



# **Medusa Mining Limited**

**EMERGING GOLD PRODUCER**

**October 2005**

# COMPANY SNAPSHOT

- **Listed Dec 2003**  
**ASX: MML, MMLO**
- **Financial**  
**Market Cap +A\$30M**  
**Cash A\$4.1M**
- **Strategy**  
**Mine & explore high grade gold deposits**
- **Capital Structure**  
**53.4M shares**  
**26.5M options**
- **Focus**  
**Production/exploration in the Philippines**



# Co-O PROJECT STATUS

## Current status

- Acquired **cashflow** through Co-O plant lease & option from 1 October
- Imminent merger with partner Philsaga Mining Corporation
- Merger will provide mine, mill and tenement ownership

## Forward plans

- Mine development with production for next 3-4 months
- Production of +40,000 in Q2 2006
- Increase production levels during 2006
- Increase resources during 2006



# WHY THE PHILIPPINES?

- **Government actively reviving mining**
- **Stream-lining of tenement granting**
- **Skilled work force, mining and exploration**
- **High mineral endowment**
- **Medusa has +25 years Filipino experience**

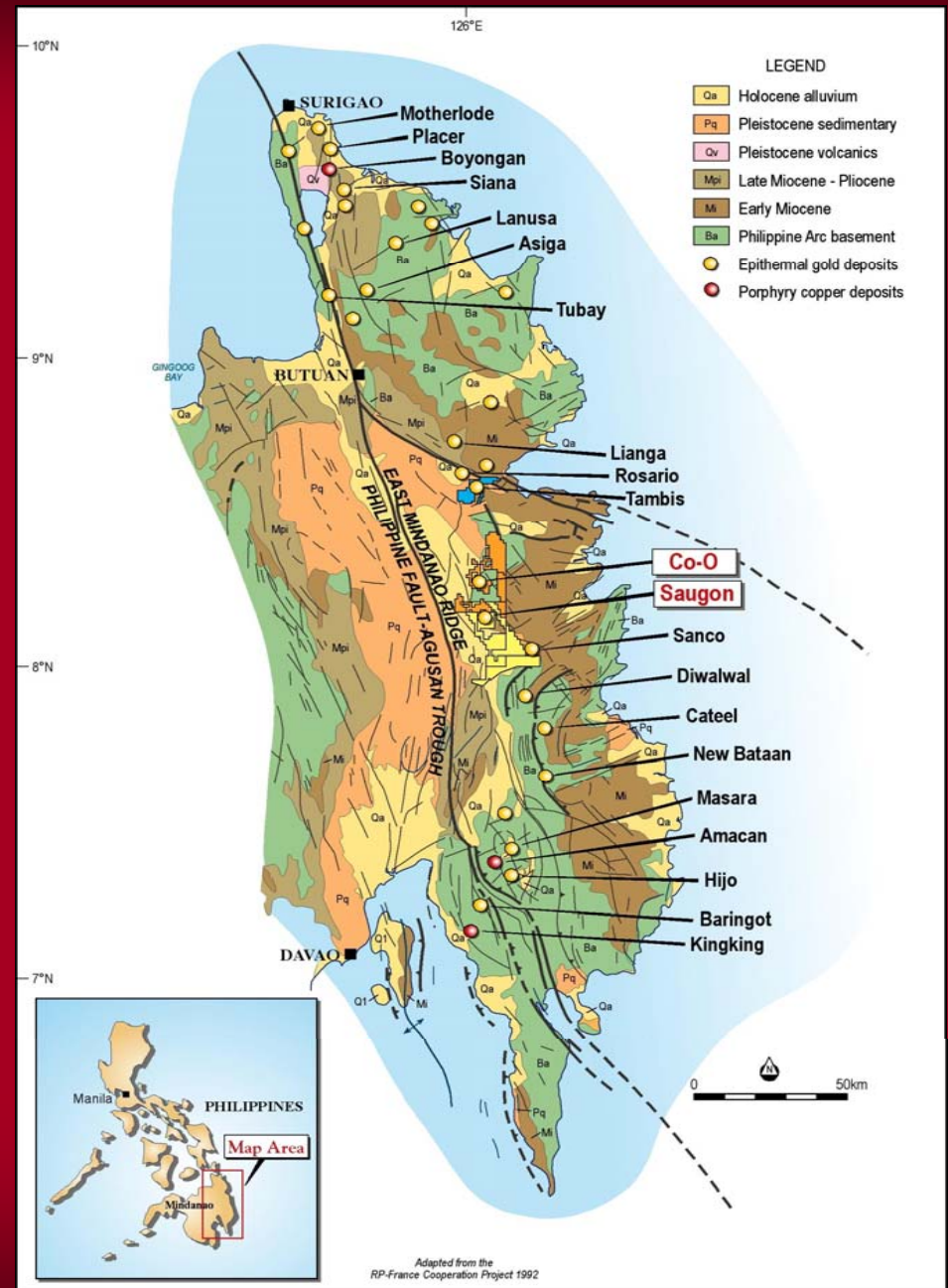


# PHILIPPINE GOLDFIELDS and FOREIGN INVESTORS



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# EAST MINDANAO RIDGE - HIGHLY MINERALISED - UNDER EXPLORED



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# Co-O PROJECT HISTORY

- **Developed in 1989 as trackless mine on narrow quartz veins, incurred severe dilution**
- **Capex approx. US\$22M (mill, mine, power etc)**
- **Closed in 1991 after 60,000 oz production**
- **Care and maintenance to August 2000**
- **Sold to Philsaga Mining Corporation specialising in narrow vein mining**
- **Operated by Philsaga for 5 years @ 17koz/year**



