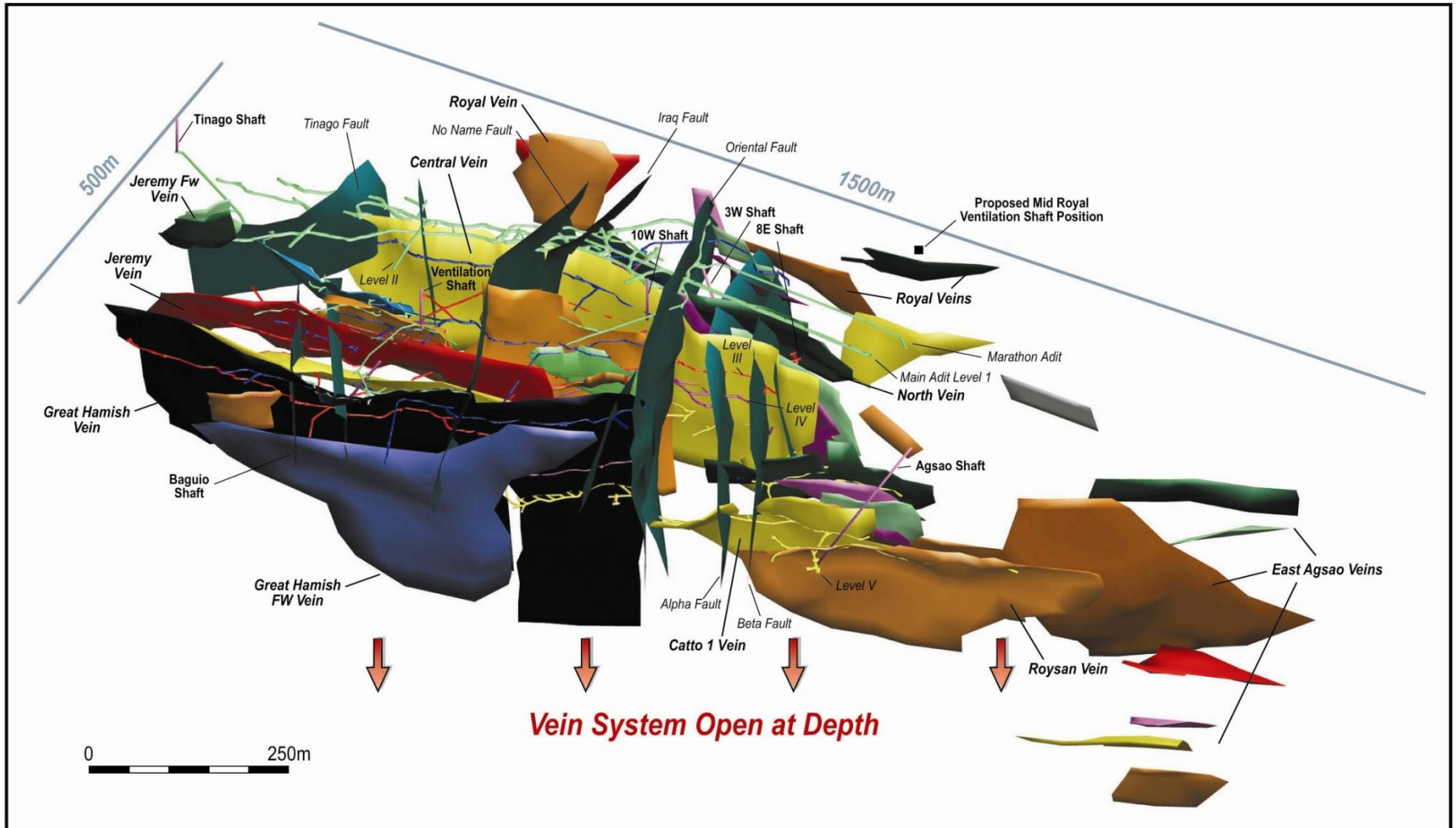


Part of Great Hamish Vein on Level 5, immediately west of Oriental Fault where it averages +4 metres over a length of 80 metres at a grade of greater than 1 ounce per tonne. Photo courtesy of Mr Louis James

