Quarterly Activities Report
For the period ended 30 September 2020

MEDUSA

HIGHLIGHTS:

CASH BALANCE	PRODUCTION	COSTS
Total cash and cash equivalent on metal account at quarter end **increased by 37% to US$64.7 million**	**28,363oz unhedged gold production for the quarter**	Cash Cost for the quarter of **US$615/oz** Consistent AISC for the quarter of **US$1,079/oz**

Snapshot of Medusa:

- ❑ Un-hedged, high grade gold producer operating in the Philippines
- ❑ Focused on growth in the Asia Pacific Region
- ❑ No long-term debt

Board of Directors:

Andrew Teo
(Chairperson & Interim CEO)

Raul Villanueva
(Executive Director)

Roy Daniel
(Non-Executive Director)

Simon Mottram
(Non-Executive Director)

Company Secretary:

Peter Alphonso

Executive Management:

Raul Villanueva
(President, Philippine Subsidiaries)

Patrick Warr
(Chief Financial Officer)

James Llorca
(General Manager, Geology & Resources)

Capital Structure:

Ordinary shares:	207,794,301
Unlisted options:	1,825,000
Performance Rights	4,419,000

ASX Listing:

Code: MML

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Co-O Mine Operations

- **Production:** 28,363 ounces at average head grade of 7.56 g/t gold (June 2020 Qtr: 21,947 ounces at 6.59 g/t gold).
- **Cash Costs:** US$615 per ounce (Jun 2020 Qtr: US$692 per ounce).
- **All-In-Sustaining-Costs ("AISC"):** US$1,079 per ounce (Jun 2020 Qtr: US$1,116 per ounce).
- **Mill performance:** Gold recovery averaged 95.9% (Jun 2020 Qtr: 95.8%).
- **Mine development:** Total advance of 8,887 metres of horizontal and vertical development (Jun 2020 Qtr: 8,087 metres).
- **COVID-19**: Preventive measures to reduce the health risk to personnel while at work continue to be followed. A general community quarantine directive remains in place at end of quarter.

Co-O Mine Exploration

- **Underground resource drilling**

  Total drilling for the quarter was 10,986 metres, a 78% increase from last quarter (Jun 2020 Qtr: 6,187 metres). Key areas and highlights are as follows:
  - Reserve drilling at Levels 4,9 & 10 totalled 5,762 metres from 26 holes;
  - Resource drilling at Level 10 totalled 5,224 metres from 10 holes; and
  - High-grade results returned from the drilling included 2.3 metres @ 24.8 g/t gold; 1.2 metres @ 70.3 g/t gold; 1.0 metres @ 101.6 g/t gold; 1.0 metres @ 83.7 g/t gold; and 0.5 metres @ 143.0 g/t gold.

Regional and Near Mine Exploration

- **Co-O near mine exploration:**
  - The easing of the COVID-19 work/travel restrictions enabled drilling at the Royal Crown Vein Gold Project to resume and completing three drillholes totalling 1,074 metres for this quarter; and
  - Significant intercept is a zone of 67.15 metres (299.85 metres - 367.00 metres) @ 5.71 g/t gold, including 30.30 metres @ 5.89 g/t gold; and 22.35 metres @ 8.10 g/t gold.

Corporate and Financial

- Total cash and cash equivalent on metal account at quarter end increased by approximately 37% to US$64.7 million (Jun 2020 Qtr: US$47.1 million) after creditors, tax, interest charges and working capital movements.
- AGM scheduled for 29 October 2020. Raul Villanueva, current Executive Director, advises that he will not be standing for re-election to the Board.
- Patrick Warr appointed as CFO following the retirement of Peter Alphonso, who remains as Company Secretary.

Tenement project overview:

The location of the Company's Philippines Tenements is shown in Figure 1.