# MEDUSA'S STRATEGY

- **Acquired Lease and Option to buy Co-O plant**
- **Access to 100% of cash flow from plant from 1 October 2005**
- **Purchasing ore from Philsaga Mining Corporation**
- **Philsaga to scale up the production from the high-grade underground Co-O gold mine**
- **Philsaga to develop additional ore sources**





# PLANT TRANSACTION COST

- **Lease payment of A\$2 million**
- **Payment of A\$1 million to contractors**
- **Ore purchased at cost + 15%**
- **Mill management at cost + 15%**



# TRANSACTION RESULT

- **Philsaga contract mining the Co-O resource of 241,000oz @ 29.7g/t Au**
- **Production levels of approx +40,000 ozs in second quarter 2006**
- **Increasing production during 2006**
- **Production cost estimated <US\$200/oz**



# Co-O PLANT

- **550 tpd CIP plant with crushing/grinding capacity to approx 1,100 tpd**
- **Replacement cost approx US\$15M**
- **Grid power and standby power**
- **Admin buildings, laboratory, workshops, accomodation**
- **Competent mill management achieving +95% recovery**
- **Licensed tailings dam**



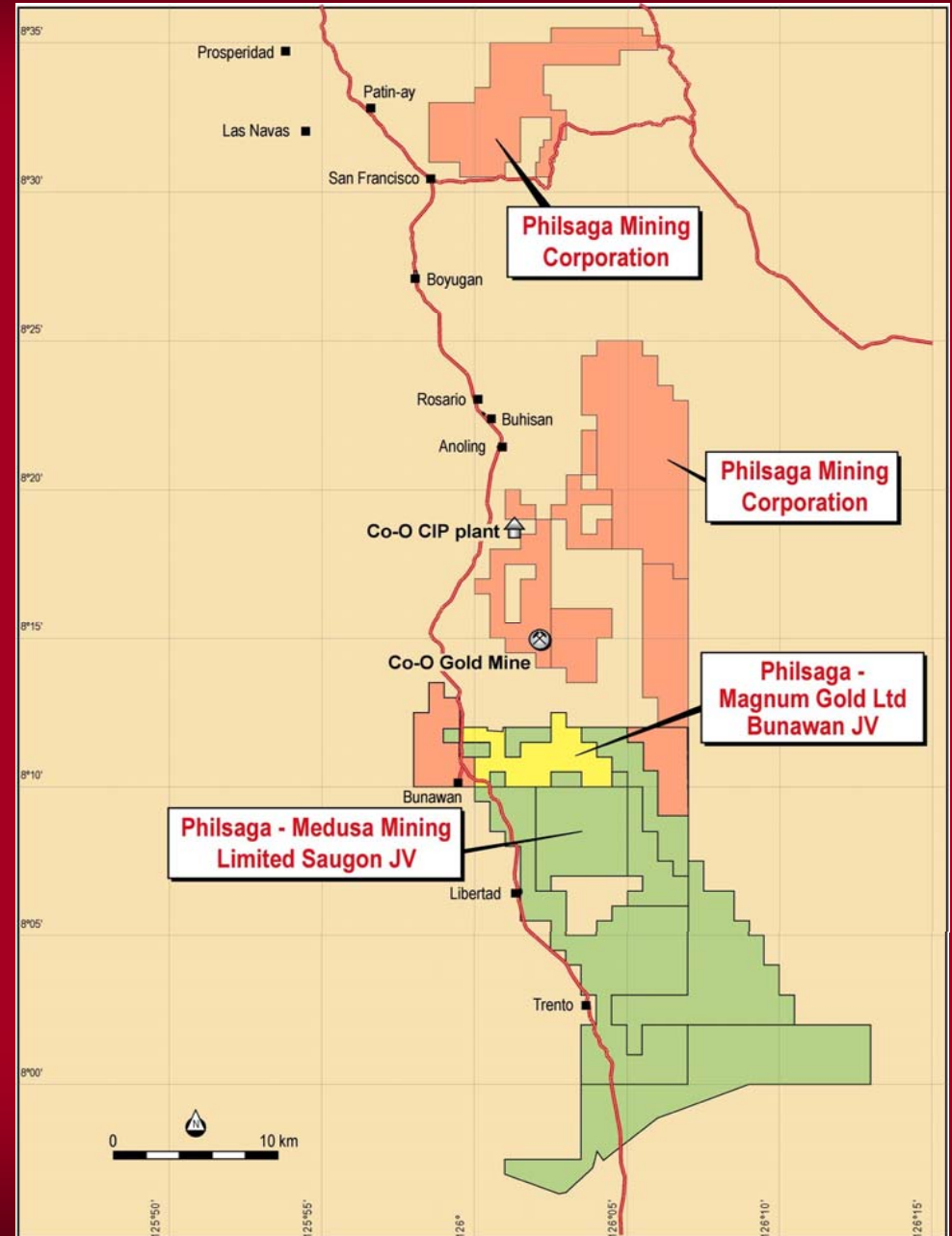
# Co-O PLANT



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# Co-O SAUGON REGIONAL TENEMENTS