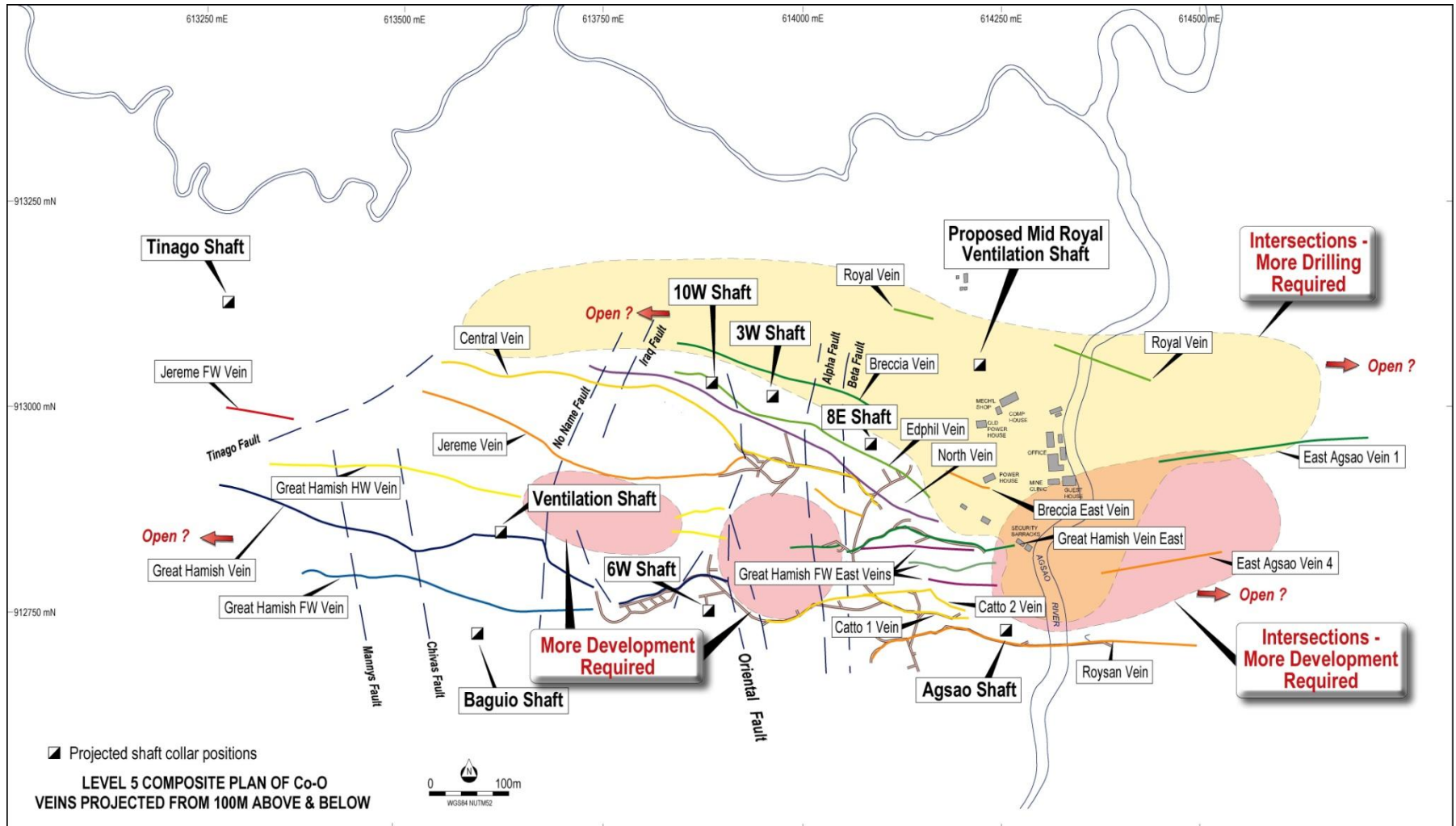
Co-O REGIONAL SETTING



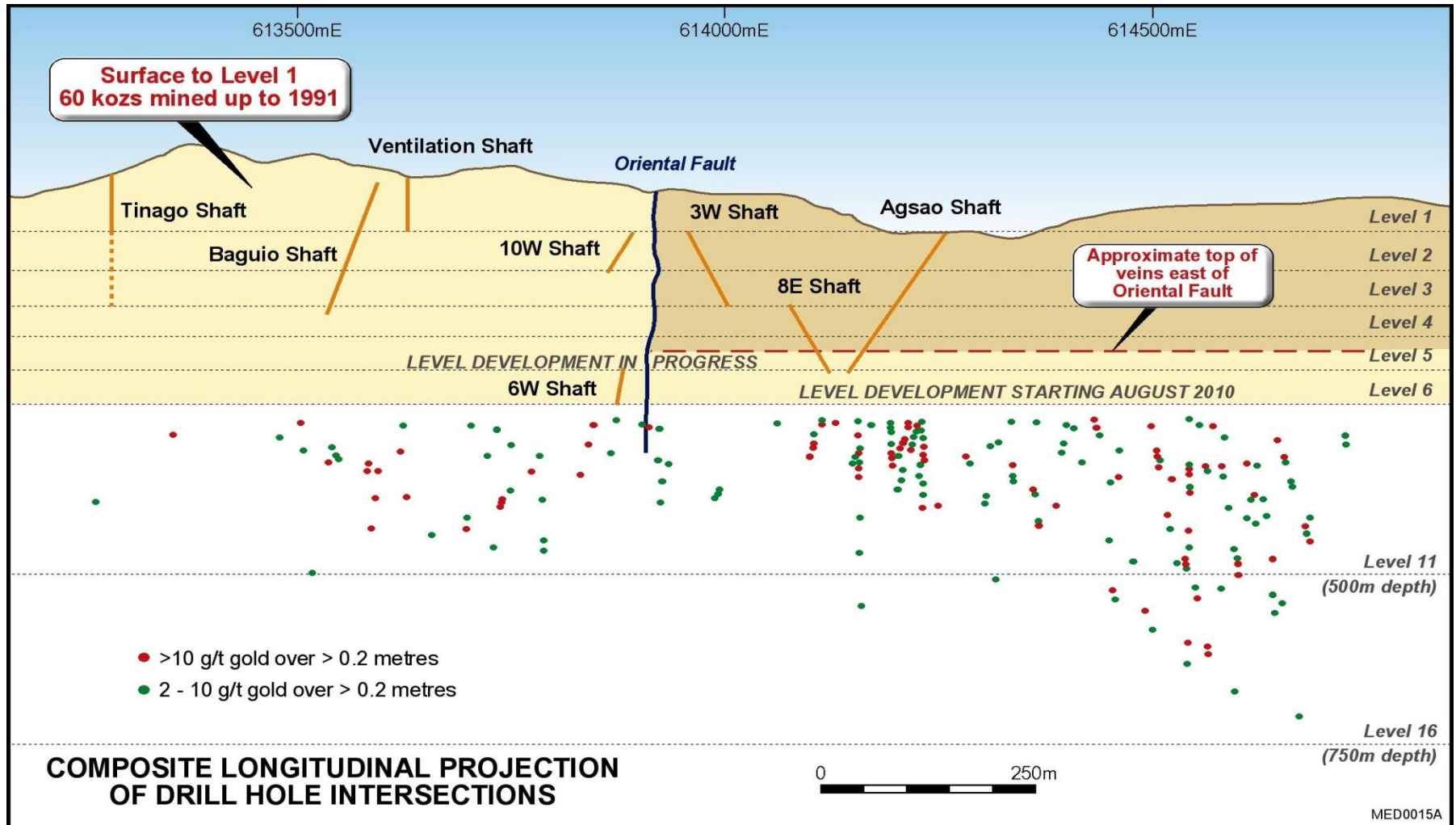
Co-O MINE 3D VEIN MODEL



Co-O MINE COMPOSITE LEVEL PLAN



Co-O MINE LONG PROJECTION



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

