



**MEDUSA**

Gold producer focused on organic growth in the Philippines

# **INVESTOR PRESENTATION**

**November 2010**

# SNAPSHOT OF MEDUSA



- ❑ Un-hedged gold producer focused on organic growth in the Philippines
- ❑ 3 to 5 years growth path to production of 300,000 to 400,000 ounces per year
- ❑ Growth underpinned by strong cashflow from Co-O Mine (narrow vein underground)
- ❑ Targeted production:
  - FY 2010/11: 100,000 ounces at cash costs circa US\$190 per ounce
  - FY 2011/12: 120,000 to 130,000 ounces at cash costs circa US\$190 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: high grade vein and disseminated bulk gold targets, plus seven copper targets
- ❑ 820 km<sup>2</sup> of tenements and exploration budget for FY 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 29 Oct 2010) ~A\$1.04B

## SNAPSHOT OF 2010 FINANCIALS

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

## MAIDEN DIVIDEND OF A\$0.05 PER SHARE DECLARED

(Payment date: 8 November 2010)

## SHAREHOLDER INFORMATION

Top 20 68.61%

### Substantial shareholders \*

Rex Harbour & Associates 12.31%

BlackRock 5.04%

\* Information based on substantial shareholder notices provided to the Company

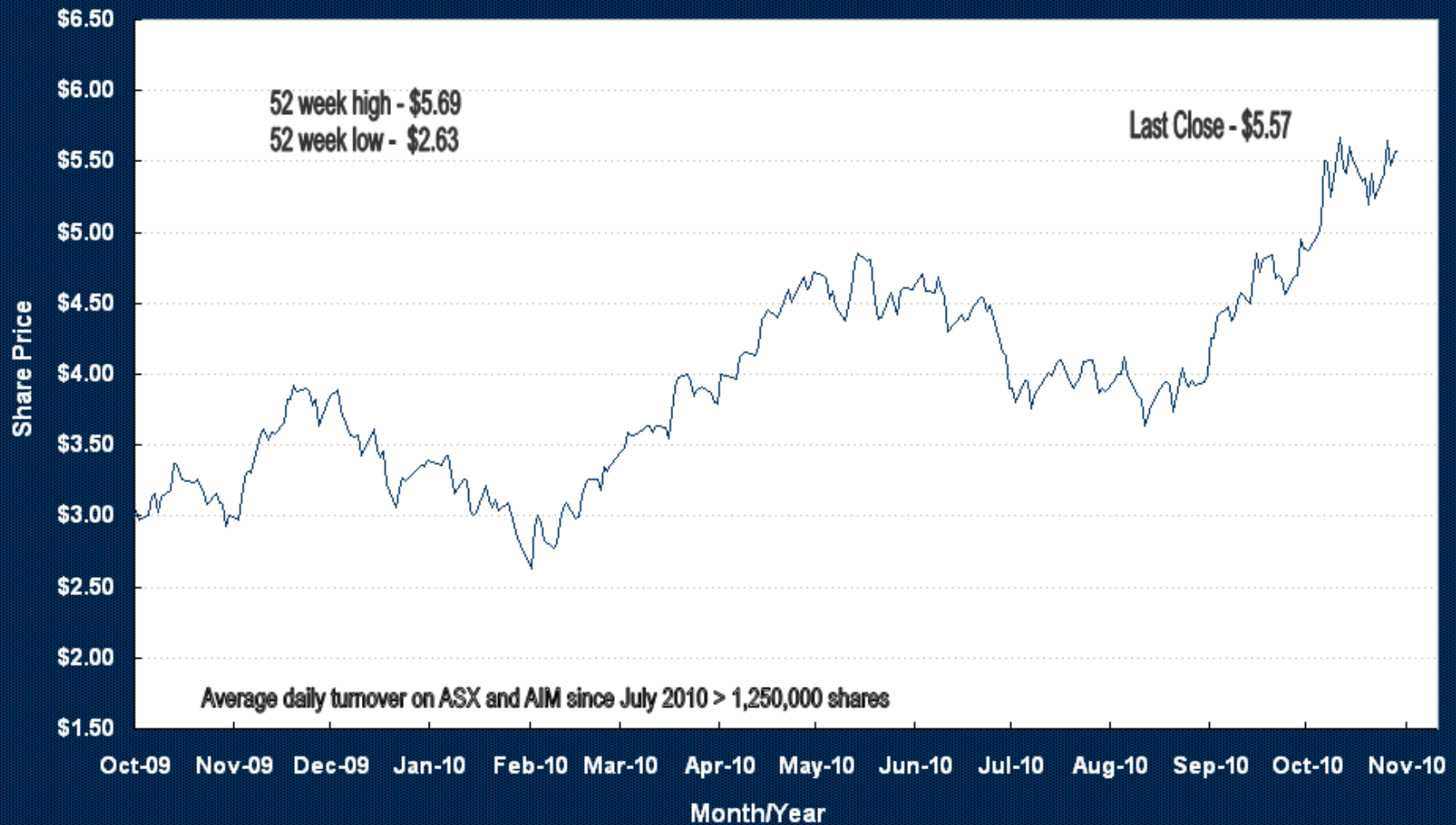
Directors 3.50%

## LISTINGS

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

# SHARE PRICE PERFORMANCE

(12 months to 29 October 2010)



# FINANCIAL AND PRODUCTION STATISTICS



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%
EPS	US\$	\$0.378	\$0.187	\$0.191	102%
Cash and gold on metal account *	US\$	\$55.8M	\$26.5M	\$29.3M	111%