-  
537km<sup>2</sup> for  
additional  
ore sources



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# Co-O MINE KEY FEATURES

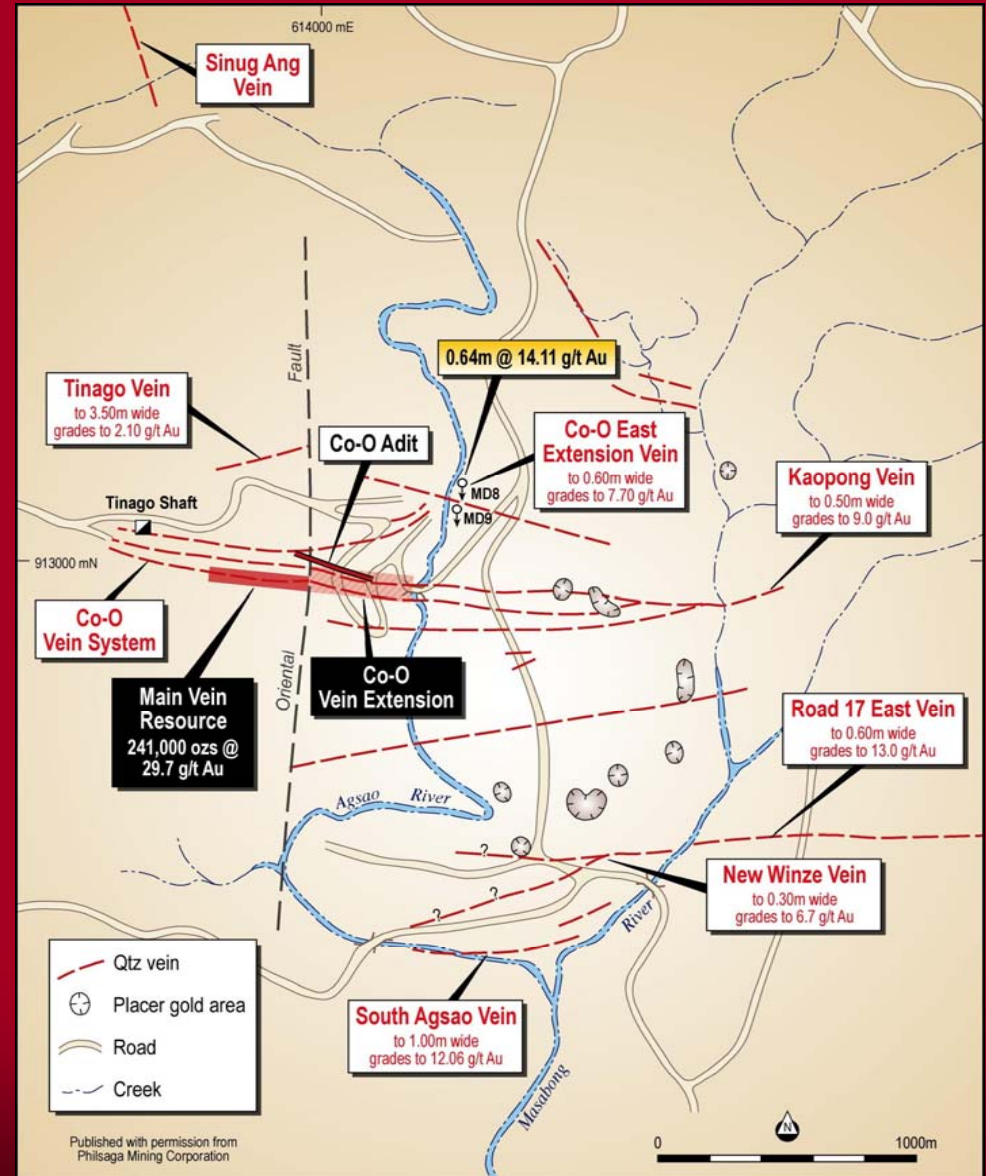
- Vein strike length on surface of >2km, already produced approx 145,000oz
- Increasing vein width and grade with depth – **241,000oz JORC resource open in all directions**
- Drilled extensions add 250m to strike length
- Multiple targets
- Potentially + 1 million ounces with additional exploration





# Co-O VEIN SETS

- Co-O veins now developed/drilled > 850m long
- New veins with over 5 kms of strike
- First new vein drill hole intersects ore grades





