



MEDUSA MINING LIMITED

ABN: 60 099 377 849

Unit 7, 11 Preston Street
Como WA 6152

PO Box 860
Canning Bridge WA 6153

Telephone: 618-9367 0601
Facsimile: 618-9367 0602

Email: admin@medusamining.com.au
Internet: www.medusamining.com.au

ANNOUNCEMENT

22 October 2010

INVESTOR PRESENTATION October 2010

Please find attached an updated Investor Presentation which the Company will present at the Citi 2nd Annual Australian Investor Conference in Sydney commencing 25 October 2010.

Please find below Competent Persons' Consents in relation to resource and reserve information which appears therein.

Medusa Mining Limited

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.

Cube Consulting Pty Ltd

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.

Crosscut Consulting

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.

For further information please contact:

Australia

Medusa Mining Limited

+61 8 9367 0601

Geoffrey Davis, Managing Director

Roy Daniel, Finance Director

United Kingdom

Fairfax I.S. PLC

+44 (0)20 7598 5368

Nominated Adviser and Broker

Ewan Leggat/Laura Littlely

Lothbury Financial Services Limited

+44 (0)20 7868 2567

Michael Padley/Libby Moss

Canada

Nicholas Sayce, Investor Relations

+1 416 822 4404



MEDUSA

Cash generating explorer focused on organic growth in the Philippines

CITI AUSTRALIAN CONFERENCE

October 2010

SNAPSHOT OF MEDUSA



- ❑ Un-hedged cash generating explorer focused on organic **growth** in 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):
 - 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
- ❑ 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 18 Oct 2010) ~A\$1,000M

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%

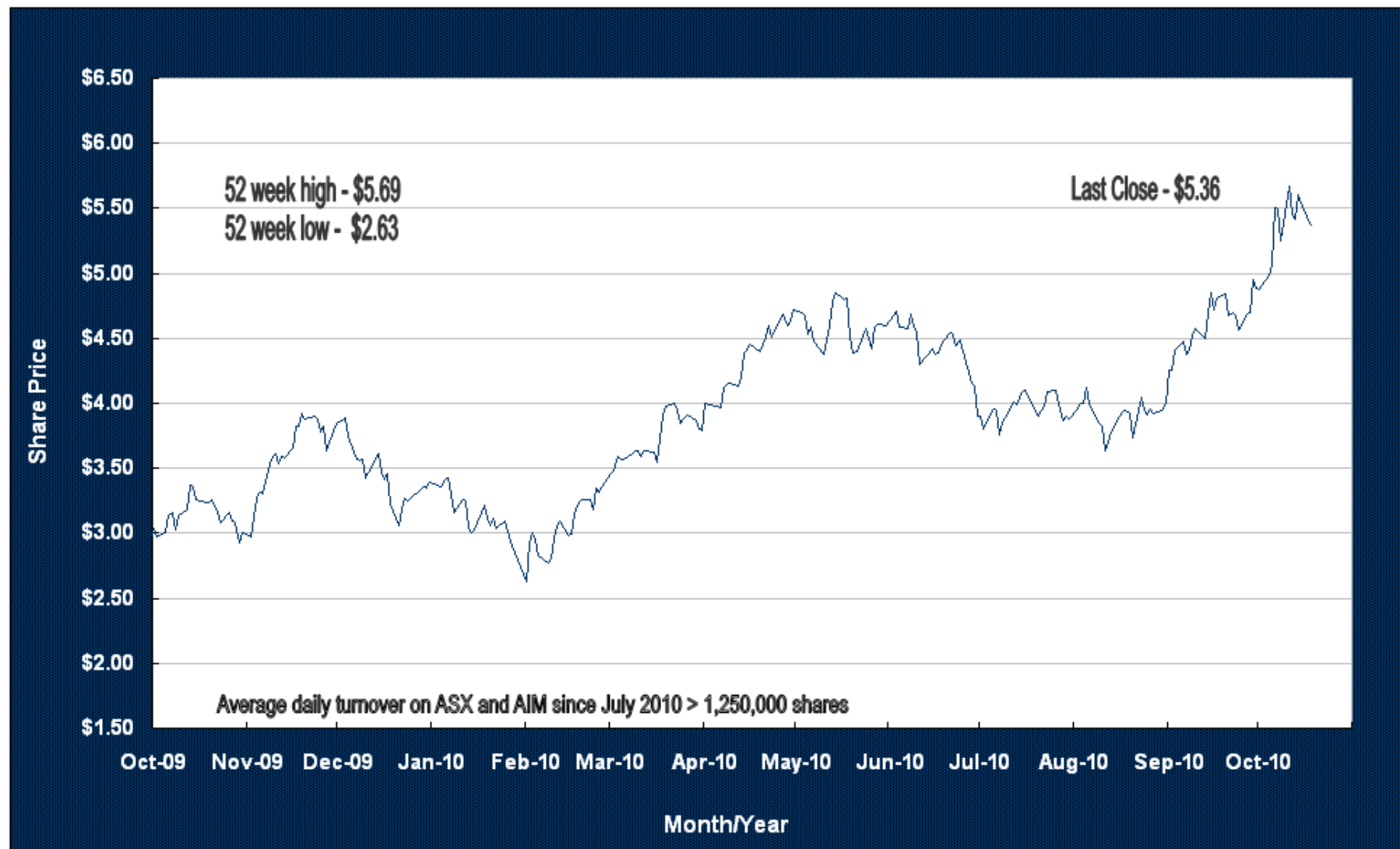
LISTINGS

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

* Subject to the receipt of necessary approvals from the UK Listing Authority and LSE, trading of the Company's shares on the Main Market of the LSE is expected to take place on or about 28 October 2010.