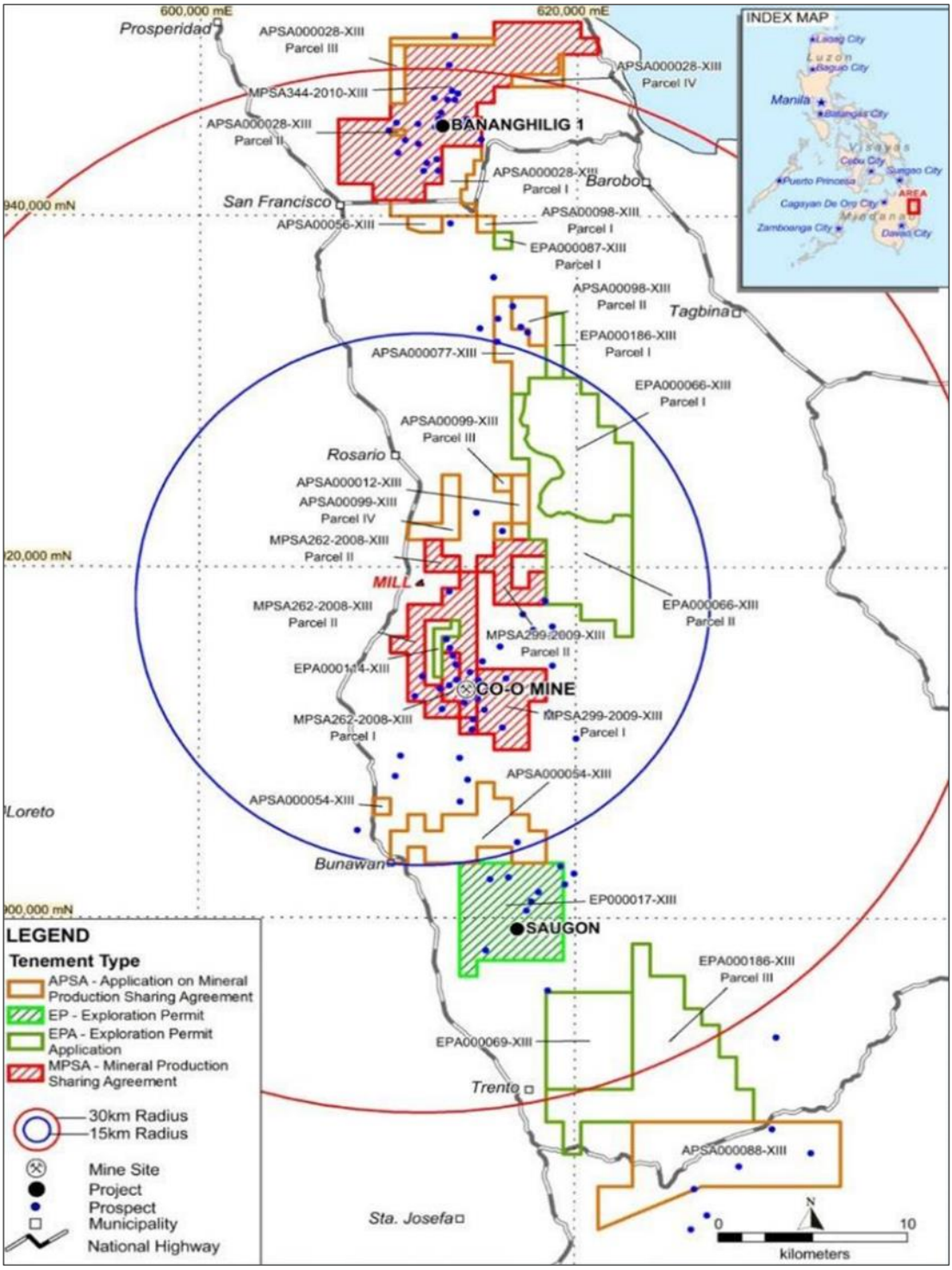

Figure 1: Location diagram showing the company's Tenements covering the Co-O mine and mill operations areas.

As at the end of the September 2020 Quarter, the Company's tenement portfolio remained unchanged, having 17 tenement holdings with a combined area of 412 km^2 (Figure 1 & Appendix B). This includes 4 granted tenements and 13 tenement applications. Of the granted tenements, 3 are currently in the exploration stage and 1, covering the Co-O Gold Mine, is in the operation stage.

The Company has undertaken sufficient exploratory works in EPA 00066-XIII, an area comprising of 6,769 hectares, to determine as non-prospective and is no longer part of the Company's core assets. Documentation into the relinquishment of the area with the Mines & Geoscience Bureau is progressing.

Co-O Mine:

Production

The production statistics for the September 2020 Quarter and comparatives for the previous four quarters are summarised in Table 1 below.

Table 1: Gold production statistics

Description	Unit	Sep 2019 Quarter	Dec 2019 Quarter	Mar 2019 Quarter	Jun 2020 Quarter	Sep 2020 Quarter
Ore mined	WMT	167,767	142,368	145,802	116,728	142,802
Ore milled	DMT	151,224	127,924	129,107	105,690	125,659
Head grade	g/t	5.93	5.32	6.25	6.59	7.56
Recovery	%	95.2	94.9	95.2	95.8	95.9
Gold produced	ounces	27,515	20,792	24,802	21,947	28,363
Gold sold	ounces	26,689	20,760	23,669	24,024	27,018
Underground development	metres	9,517	7,767	8,420	8,087	8,887
Cash Costs *	US$/oz	$613	$801	$657	$692	$615
All-In Sustaining Costs	US$/oz	$997	$1,346	$1,118	$1,116	$1,079
Average gold price received	US$/oz	$1,484	$1,485	$1,601	$1,745	$1,927
Cash & cash equivalent	US$M	$31.1M	$25.0M	$32.5M	$47.1M	$64.7M

***** Net of capitalised development costs and includes royalties and local business taxes.

The Company produced 28,363 ounces of gold this quarter, a 29% increase on the previous quarter due to mining at a higher head grade which places the year to date production marginally ahead of plan.