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GOLD PORTFOLIO



Gold exploration budget 2010/11: ~US\$18M

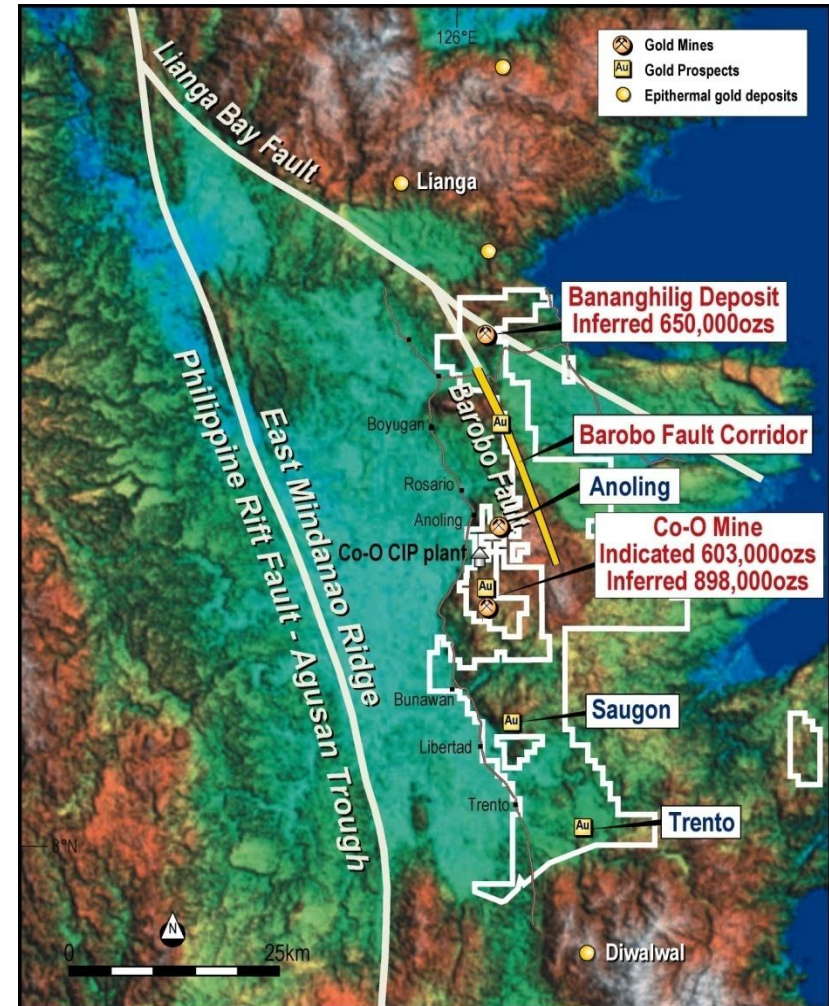
PORTFOLIO:

Multiple high grade vein targets

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

Bulk disseminated gold targets

- ❑ Bananghilig
- ❑ Barobo Corridor