SHARE PRICE PERFORMANCE

(12 months to 18 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	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

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

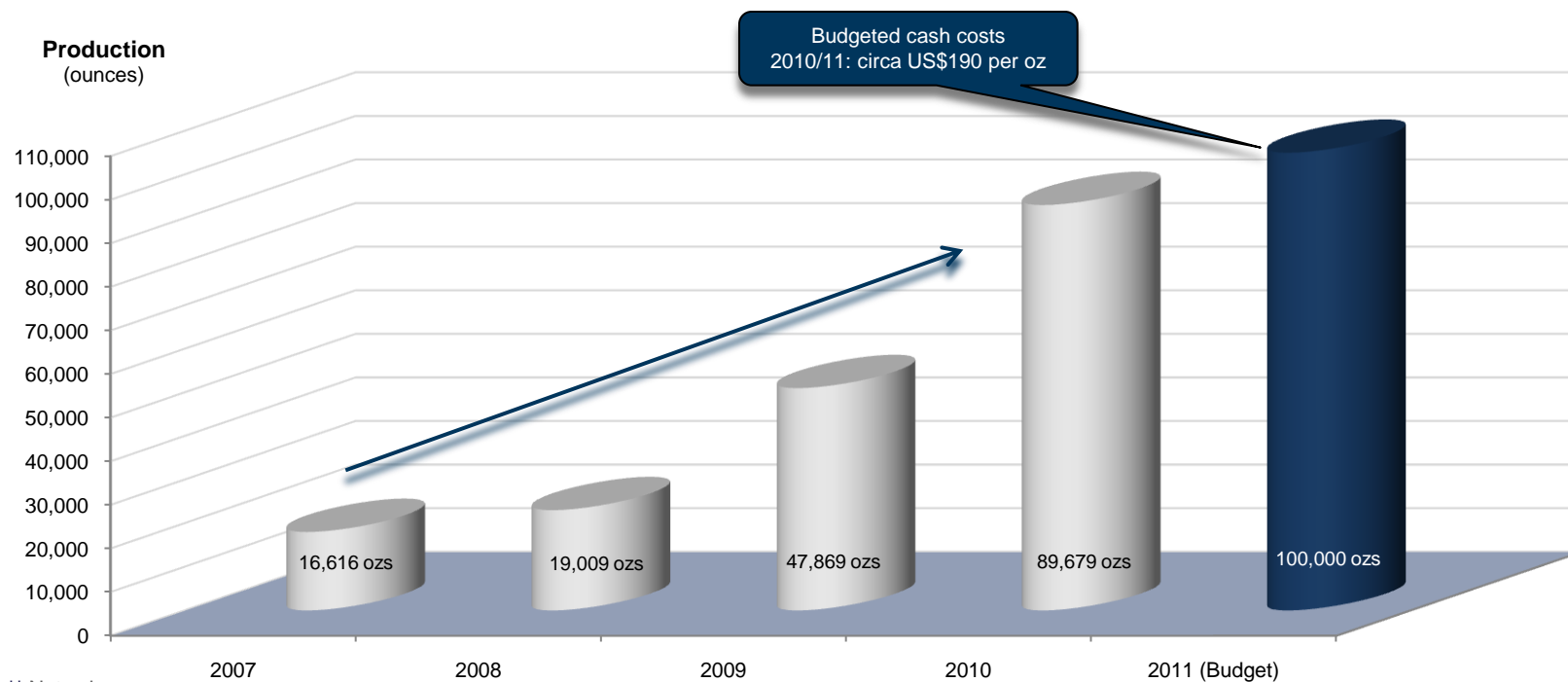
2. Gold production, is actual gold poured (and requires no further processing) during the period and does not reflect changes in the balance of gold in circuit. It includes any gold awaiting shipment

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\$46 per ounce for the Jun 2010 quarter