Production came from 125,659 tonnes of ore, processed at an average head grade of 7.56 g/t gold. Head grade was above plan and contributed to a reduction in AISC for the quarter compared to the previous quarter's US$1,116 per ounce of gold.

Total underground development of 8,887 metres was achieved for the quarter, a 10% increase from the previous quarter and 7% overall ahead of plan. The majority of the vertical and horizontal development is at Level 10, while focused horizontal development continues on Levels 11 and 12.

FY2021 Guidance

Production guidance for the Co-O Mine for Financial Year 2021 ("FY21") is expected to be between 90,000 ounces to 95,000 ounces at AISC of between US$1,200 to US$1,250 per ounce of gold produced.

The strong September quarter puts the Company marginally ahead of plan for both production and costs, and guidance remains unchanged at this stage.

Production shafts

Overall material hoisted was 140,629 dry tonnes ("DMT") of ore and waste combined which is in line with expectations while COVID-19 work restrictions remain in place.

- **Level 8 shaft:**

  The shaft achieved a total of 114,427 dry tonnes hoisted for the quarter, comprising 7,484 tonnes of waste and 106,943 tonnes of ore. Work continues on the systematic refurbishment of the L8 shaft to improve its longevity as a key piece of infrastructure at Co-O.

- **Agsao inclined shaft:**

  Total material hoisted from Agsao Shaft totalled 20,870 tonnes, composing of 1,273 tonnes of ore and 19,598 tonnes of waste. A significant improvement in productivity was achieved in this quarter at 66% above plan.

- **Baguio inclined shaft:**

  Baguio Shaft was placed on care and maintenance last quarter due to reduced manpower from COVID-19 work restrictions and was scheduled to resume during the December quarter. However, an early easing of these restrictions enabled early resumption of production with 1,482 tonnes of ore hoisted.

- **Portals:**

  Ore reserves from Level 1 and Level 2 are now depleted and the portals have been closed.

  Level 8 Winzes:

  The 29E, 12E, 43E and 48E Winzes continued to hoist ore and waste from Levels 9 and 10 to Level 8.

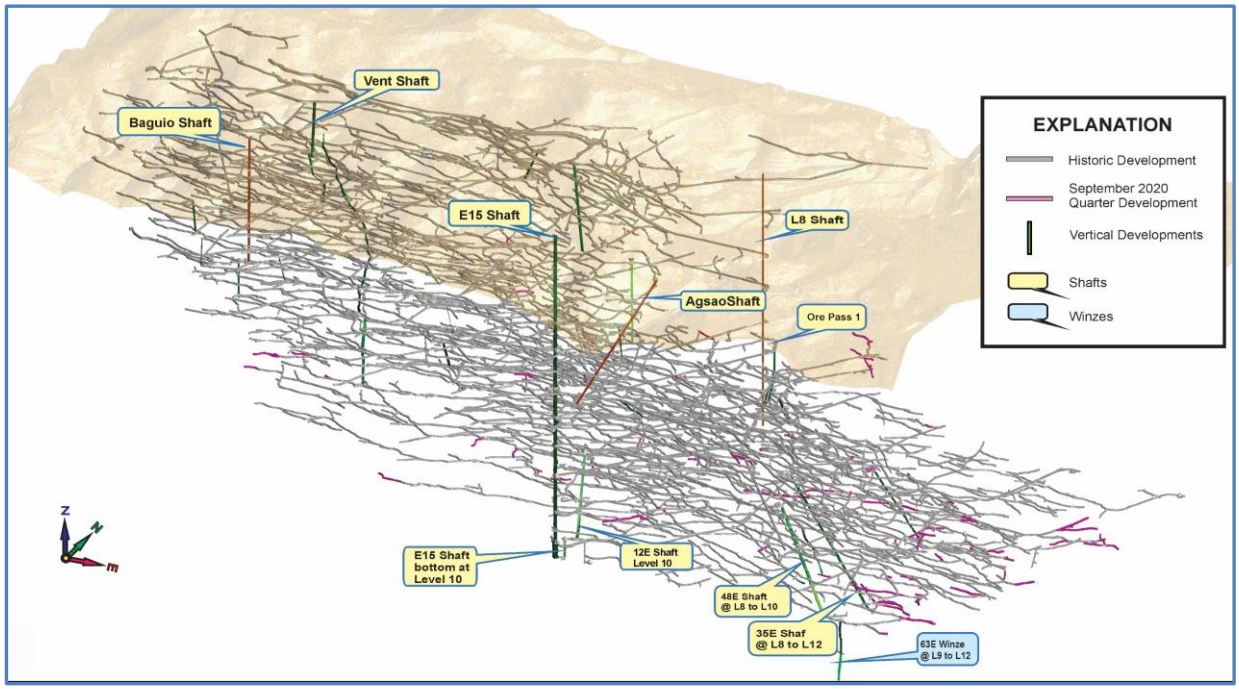

Figure 2: 3D Isometric view of Co-O mine showing all historic mine development, plus the September 2020 Quarter's horizontal development in Pink, also showing the primary vertical developments.