\* Does not include any gold awaiting shipment which is classified as inventory to comply with Accounting Standards

Description	Unit	Sep 2010 Quarter	Jun 2010 Quarter	Mar 2010 Quarter	Dec 2009 Quarter	Sep 2009 Quarter
Tonnes mined <sup>(1)</sup>	WMT	60,367	53,872	51,512	50,116	43,193
Ore milled	DMT	52,463	60,611	40,943	37,588	40,467
Recovered grade	gpt	15.77	13.65	20.61	18.68	14.78
Recovery	%	94%	94%	94%	94%	94%
Gold produced <sup>(2)</sup>	ounces	25,004	25,012	25,505	21,108	18,054
Cash costs <sup>(3)</sup>	US\$	\$187	\$182	\$180	\$184	\$193
Gold sold	ounces	25,659	24,858	-	21,108	18,054
Average gold price received	US\$	\$1,208	\$1,182	-	\$1,111	\$975

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

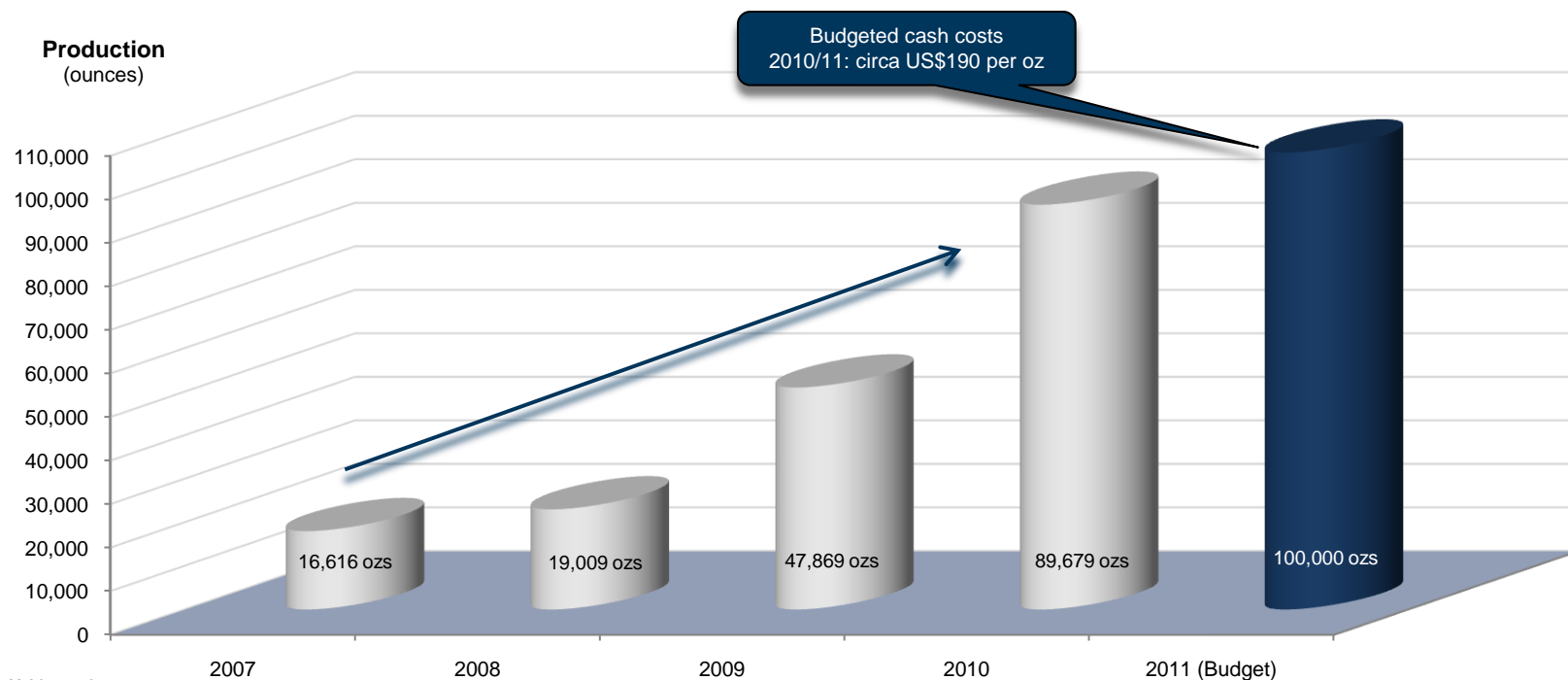
2. Gold production, is actual gold poured (and requires no further processing) during the period and does not reflect changes in the balance of gold in circuit. It includes any gold awaiting shipment

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\$50 per ounce for the Sep 2010 quarter (Jun 2010 qtr: US\$46 per ounce)