2009/10 OPERATIONAL HIGHLIGHTS



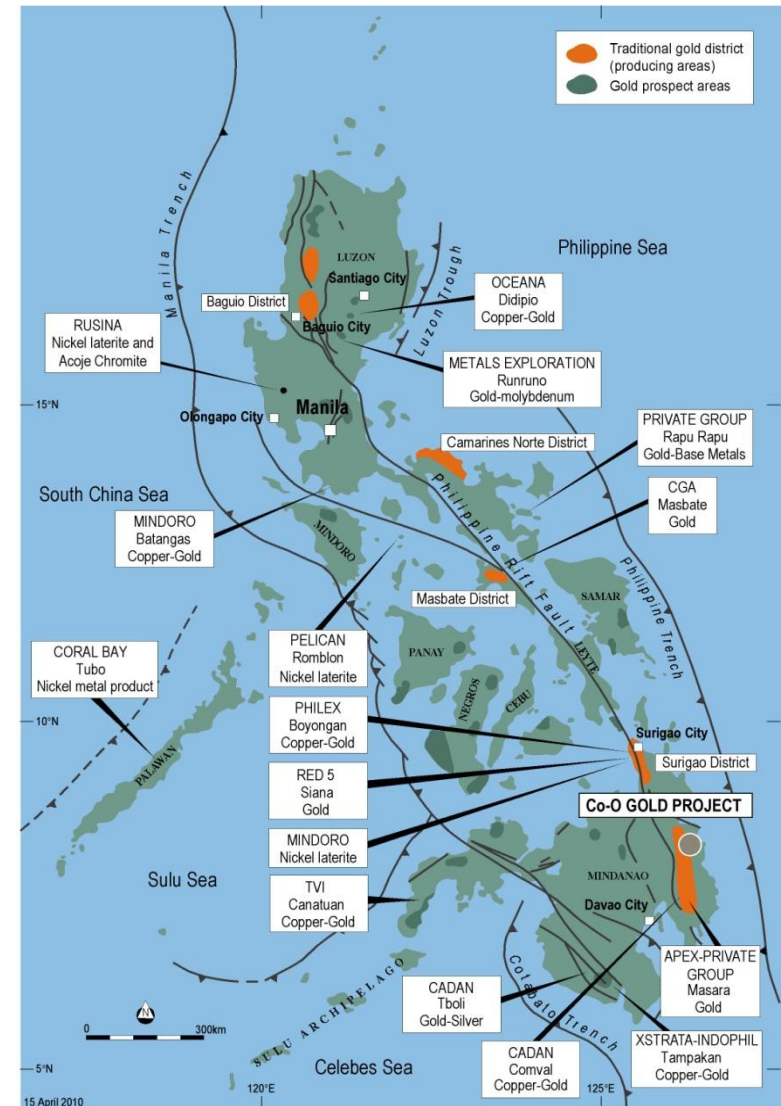
- ❑ Phase 2 expansion to annualised 100,000 ounces completed in March 2010 quarter
- ❑ Record gold production of 89,679 ounces
- ❑ Maintained Co-O Probable Reserves at 500,000 ounces
- ❑ Increased Co-O Inferred Resources by 238,000 ounces to 898,000 ounces
- ❑ Cash costs of US\$184 per ounce (including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



PHILIPPINES MINING INVESTMENTS



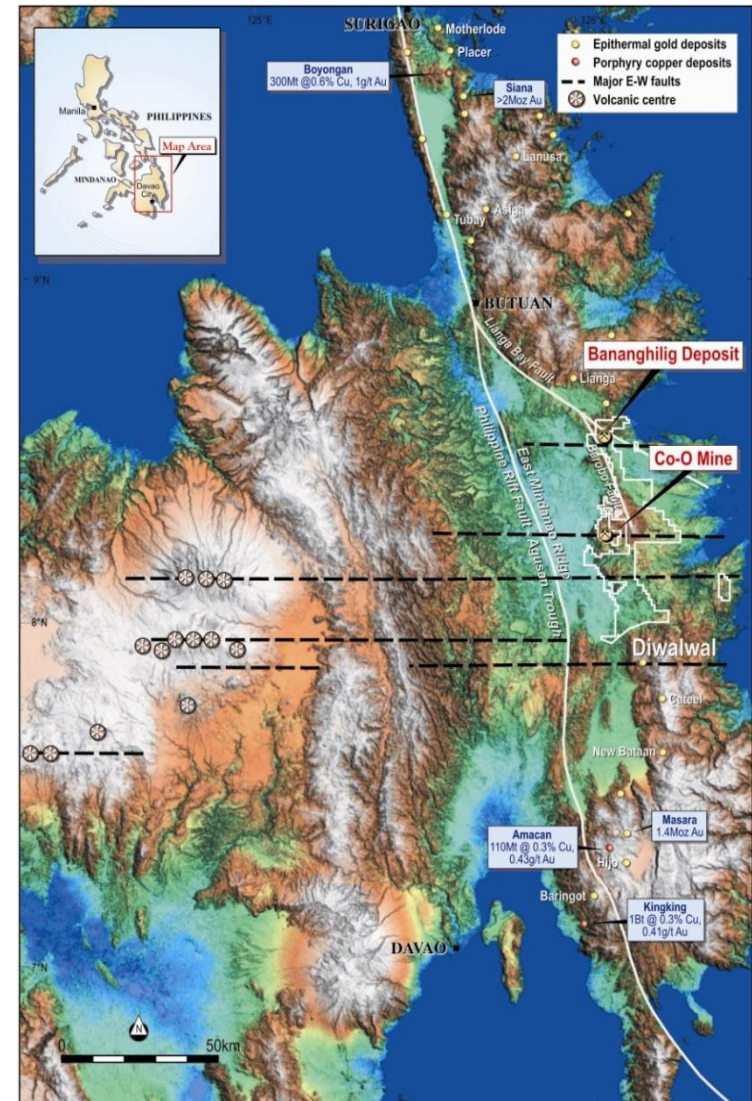
- ❑ Government support revitalising mining
- ❑ Increasing foreign investment
- ❑ Projects in feasibility studies and development
- ❑ New projects commenced production
- ❑ Co-O project south of typhoon belt
- ❑ Fraser Institute rates Philippines as 34th safest country to conduct business