E15 service shaft

The E15 Service Shaft is operational and is utilised for transportation of people and materials to and from Level 5 to Level 10.

Processing plant

The process plant throughput for the September 2020 quarter was 125,656 tonnes at a grade of 7.56 g/t gold. Tonnes processed increased by 19% compared to the previous quarter (June 2020 Qtr: 105,690 tonnes at 6.59 g/t gold). Good gold recoveries continued to be achieved, with 95.9% recorded for the quarter.

Future access project

Site preparation works continued for the establishment of a decline however all major works have been suspended as a result of COVID-19 restrictions creating difficulties getting people, equipment and materials to site to commence major works. The timing of the recommencement of activities will remain under review.

Health, safety and environment

The Company regretfully reported a fatality at its Co-O mine. An employee was electrocuted during an inspection process of submersible pumps at the underground main pump station. The Company is deeply saddened by the incident and is providing support to the family of the worker and the Co-O workforce.

There were no significant environmental issues reported for the quarter.

The Company is the biggest employer in the Caraga region and has successfully implemented several health and safety protocols to prevent the spread of COVID-19 in the workplace. This has been instilled into the workforce by strict implementation of the policies, monitoring and through active campaigns. The success of the program is reflected in the quarter's production achievement.

Co-O Mine geology

Co-O Mine drilling

The total drilling for the quarter achieved 10,986 metres, a 78% increase from last quarter (Jun 2020 Qtr: 6,187 metres). Resource drilling at Level 10 totalled 5,224 metres from 10 holes, while reserve drilling at Levels 4,9 & 10 totalled 5,762 metres from 26 holes.

High-grade results returned from the drilling included 2.3 metres @ 24.8 g/t gold; 1.2 metres @ 70.3 g/t gold; 1.0 metre @ 101.6 g/t gold; 1.0 metres @ 83.7 g/t gold; and 0.5 metres @ 143.0 g/t gold. (Table II)

The underground drilling campaign from Level 10, targeting resource definition to Levels 11 to 16 (Figure 3), continued to return good results. This program is aiming to increase and upgrade the current Mineral Resource through depth and strike extensions of the mineralised vein system between Levels 10 to 16 (-300m to -600m RL). It is expected that by the March Quarter 2021, the drilling cuddies at Level 12 would be available to further drill downdip and increase the Mineral Resource.

Significant results obtained during the quarter are reported in Table II and relative positions shown in longitudinal section (Figure 3).

Table 2: Co-O Mine underground drill hole results ≥ 3 gram-metre/tonne gold
(refer Appendix A for JORC Code, 2012 Edition - Table 1 Report)

Hole Number	East	North	RL (m)	Depth (m)	Azim (°)	Dip (°)	From (m)	To (m)	Width (m)	Gold (g/t)	Accumulation (gm*m)
UNDERGROUND RESOURCE DRILLING - LEVEL 9											
L9-28E-001	614285	913010	-242	120.20	212	-1	29.50	30.50	1.00	83.67	83.67
							45.40	45.60	0.20	18.77	3.75
L9-28E-002	614286	913010	-242	43.40	171	-1	25.85	26.85	1.00	28.55	28.55
L9-47E-001	614486	913035	-240	250.60	29	-1	52.55	53.00	0.45	19.50	8.78
							53.60	54.90	1.30	7.00	9.10
							including		0.60	7.50	4.50
									0.70	6.57	4.60
L9-80E-001	614781	912811	-237	224.80	28	-2	52.70	52.95	0.25	16.37	4.09
UNDERGROUND RESOURCE DRILLING - LEVEL 10											
L10-5W-006	613916	912830	-289	253.60	317	-2	249.85	250.85	1.00	5.47	5.47
L10-73E-001	614719	912926	-288	251.10	355	0	184.30	185.90	1.60	11.59	18.54
							including		1.00	8.20	8.20
									0.60	17.23	10.34
L10-73E-003	614722	912921	-288	300.60	125	0	207.30	207.50	0.20	19.23	3.85
L10-73E-004	614723	912924	-288	300.70	57	1	280.85	281.85	1.00	3.34	3.34
							281.85	282.85	1.00	4.96	4.96
L10-75E-001	614732	912870	-288	300.60	44	0	154.00	154.70	0.70	4.98	3.49
							298.30	300.60	2.30	24.83	57.11
							including		0.95	53.50	50.82
									1.35	4.65	6.28
L10-7E-005	613987	912950	-291	551.50	169	-62	189.15	189.35	0.20	17.65	3.53
							251.25	252.10	0.85	15.57	13.23
L10-7E-006	613988	912951	-290	284.50	132	-75	146.45	147.20	0.75	16.15	12.11
L10-7E-007	613989	912951	-291	560.10	117	-46	211.95	212.60	0.65	18.10	11.77
							428.20	429.20	1.00	11.93	11.93
L10-7E-008	613988	912950	-291	550.30	158	-24	64.00	64.85	0.85	30.13	25.61
							65.10	65.70	0.60	34.30	20.58
							76.70	77.55	0.85	4.12	3.50
L10-7E-009	613989	912951	-291	551.10	125	-35	33.25	33.75	0.50	143.10	71.55
							210.45	211.45	1.00	11.40	11.40
L10-7E-010	613988	912950	-291	550.10	157	-42	19.70	20.00	0.30	35.33	10.60
							159.25	159.60	0.35	14.03	4.91
							164.00	164.70	0.70	22.43	15.70
							166.45	167.35	0.90	4.70	4.23
							167.90	168.80	0.90	9.60	8.64
L10-7E-011	613989	912951	-291	551.10	132	-44	125.70	126.40	0.70	9.00	6.30
L10-8E-001	614065	912976	-290	300.20	6	-1	52.75	53.35	0.60	8.83	5.30
L10-8E-002	614066	912976	-290	301.60	30	0	59.00	60.00	1.00	101.60	101.60