# 2009/10 OPERATIONAL HIGHLIGHTS



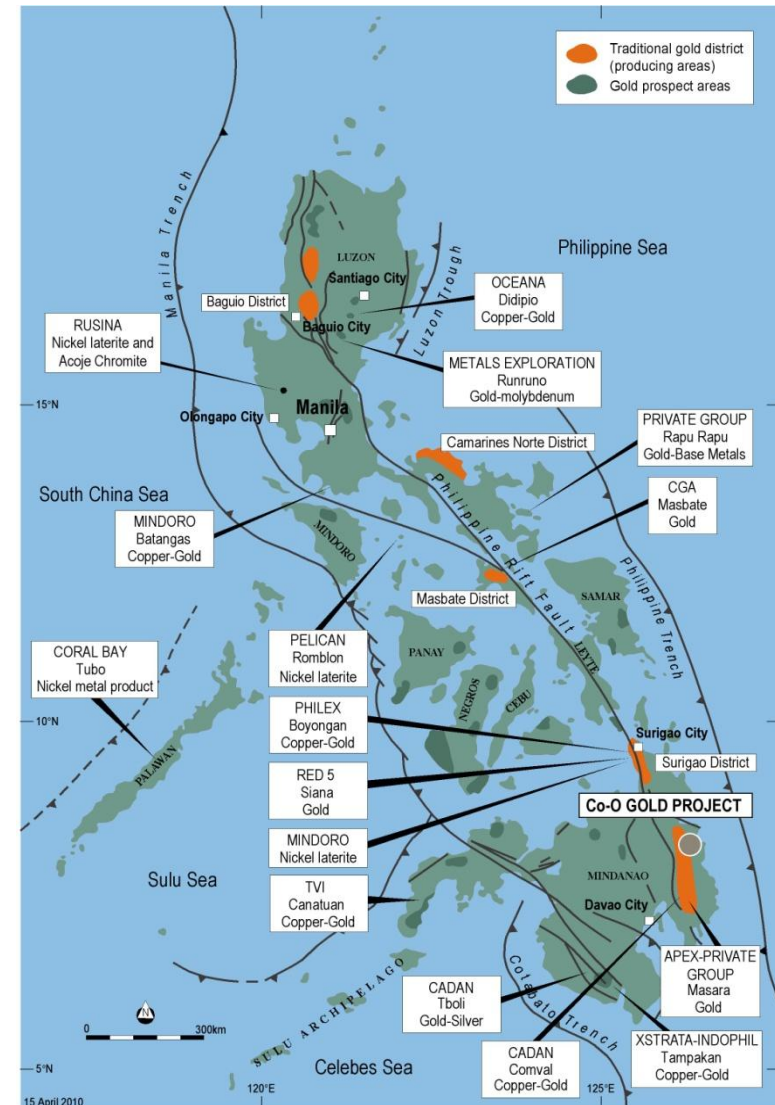
- ❑ Phase 2 expansion to annualised 100,000 ounces completed in March 2010 quarter
- ❑ Record gold production of 89,679 ounces
- ❑ Maintained Co-O Probable Reserves at 500,000 ounces
- ❑ Increased Co-O Inferred Resources by 238,000 ounces to 898,000 ounces
- ❑ Cash costs of US\$184 per ounce (including royalties and local business 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
- ❑ Fraser Institute rates Philippines as 34<sup>th</sup> safest country to conduct business

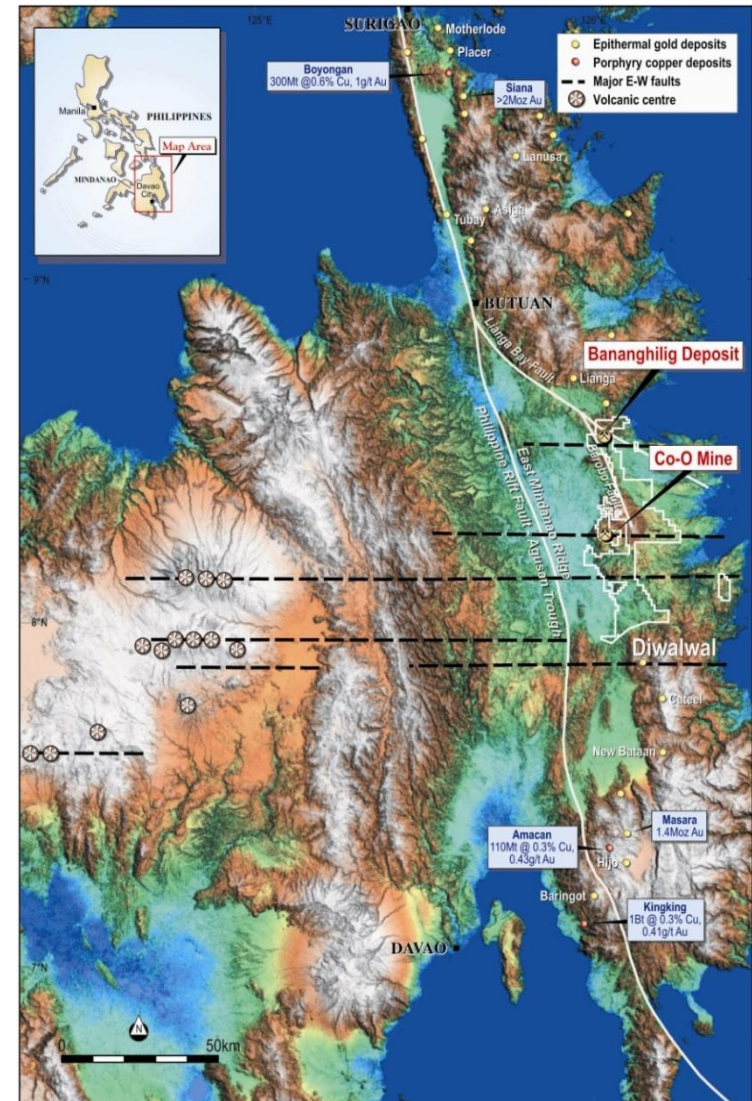




# REGIONAL SETTING



- 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 (with 2 new CIL tanks installed March 2011)
- ❑ 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