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

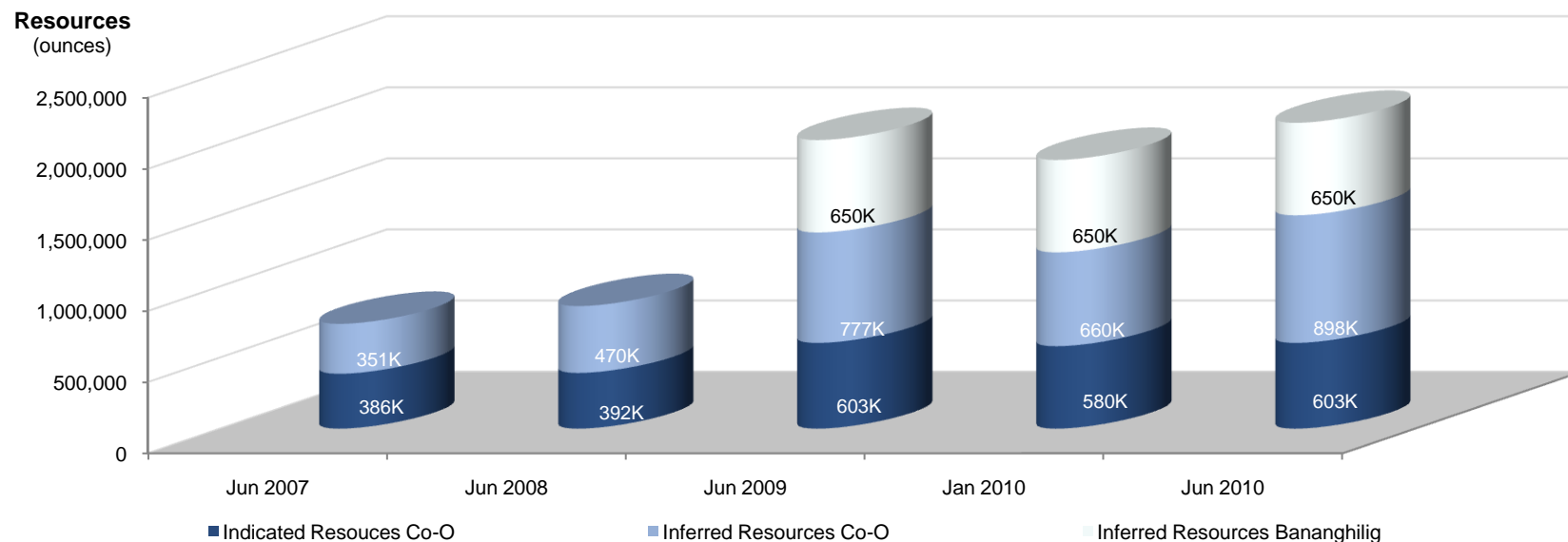


RESOURCES AND RESERVES



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 MINE, EXPLORATION & 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)
- ❑ Budgeted production for fiscal year 2010/11 -100,000 ounces (subject to normal mining conditions)