Notes:

1. Composited intercepts' ''Accumulations' calculated by using the following parameters:
   (i) accumulations = grade x width;
   (ii) no upper gold grade cut-off applied; and
   (iii) lower cut-off grade of 3.0 g/t gold.
2. Widths and depths are downhole measurements, not true widths.
3. Analysis is carried out by Philsaga Mining Corporation's in-house laboratory; Inter-laboratory check assays are carried out with an independent accredited commercial laboratory (Intertek Philippines, Manila) on a regular basis every quarter.
4. Grid coordinates are rounded and based on the Co-O Mine Grid. RL is elevation, rounded in metres relative to Mine Datum.

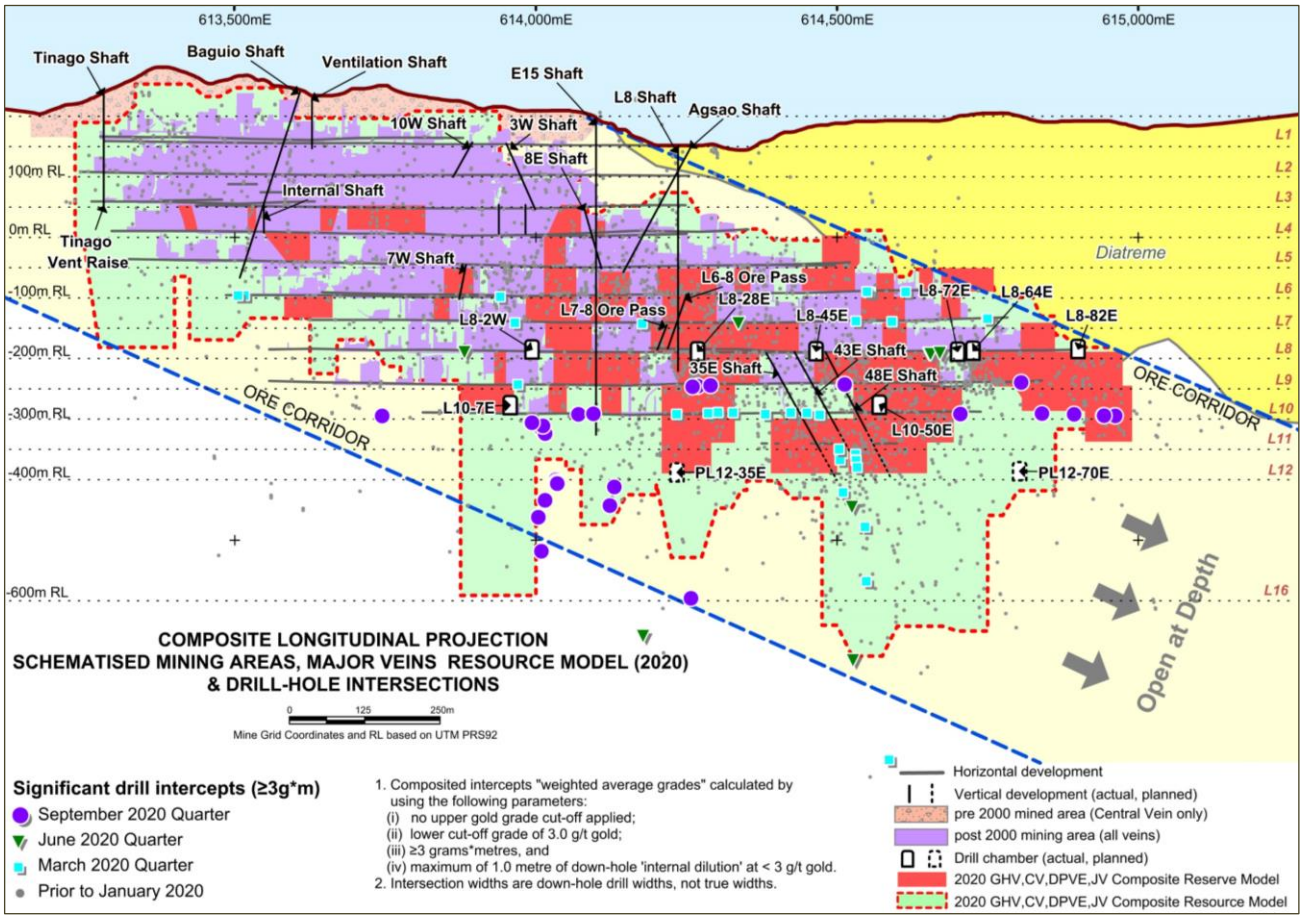