# Co-O MINE AREA



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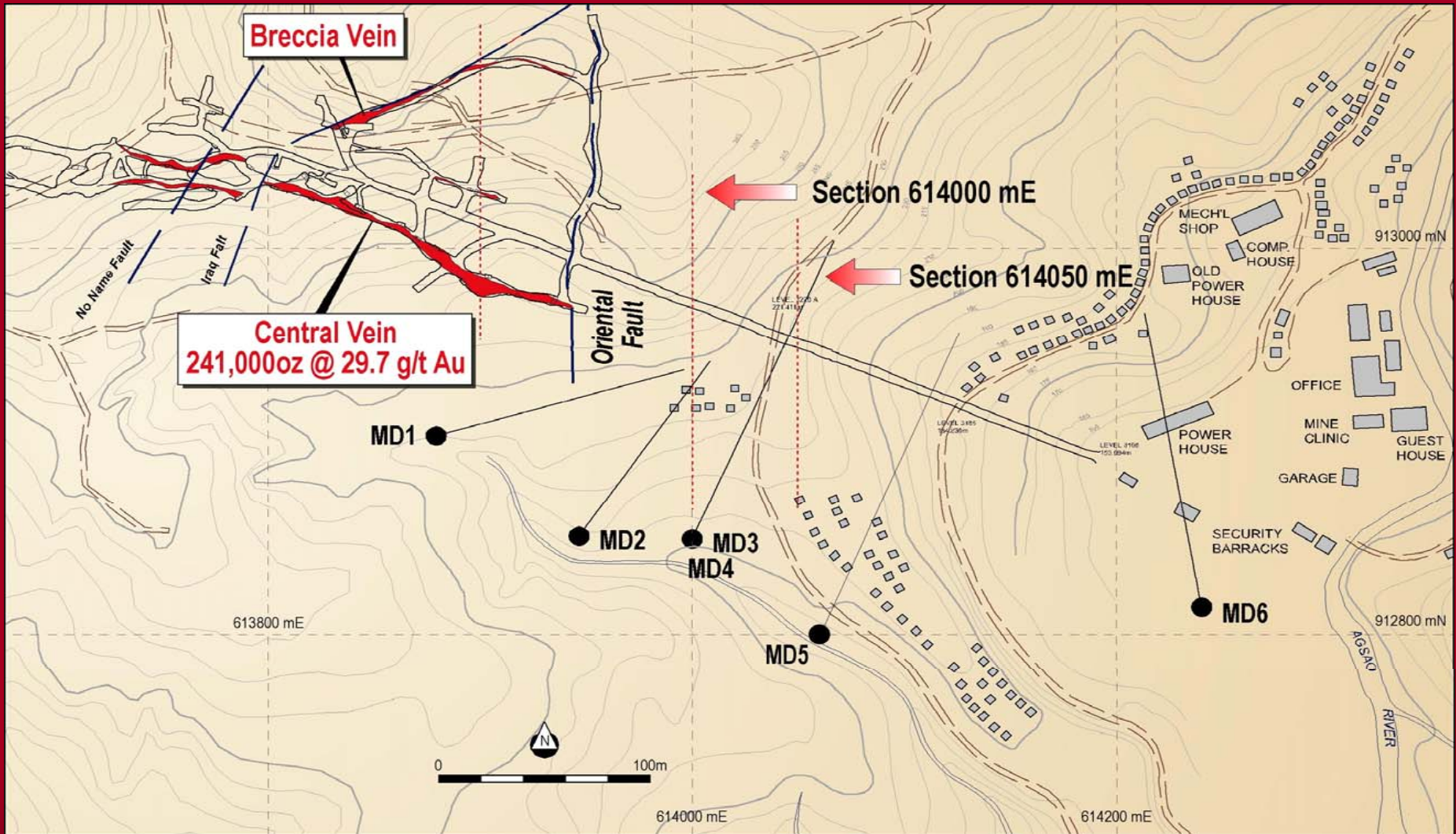
# Co-O MINE ENTRANCE