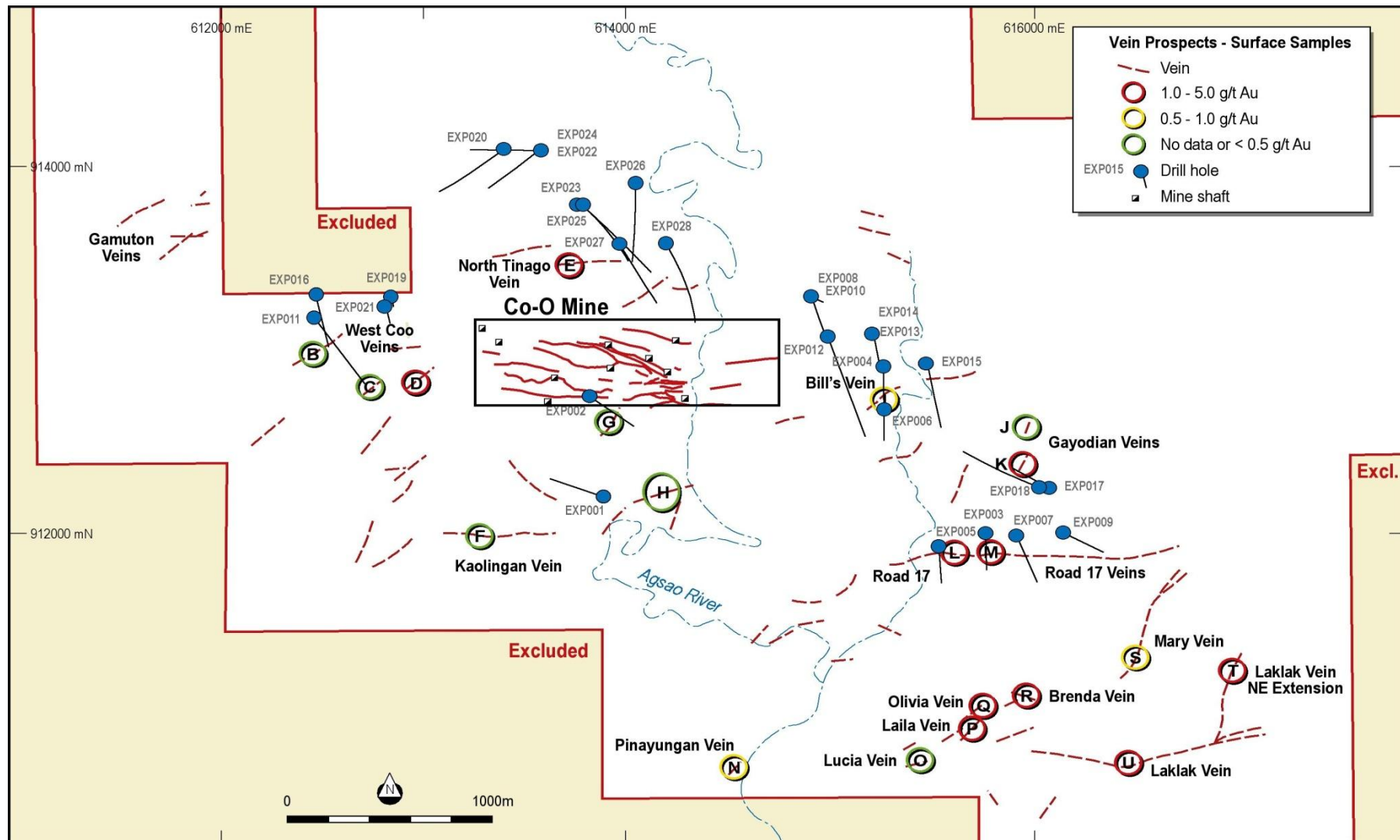


New Mine Office at Co-O

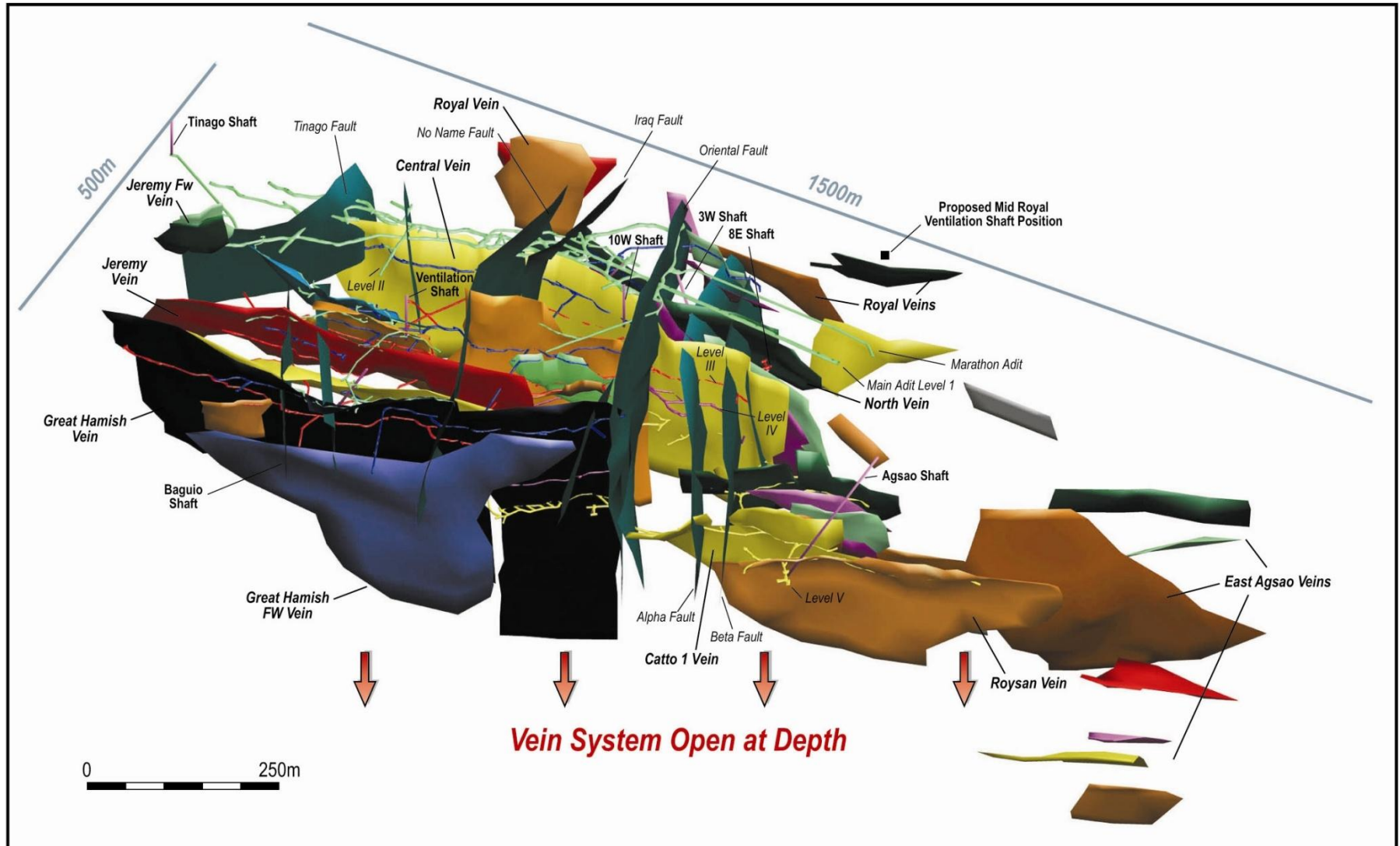


Part of Great Hamish Vein on Level 5, immediately west of Oriental Fault where it averages +4 metres over a length of 80 metres at a grade of greater than 1 ounce per tonne. Photo courtesy of Mr Louis James