Figure 3: Co-O Mine Longitudinal Projection showing composited mining depletion, vertical development, Mineral Resource limits, and significant drill intercept locations (including previously reported).

A more detailed representation of the significant results is provided in Figure 4. The numbers represent grade x metres (far right column on Table II). Drilling in the September 2020 quarter continues to return high-grade assay results. It is also worth noting that several new significant intercepts were drilled below Level 12 to below 16.

The close spacing of results reflects multiple veins and the drill station is close to the structures.

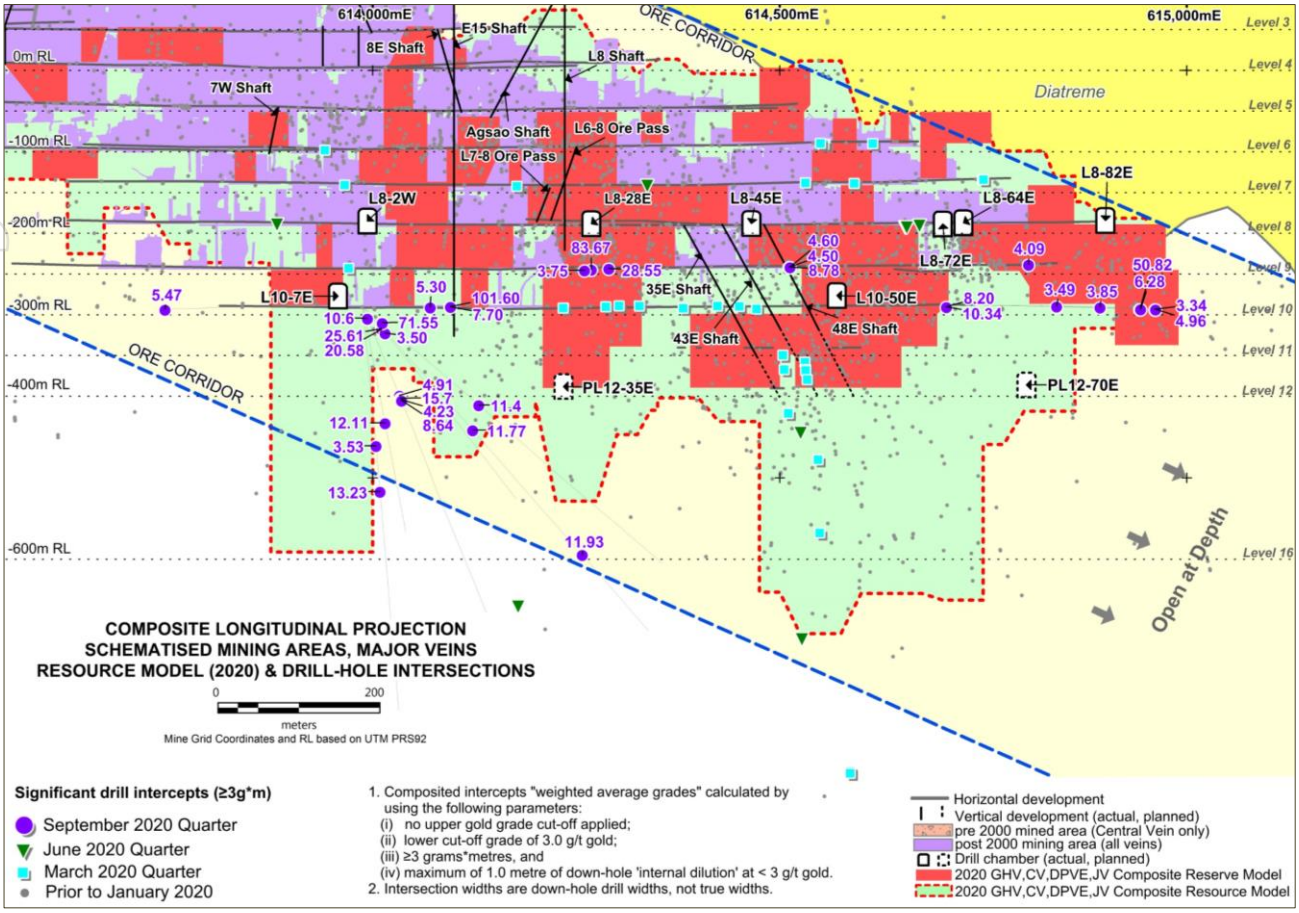

Figure 4: Co-O Mine Longitudinal Projection showing details of the significant drill intercept's accumulation values in Table II.