Co-O Mill – Crushing Circuit



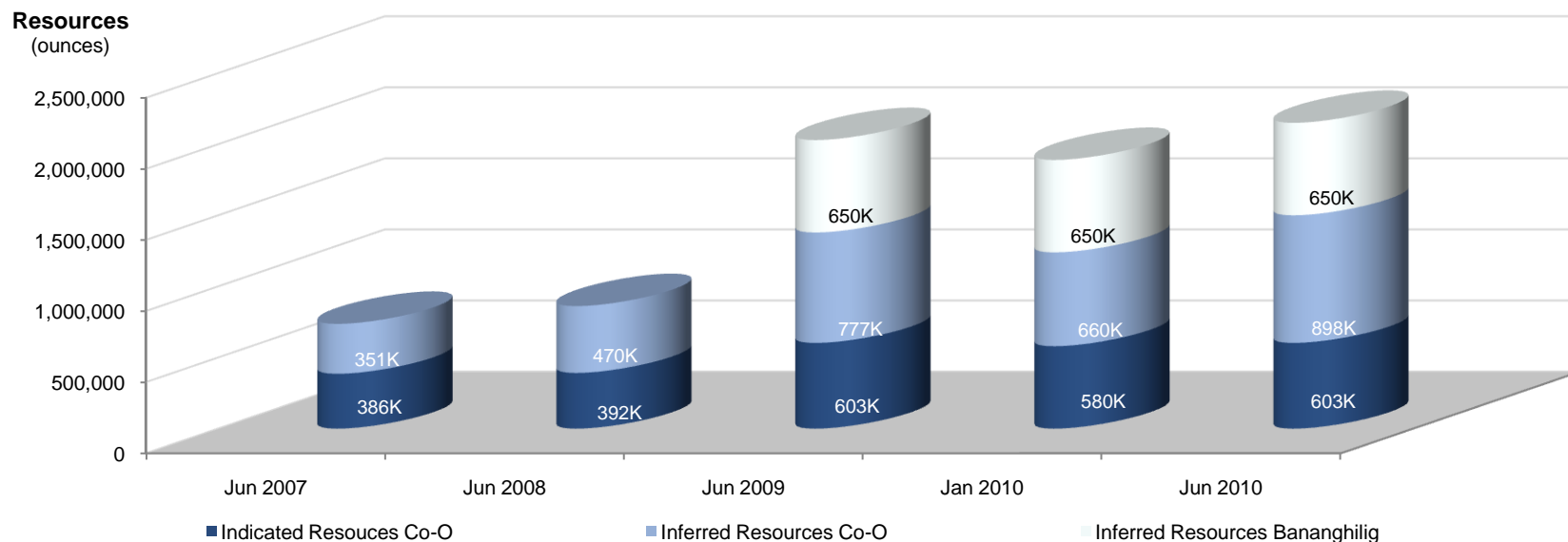
Co-O Laboratory

# RESOURCES AND RESERVES



Category	Tonnes	Grade	Ounces
<b><u>Resources</u></b> (at 23 Jul 2010)			
Co-O Mine Indicated Resources <sup>(1)</sup>	1,418,000	13.2	603,000
Co-O Mine Inferred Resources <sup>(1)</sup>	2,905,000	9.6	898,000
Bananghilig Inferred Resources <sup>(2)</sup>	15,000,000	1.3	650,000
<b><u>Reserves</u></b> (at 9 Aug 2009)			
Co-O Mine Probable Reserves <sup>(3)</sup>	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 MINE PRODUCTION



- ❑ 25 year Mining Licence  
(renewable by another 25 years)
- ❑ Vertical and horizontal continuity, open at depth and along strike, drilling continuing
- ❑ 6 levels at 50 metre spacing
  - approximately 23 headings on ore
  - approximately 36 stopes on breaking cycle (+60,000 tonnes broken ore)
- ❑ Targeted production for fiscal year 2010/11 -100,000 ounces (subject to normal mining conditions)