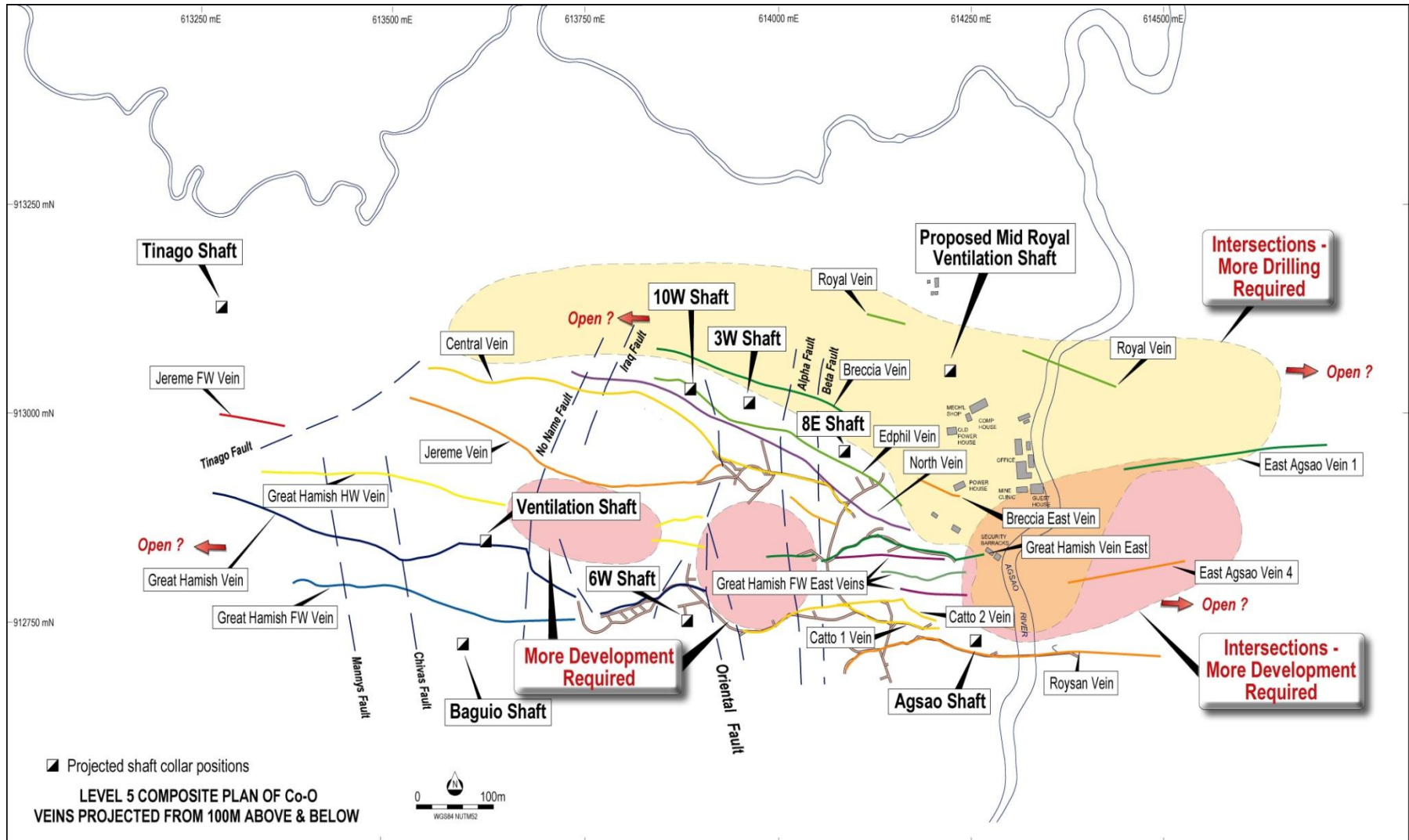
Co-O REGIONAL SETTING



Co-O MINE 3D VEIN MODEL

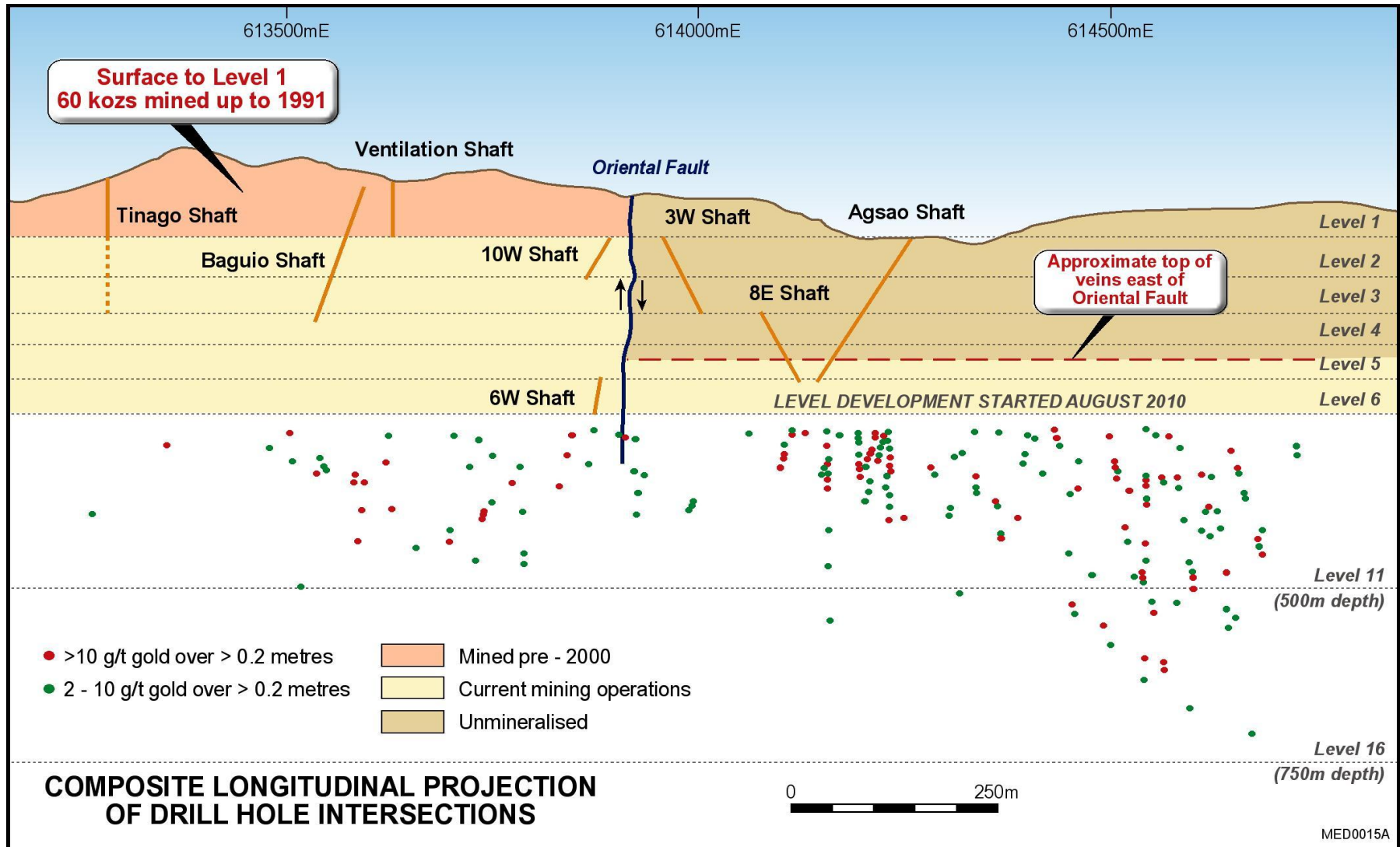


Co-O MINE COMPOSITE LEVEL PLAN



Co-O MINE LONG PROJECTION