Co-O surface exploration

Near mine surface exploration

Advanced surface exploration activities resumed after the province of Agusan del Sur, Philippines eased on the travel restrictions in the area.

Exploration activities during the quarter was focused on the Co-O mine area within the Royal Crown Vein Project and Gamuton prospects located within MPSA 262-2008-XIII (Figure 1).

The ongoing COVID-19 pandemic had minimal impact on exploration activities for the quarter as the province of Agusan del Sur remained under a modified general community quarantine condition since 1 June 2020.

The prospects within the tenement grounds are shown in Figure 5.

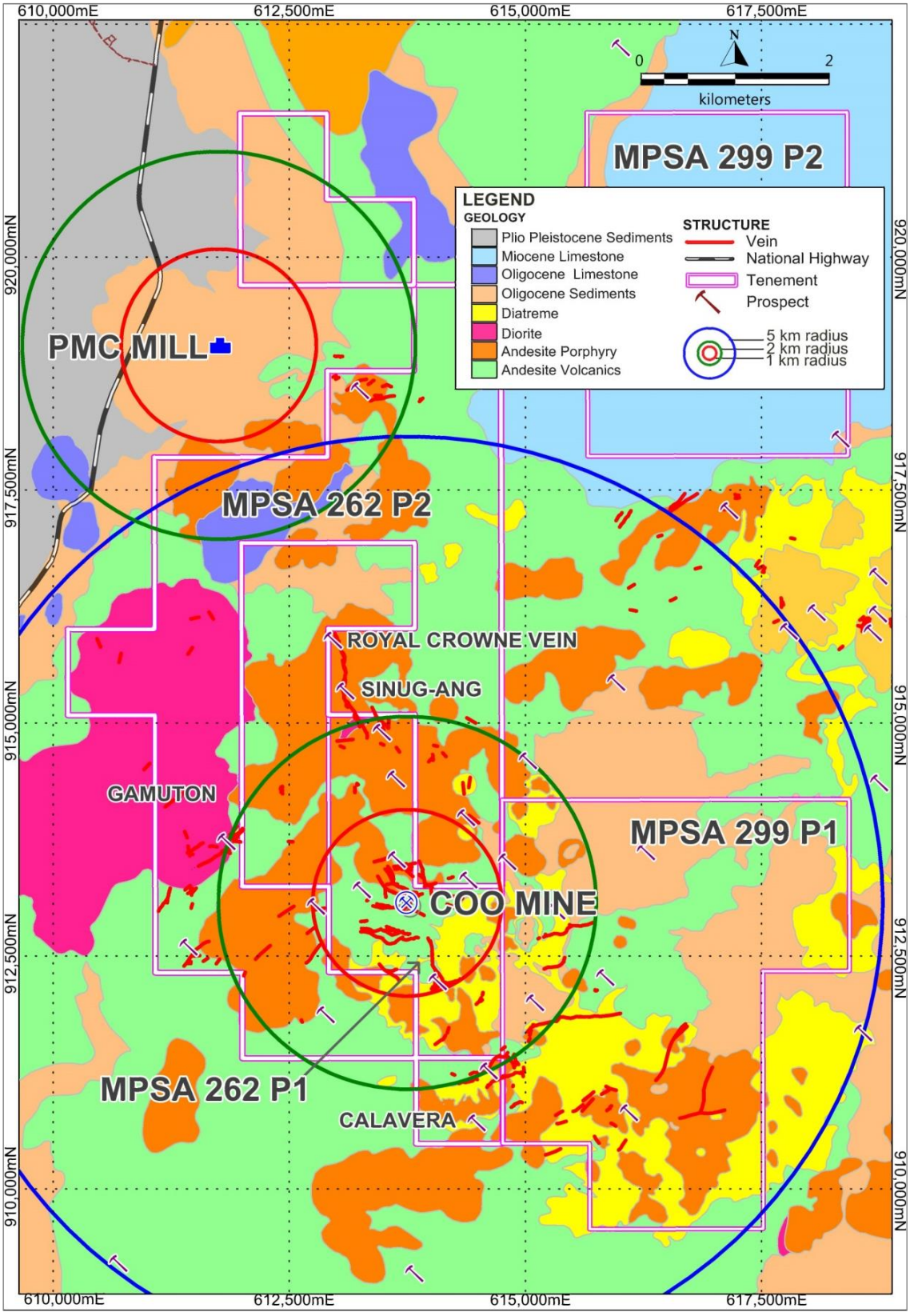

Figure 5: Geological map of the Co-O Mine District showing the location of Royal Crowne Vein and other projects within.