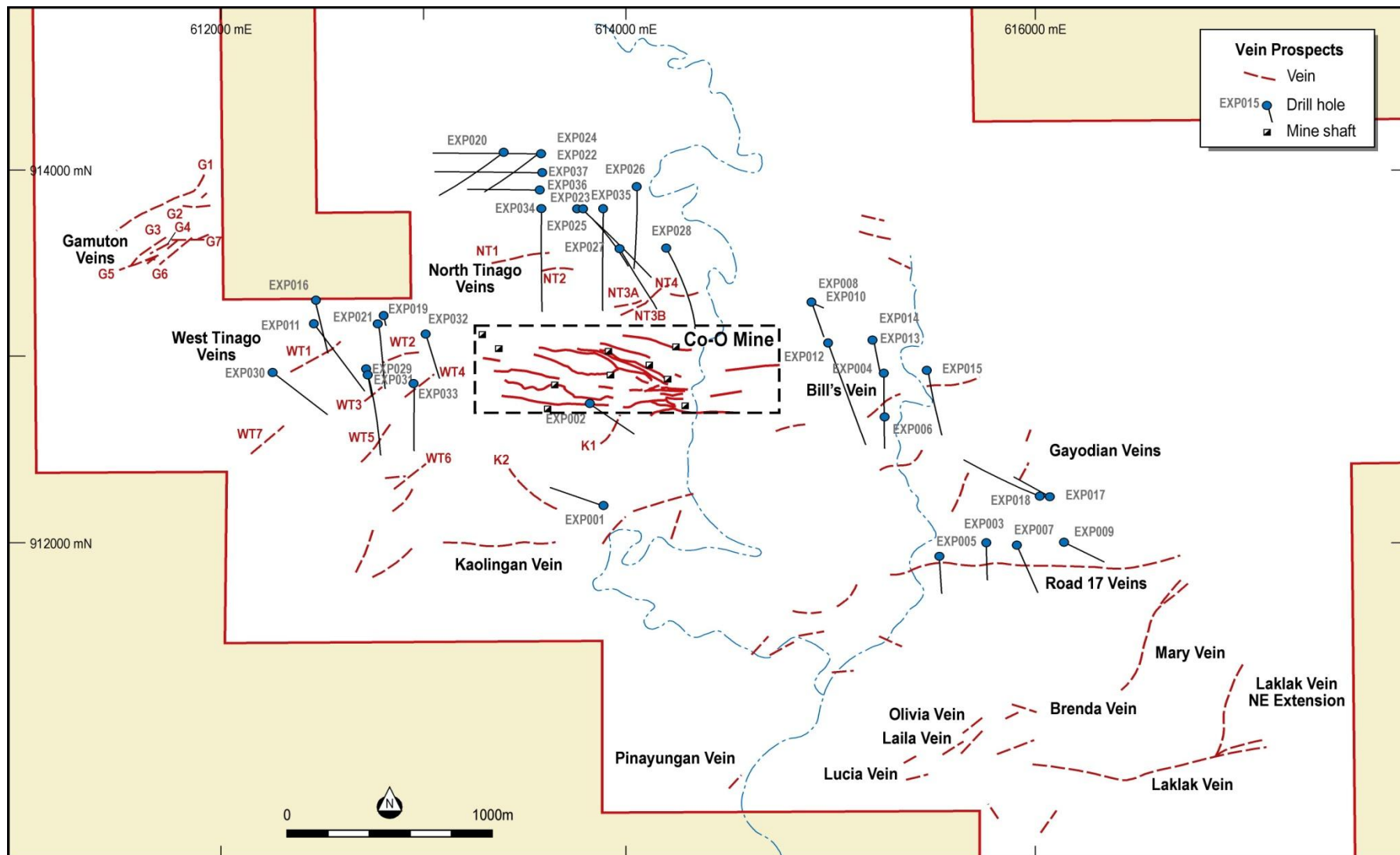


New Mine Office at Co-O



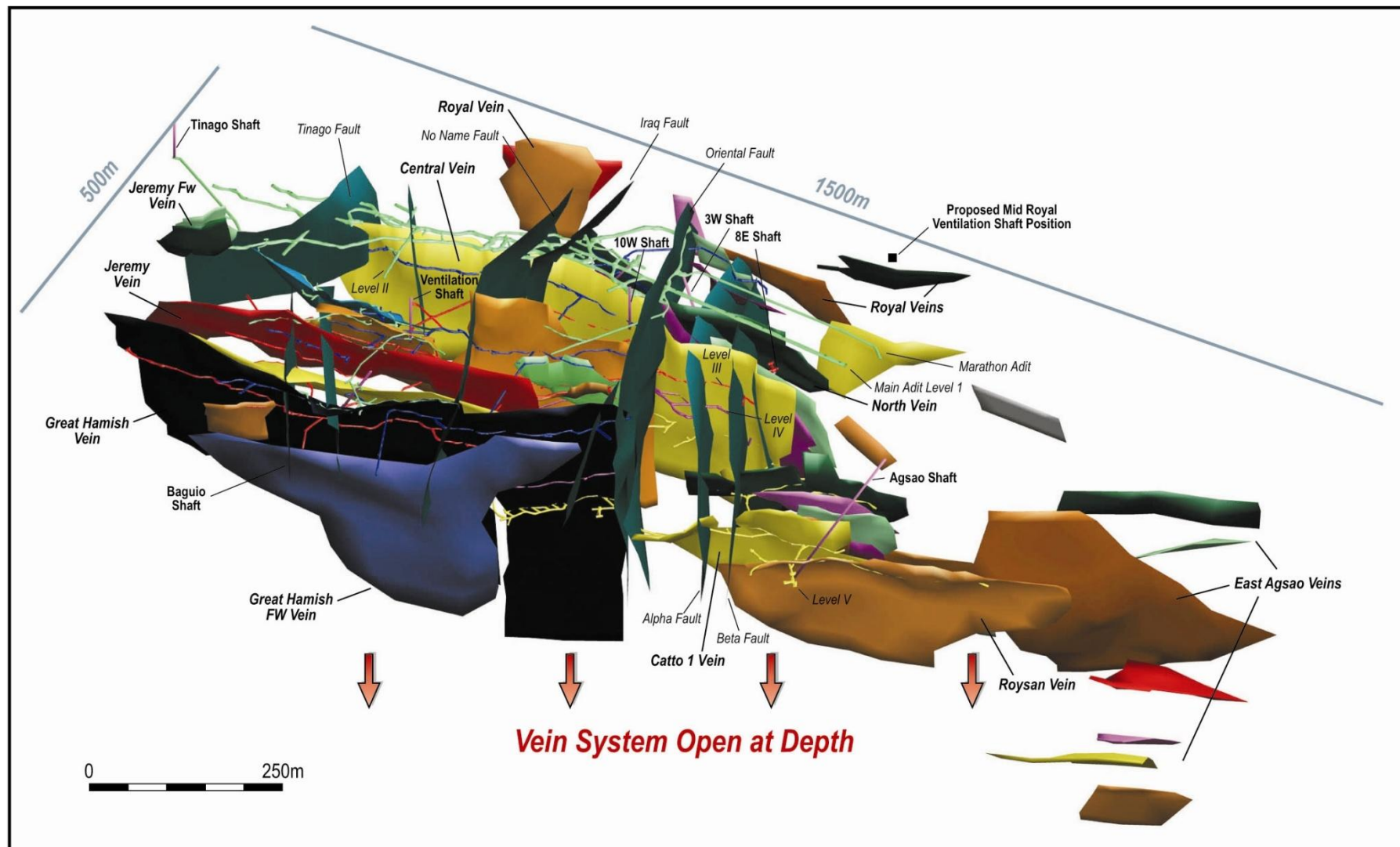
Part of Great Hamish Vein on Level 5, immediately west of Oriental Fault where it averages +4 metres over a length of 80 metres at a grade of greater than 1 ounce per tonne. Photo courtesy of Mr Louis James