(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
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

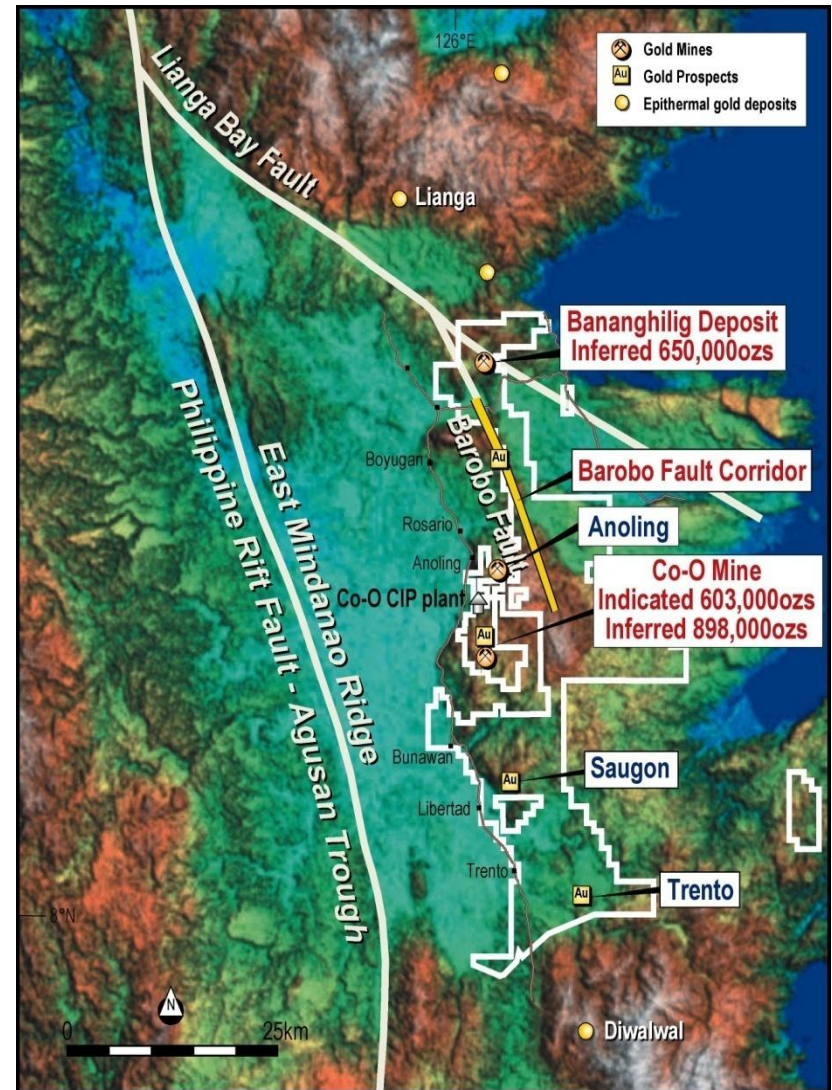
PORTFOLIO:

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:

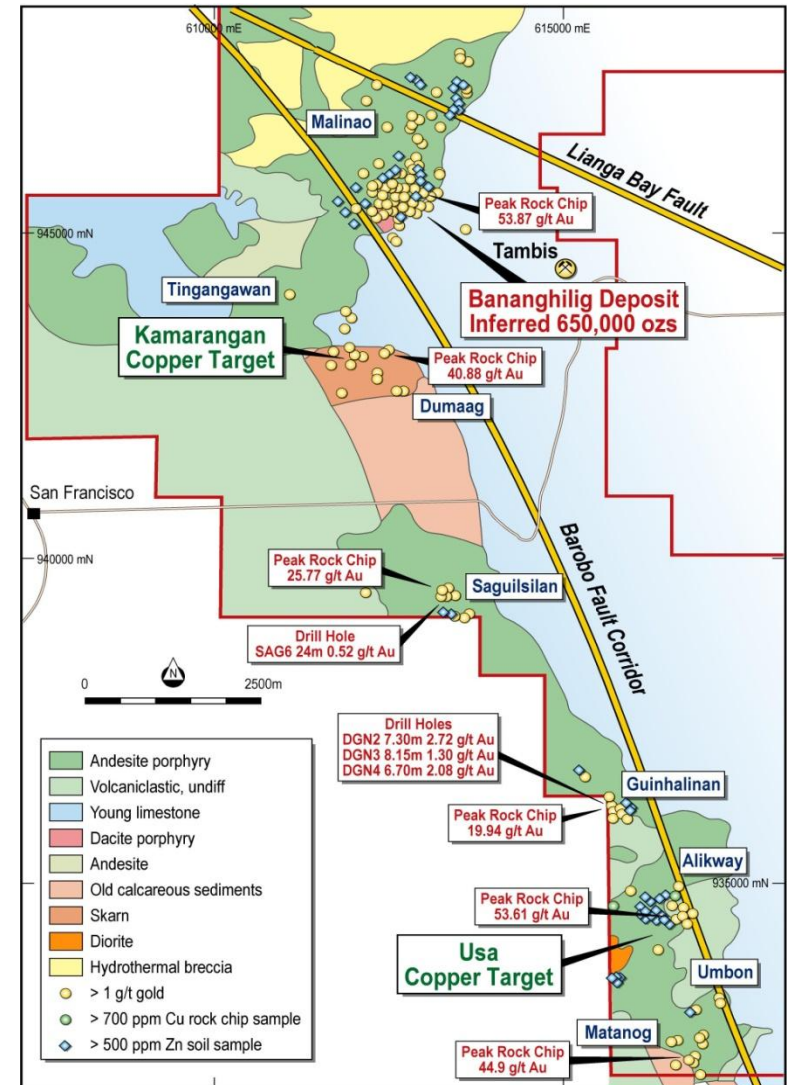
- 205.9 metres at 2.42 g/t gold
- 182.0 metres at 2.13 g/t gold
- 116.5 metres at 3.96 g/t gold

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:

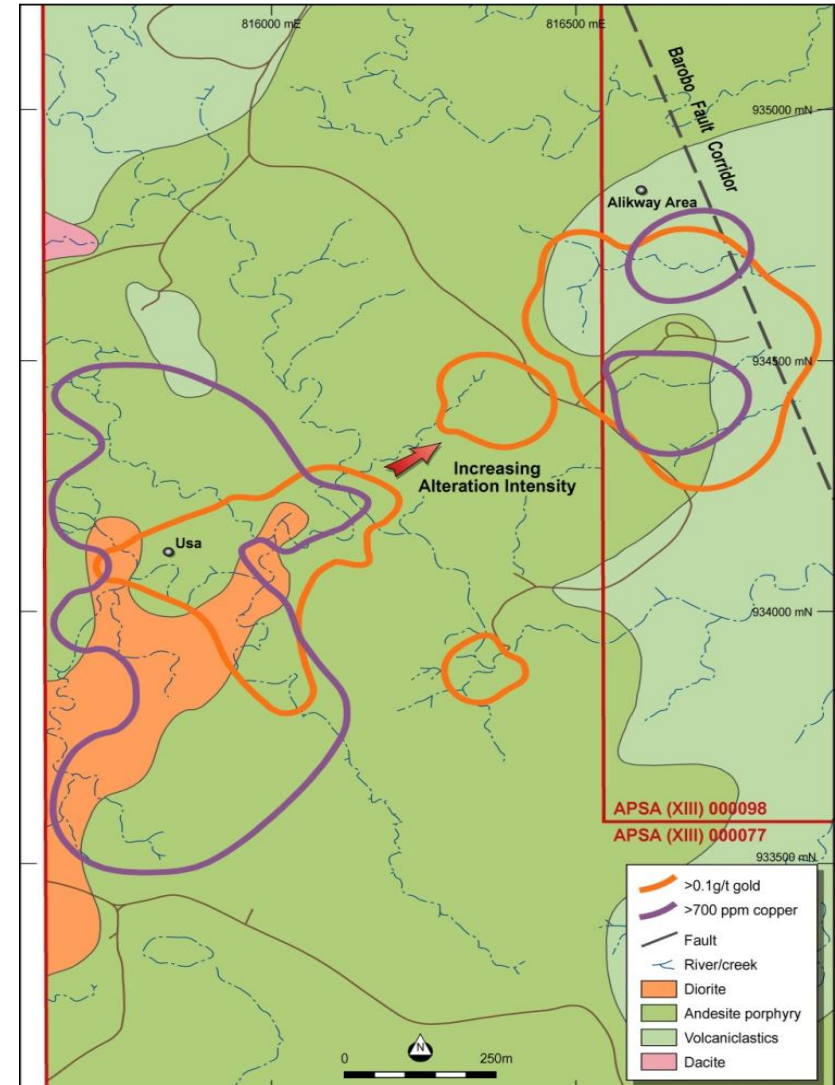
- ❑ Lingig (Cu-Au): drill intersections
- ❑ Kamarangan (Cu-Mo): drill intersections
- ❑ Usa (Cu-Au): target size 500m x 500m
- ❑ Co-O (Cu): trends indicate adjacent porphyry
- ❑ Gamuton (Cu-Au-Ag): drill indications
- ❑ Saugon (Cu-Au-Ag): drill/aeromag indications
- ❑ Lasang (Cu): aeromagnetic signature



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-afforestation using rubber plantations



WHY MEDUSA!!



- ❑ Un-hedged, low cost, dividend paying gold producer and explorer
- ❑ 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 >800 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.

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.

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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

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