- ❑ Others



BANANGHILIG & BAROBO CORRIDOR



BANANGHILIG DEPOSIT

850 x 550 x 100 to 150 metres depth and open

Drill holes include:

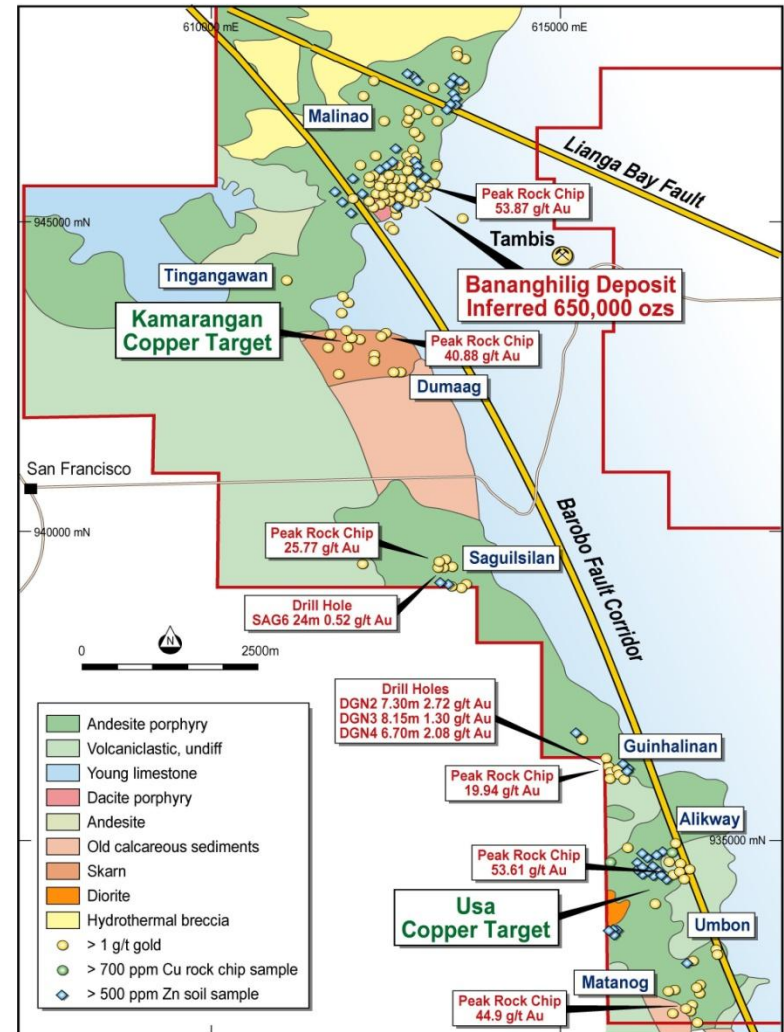
- 205.9 metres at 2.42 g/t gold
- 182.0 metres at 2.13 g/t gold
- 116.5 metres at 3.96 g/t gold