# Co-O REGIONAL SETTING

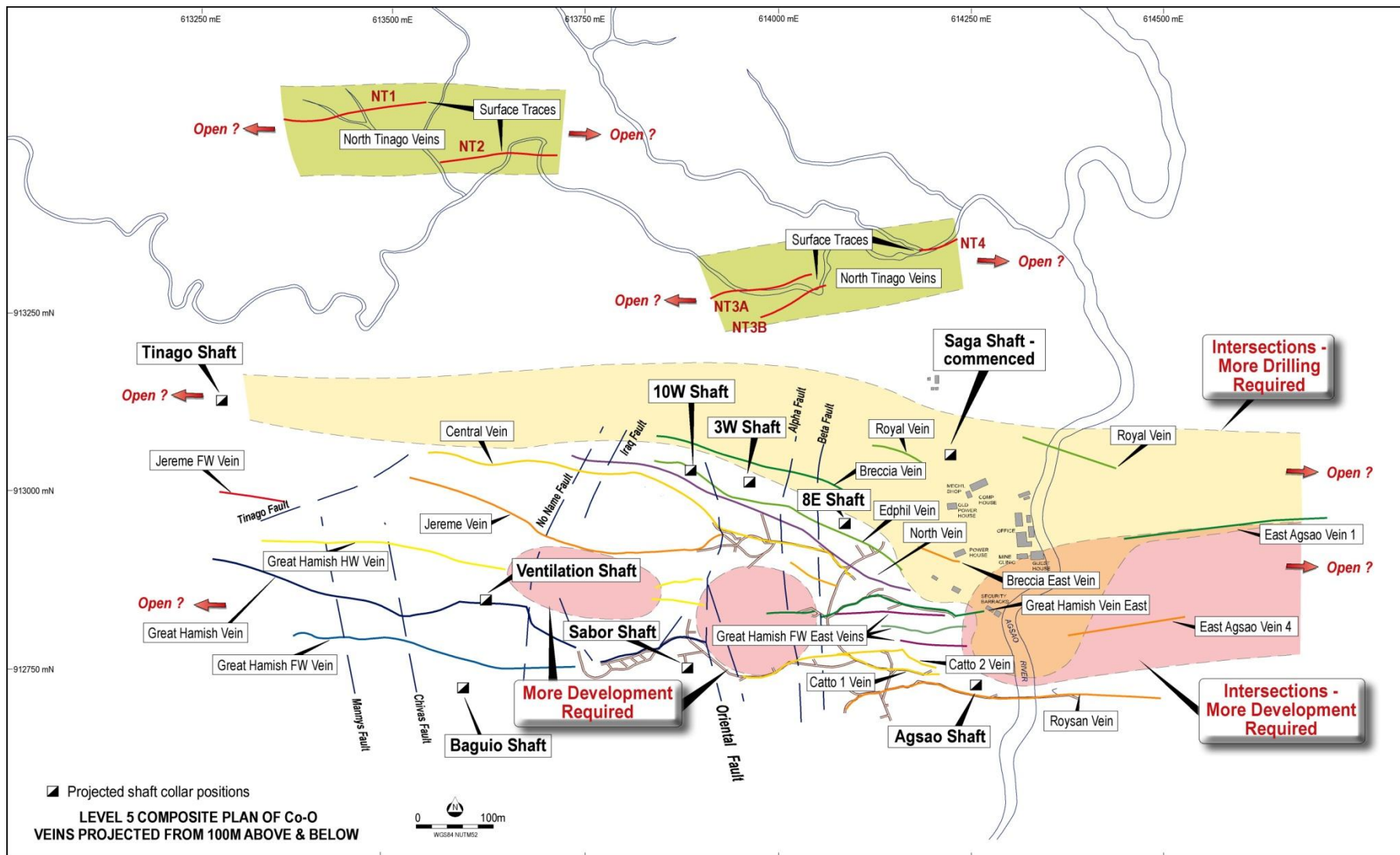




# Co-O MINE 3D VEIN MODEL



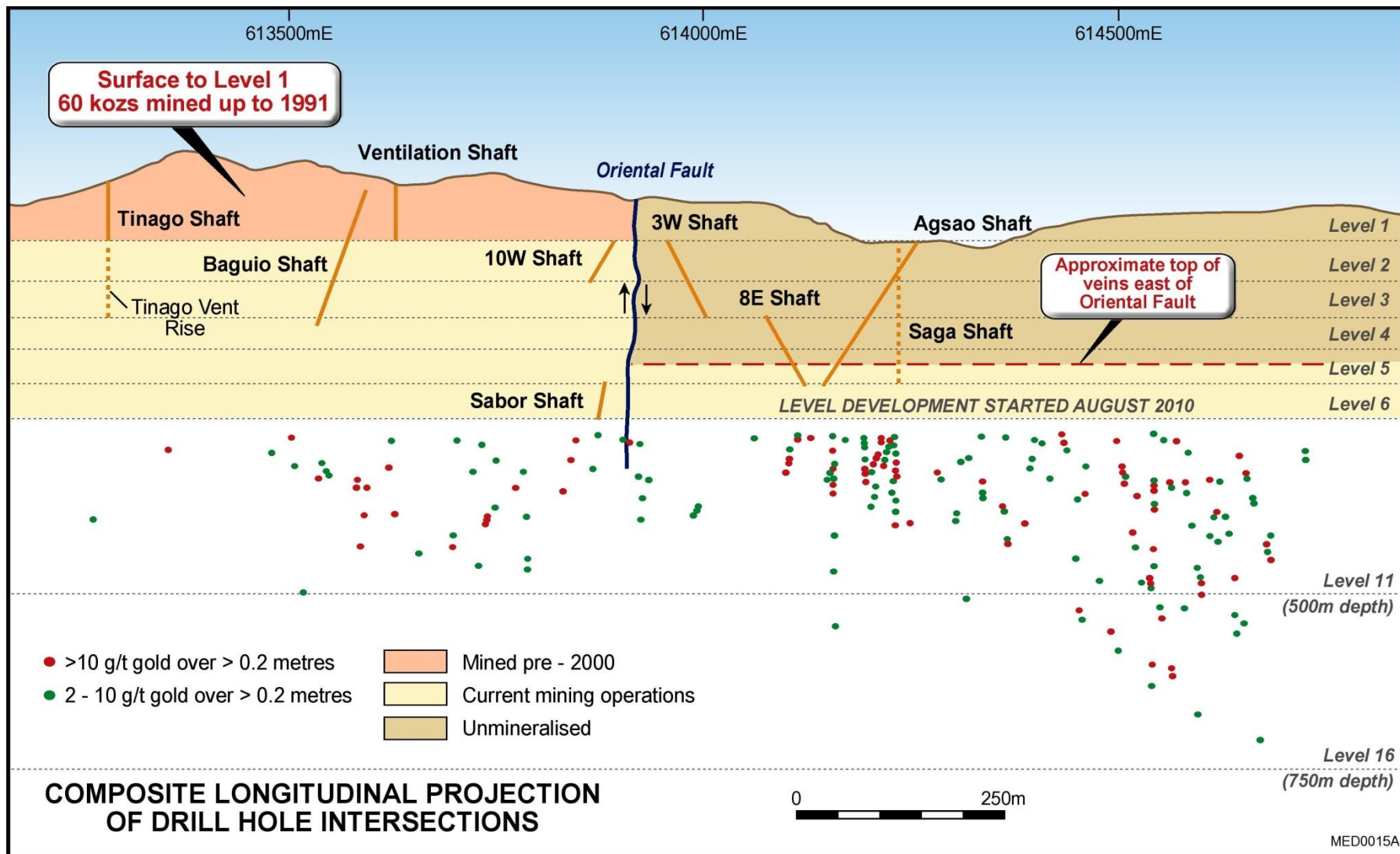
# Co-O MINE COMPOSITE LEVEL PLAN





# Co-O MINE LONG PROJECTION

(Drilling up to 30 June 2010)



# 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
<b>1,500</b>	<b>500</b>	<b>5</b>	<b>9,375,000</b>	<b>10</b>	<b>3,125,000</b>
		8	14,700,000	10	4,725,000
		10	18,750,000	10	6,250,000
	<b>750</b>	5	15,000,000	10	5,000,000
		<b>8</b>	<b>22,050,000</b>	<b>10</b>	<b>7,000,000</b>
		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 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:

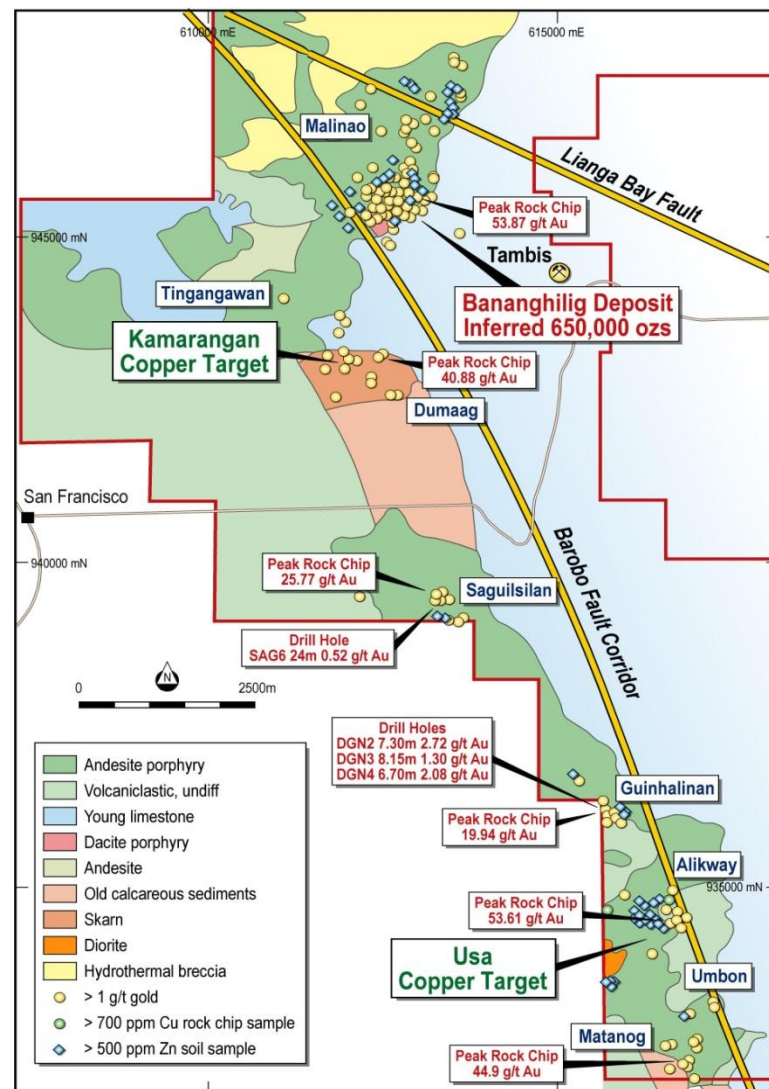
- 205.9 metres at 2.42 g/t gold
- 182.0 metres at 2.13 g/t gold
- 116.5 metres at 3.96 g/t gold

## 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:

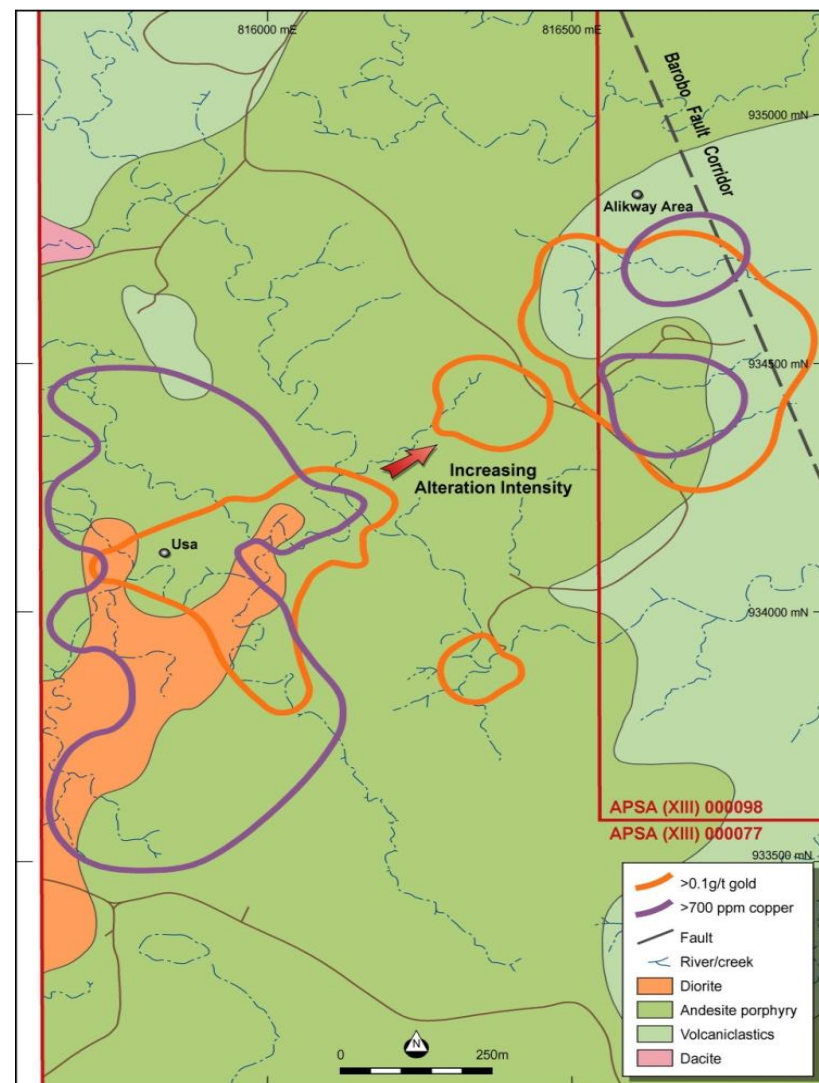
- ❑ Lingig (Cu-Au): drill intersections
- ❑ Kamarangan (Cu-Mo): drill intersections
- ❑ Usa (Cu-Au): target size 500m x 500m
- ❑ Co-O (Cu): trends indicate adjacent porphyry
- ❑ Gamuton (Cu-Au-Ag): drill indications
- ❑ Saugon (Cu-Au-Ag): drill/aeromag indications
- ❑ Lasang (Cu): aeromagnetic signature



# 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-afforestation using rubber plantations



Back to school



Sponsored rice farming

# WHY MEDUSA!!



- ❑ Un-hedged, low cost, dividend paying gold producer
- ❑ Growth path to production of 300,000 to 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\$21M on 820 km<sup>2</sup> of tenements to unlock value

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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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