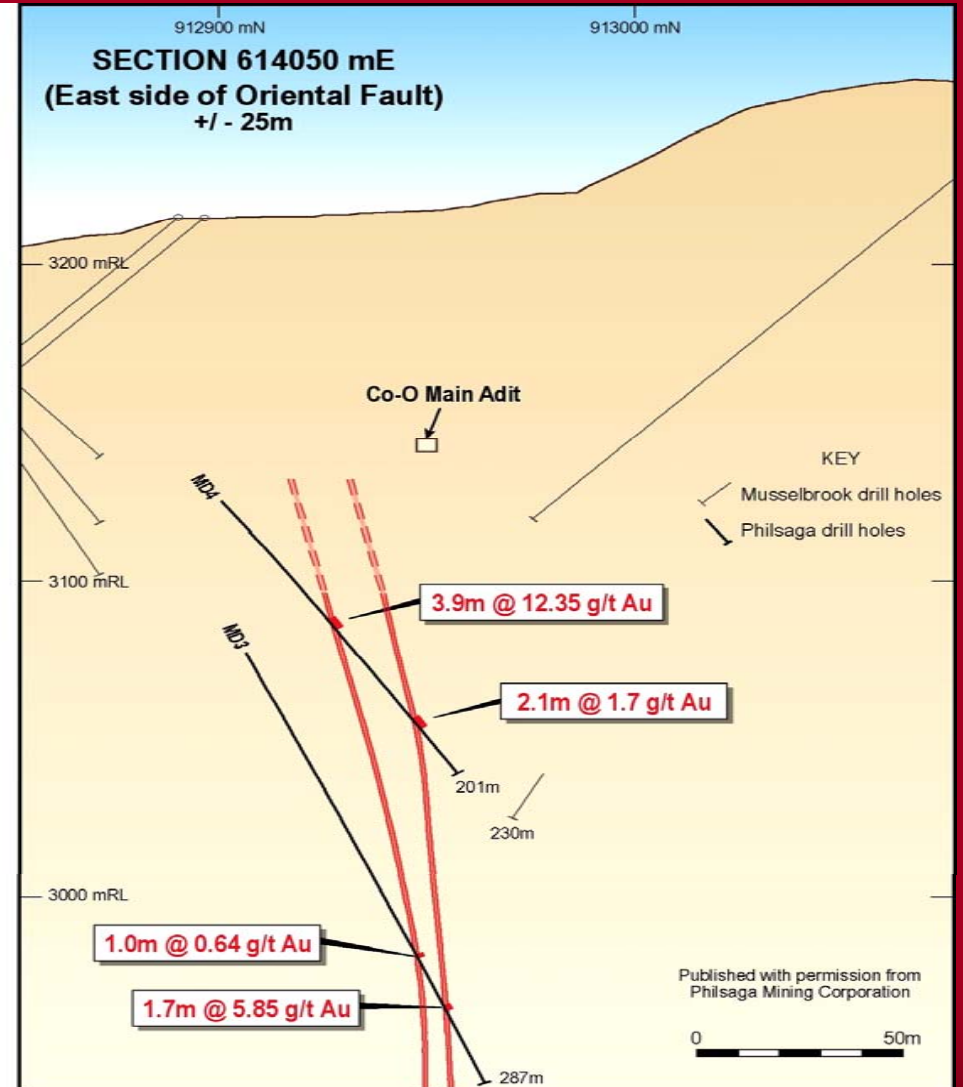
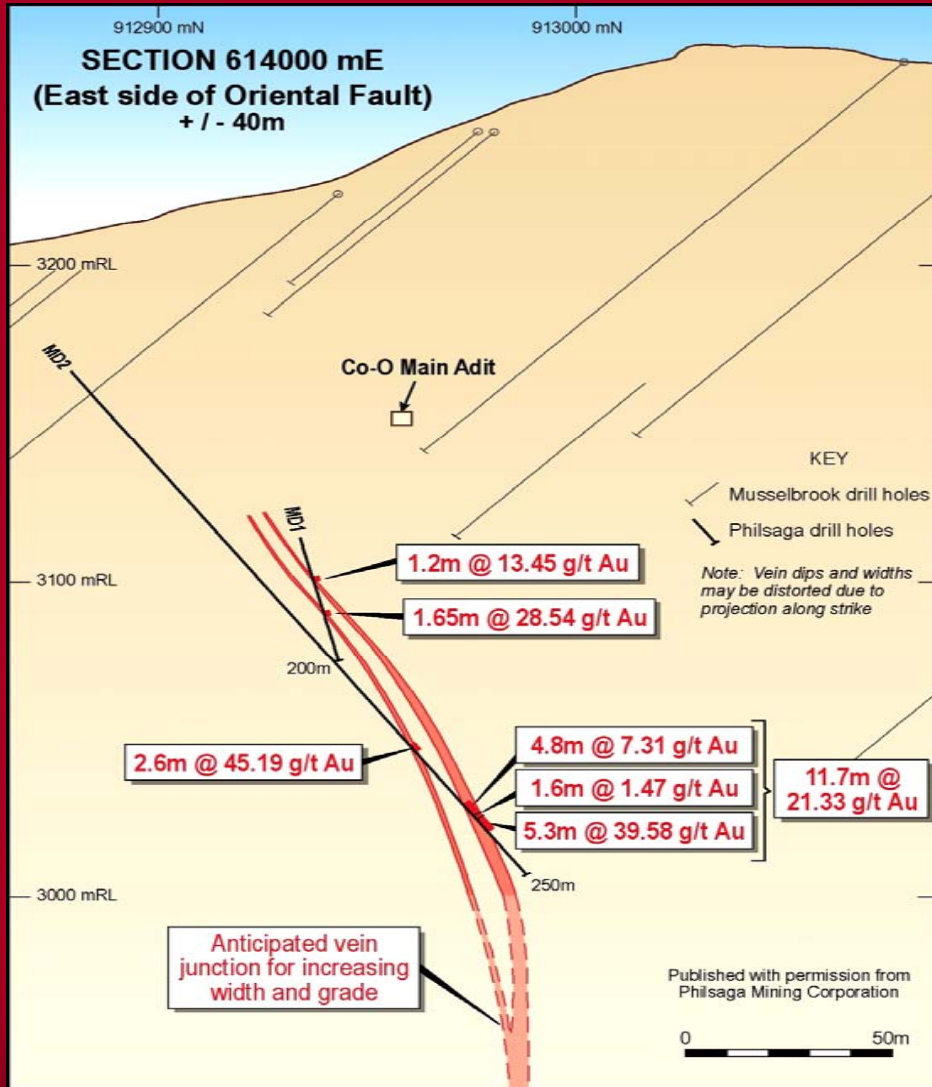
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# Co-O SURFACE & LEVEL PLAN