BAROBO CORRIDOR

18 kilometres of favourable geology with numerous prospects

Scout drill holes include:

- 7.3 metres at 2.72 g/t gold
- 8.1 metres at 1.30 g/t gold
- 6.7 metres at 2.08 g/t gold



COPPER PORTFOLIO



Copper exploration budget 2010/11: ~US\$3M

Aim: to monetise through resource discovery

PORTFOLIO:

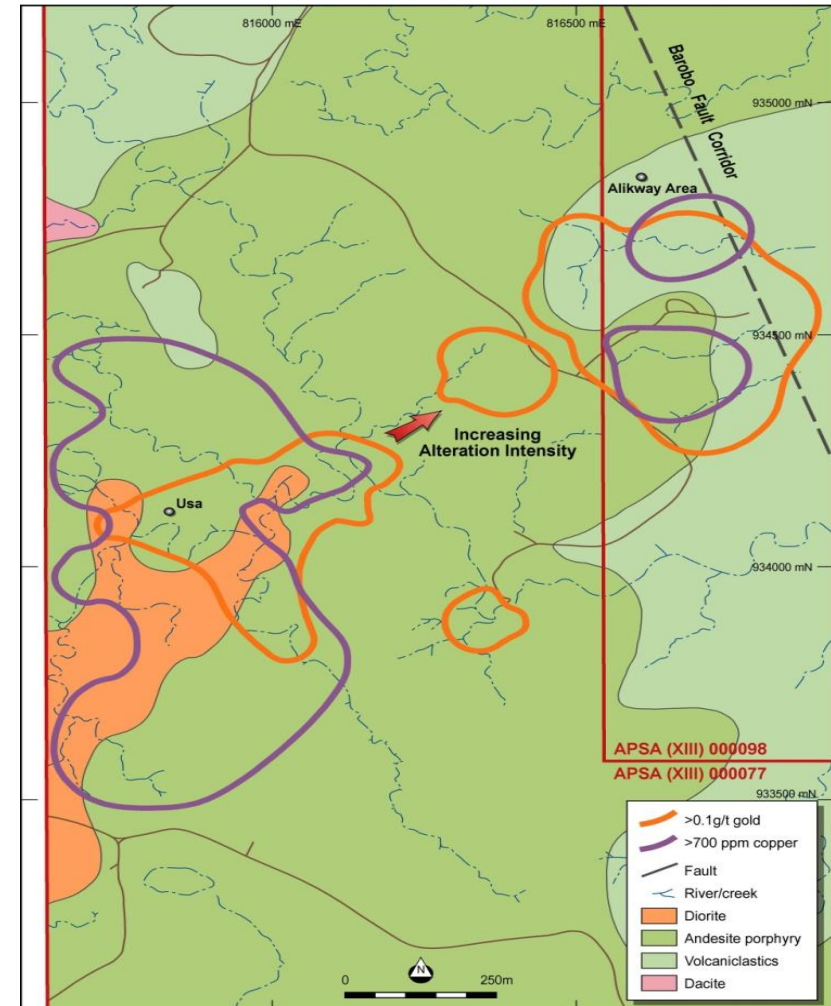
- ❑ Lingig (Cu-Au): drill intersections
- ❑ Kamarangan (Cu-Mo): drill intersections
- ❑ Usa (Cu-Au): target size 500m x 500m
- ❑ Co-O (Cu): trends indicate adjacent porphyry
- ❑ Gamuton (Cu-Au-Ag): drill indications
- ❑ Saugon (Cu-Au-Ag): drill/aeromag indications
- ❑ Lasang (Cu): aeromagnetic signature



Usa COPPER-GOLD PORPHYRY TARGET



- ❑ Exposed diorite porphyry
- ❑ Dimensions > 500 metres diameter
- ❑ Surface rock chips to 0.59% copper
- ❑ Surface rock chips to 0.42 g/t gold
- ❑ Alluvial gold in streams



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-forestation using rubber plantations



Back to school



Sponsored rice farming

WHY MEDUSA!!



- ❑ Low cost (long term cash cost circa US\$190 per oz), high margin gold producer
- ❑ Increasing production and resources, with a conceptual exploration target size** of 3 million to 7 million ounces for the Co-O Mine
- ❑ Long mine life at Co-O Mine
- ❑ Pipeline of projects for potential production expansion to 300,000 to 400,000 ounces per year
- ❑ Aggressive exploration on >800 km² for:
 - high grade gold veins
 - disseminated gold deposits
 - porphyry copper-gold deposits

** 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.

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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 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.



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