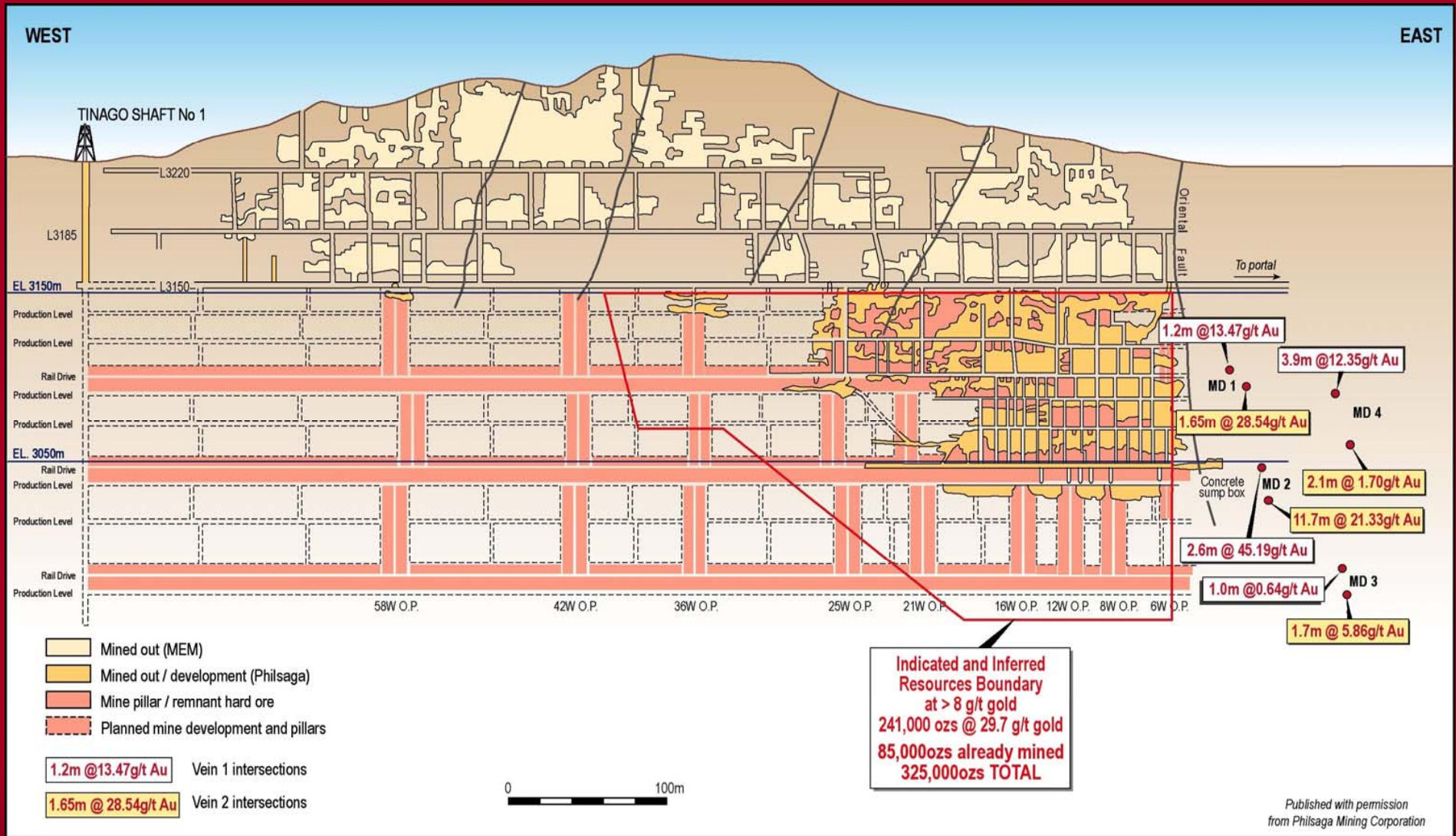


# Co-O CROSS SECTIONS





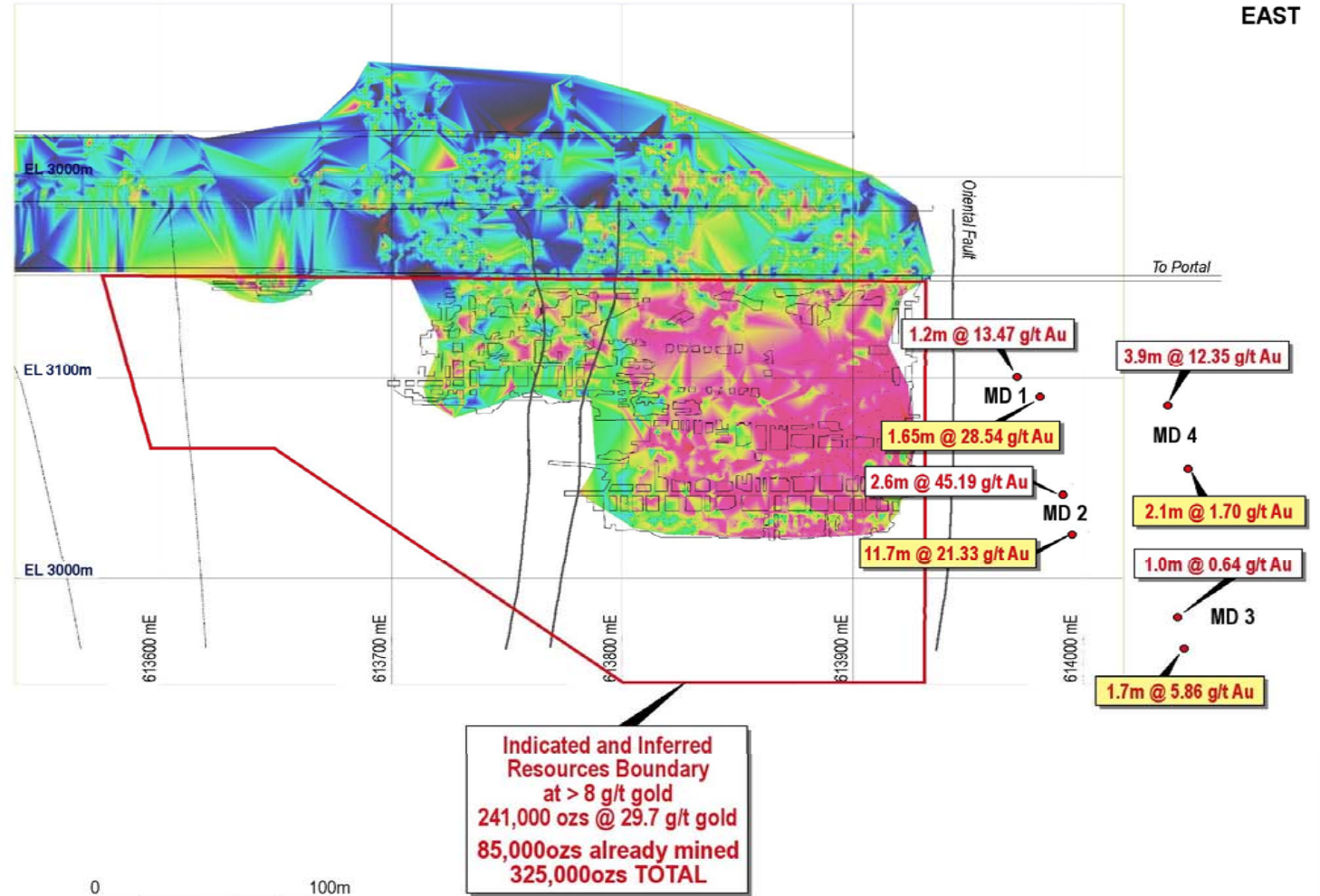
# Co-O GOLD MINE LONGITUDINAL PROJECTION



# Co-O GOLD CONTOURS

WEST

EAST

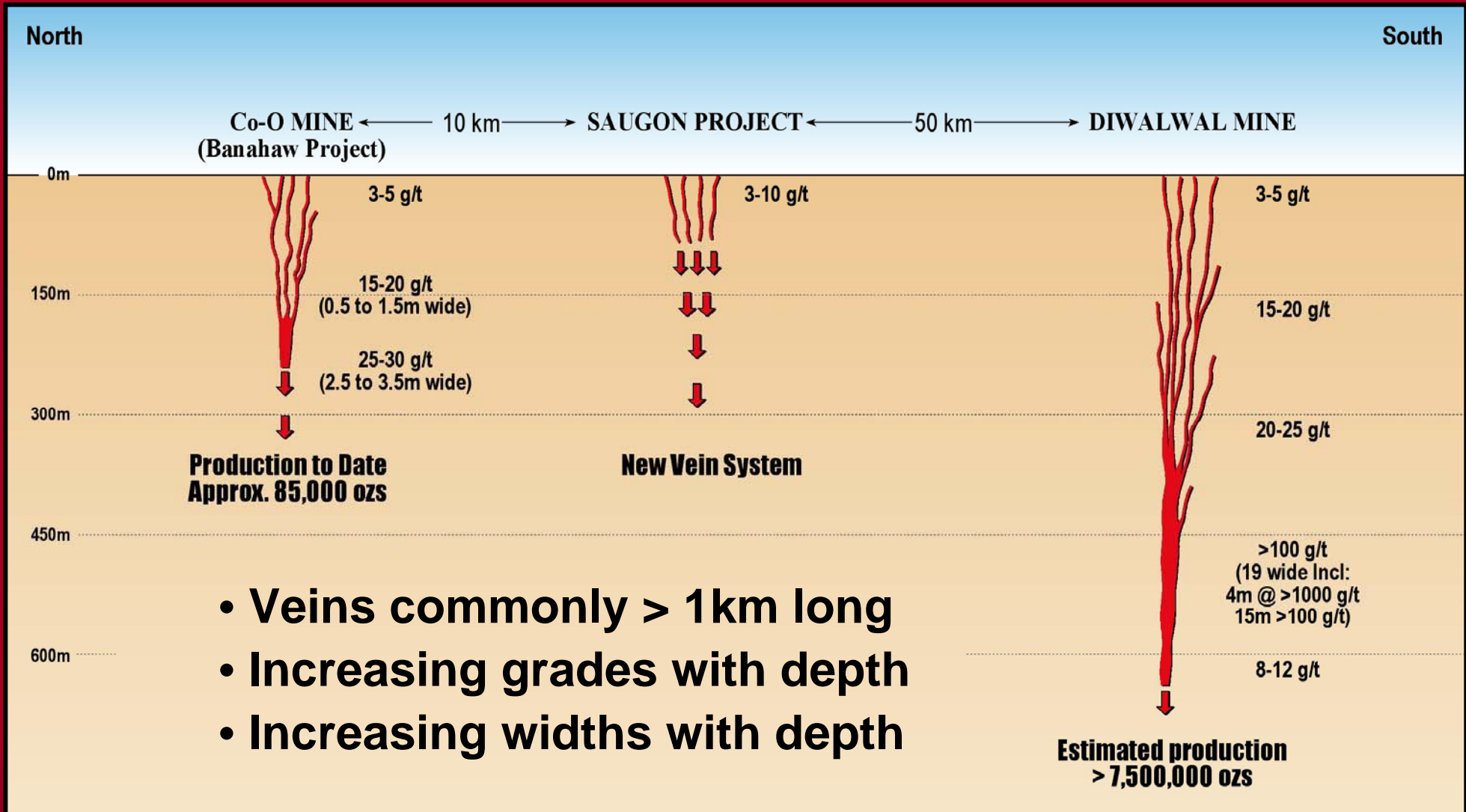


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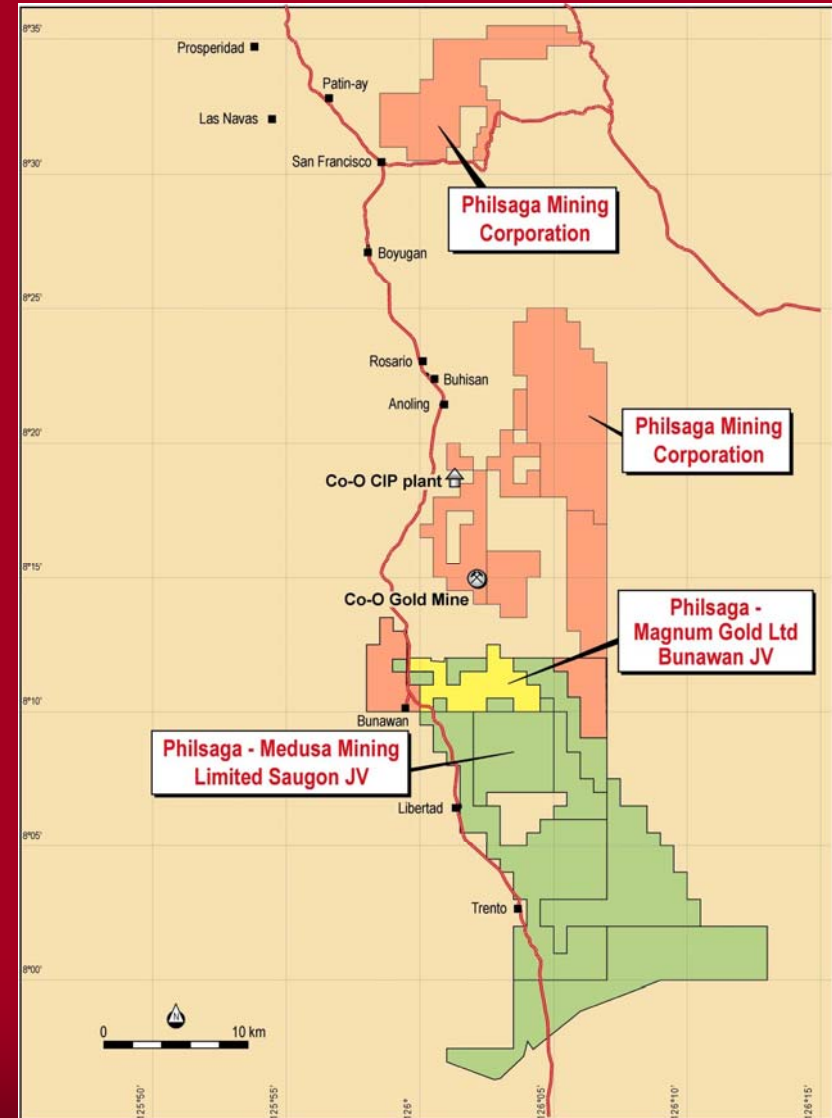
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# REGIONAL VEIN-STYLE MODEL



# EXPLORATION POTENTIAL

- 70km of strike
- 540km<sup>2</sup> of area
- Potential for:
  - Many high grade veins
  - +10Moz Au equiv porphyry copper-gold deposits
  - Sediment hosted gold deposits
- No modern exploration





# MEDUSA'S FILIPINO EXPERTISE

- **Management team very experienced in the Philippines**
- **Excellent network of professionals (technical, legal, tenement, mining)**
- **Committed Philsaga Management**
- **Experienced contractors (mining, drilling etc)**
- **Excellent local support at all levels of government and community**





# BOARD & MANAGEMENT

## MEDUSA

- **Geoff Davis** – Managing Director
- **Jeff Schiller, Ted Mein, Simon Cato,** – Non-Exec Directors
- **Roy Daniel** – Chief Financial Officer

## PHILSAGA MANAGEMENT

- **Sammy Afdal** – Manager administration, milling & processing
- **Bill Phillips** – Manager Mining
- **Ernie Apostol** – Manager Exploration
- **Jerry Baguio** – Resident Mine Manager
- **Rudy Vega** – Mill Superintendent



# SUMMARY

- The Philsaga Plant lease has **elevated Medusa from explorer to gold producer.**
- **Immediate cashflow from 1 October 2005.**
- The high-grade Co-O Mine is scaleable and annualised production should increase from 2Q 40,000 - 60,000+ ozs during 2006.
- Other potential ore sources.
- Strong cash flow from processing operations to fund ongoing exploration.
- The Board and Management have extensive Filipino experience.