Royal Crowne Vein Prospect (MPSA 262-2008 XIII, Parcel 2)

The RCV Phase 4 Drilling Program commenced on 17 August 2020. A total of 2 holes - SNG-067 and SNG-068, were completed and one hole (SNG-069) is ongoing. Cumulative drilling meterage of approximately 1,074 metres was achieved by the end of the quarter. Assay results of core samples from SNG-067 and SNG-068 returned significant intercepts as follows:

Table 3: RCV drill hole results ≥ 1 gram-metre/tonne gold (refer Appendix A for JORC Code, 2012 Edition - Table 1 Report)

Hole Number	East[1]	North[1]	RL (m)	Depth (m)	Azim (°)	Dip (°)	From (m)	To (m)	Width (m)[2]	Gold (g/t)[3]
ROYAL CROWNE VEIN PROJECT										
SNG-067	612941	915586	224	411.60	60	-70	299.85	312.35	12.50	1.85
							including		1.55	3.27
							312.30	313.35	1.00	0.10
							313.35	343.65	30.30	5.89
							including		1.63	9.40
									3.50	26.54
									3.85	9.36
							343.65	344.65	1.00	0.49
							344.65	367.00	22.35	8.10
							including		8.22	14.75
									3.70	10.75
							388.50	389.40	0.90	1.57
SNG-068	612938	915588	223	330.80	95	-70	275.35	296.00	6.25	3.05
							including		2.20	7.25
							297.60	302.90	1.45	1.71
							306.50	315.40	8.90	2.08
							including		2.55	3.68

Notes:

1. Grid coordinates are rounded and based on the Co-O Mine Grid. RL is elevation, rounded in metres relative to Mine Datum.
2. Widths and depths are downhole measurements, not true widths.
3. Analysis is carried out by Philsaga Mining Corporation's in-house laboratory; Inter-laboratory check assays are carried out with an independent accredited commercial laboratory (Intertek Philippines, Manila) on a regular basis every quarter.

Three additional infill drill holes – PSDH-56, PSDH-57 and PSDH-58, with total meterage 1,200 metres will be implemented to test the vein and grade continuity at depth level towards the RCV South vein segment

Regional exploration (new project generation)

The compilation, screening and selection of potential gold projects in the Asia Pacific region remains an ongoing activity with the objective of expanding the Company's mineral portfolio.

CORPORATE:

Annual General Meeting ("AGM")

The Directors informed the ASX that the Company's AGM would be held on 29 October 2020.

Management Changes

- Mr Raul Villanueva, Executive Director of Medusa, has advised that he will not be standing for re-election at the upcoming Annual General Meeting.

  Mr Villanueva will continue in an executive capacity with the Company as President of Medusa's affiliated operating entities in the Philippines, Philsaga Mining Corporation and Mindanao Mineral Processing & Refining Corporation.

- On 7 September 2020, Mr Patrick Warr was appointed Chief Financial Officer following the retirement of Mr Peter Alphonso, who will continue with the Company in the role of Company Secretary.

FINANCIALS:

As at 30 September 2020, the Company had total cash and cash equivalent in gold on metal account of approximately US$64.7 million (30 June 2020: US$47.1M).

The Company sold 27,018 ounces of gold at an average price of US$1,927 per ounce in the September 2020 quarter (Jun 2020 Qtr: 24,024 ounces sold at an average price of US$1,745 per ounce).

During the September 2020 quarter, the Company incurred:

- Exploration expenditure (inclusive of underground exploration) of US$1.8 million (June 2020 Qtr: US$0.8M);
- US$2.5 million on capital works and associated sustaining capital at the mine and mill (June 2020 quarter: US$1.3M);
- US$6.1 million on continued mine development (June 2020 Qtr: US$5.2M); and
- Corporate overheads of US$1.4 million (June 2020 Qtr: US$1.7M).

In addition to the expenses highlighted above, which form part of All-In-Sustaining-Costs ("AISC") of US$1,079 per ounce for the September 2020 quarter (Jun 2020 Qtr: AISC of US$1,116 per ounce), the Company also expended cash in the following areas:

- Net decrease in creditors/borrowings of approximately US$0.1 million;
- Net increase in warehouse inventory, prepayments and receivables of approximately US$0.6 million;
- Net increase of indirect value added tax (refundable in tax credits) of approximately US$2.4 million; and
- Tax and interest charges totalling approximately US$0.8 million.

For further information please contact:

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JORC Code 2012 Compliance - Consent of Competent Person

Medusa Mining Limited

Information in this report relating to Exploration Results has been directed and reviewed by Mr James P Llorca and is based on information compiled by Philsaga Mining Corporation's technical personnel. Mr Llorca is a Fellow of the Australian Institute of Geoscientists (AIG), also a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM) and a Chartered Professional in Geology of the AusIMM.

Mr Llorca is General Manager, Geology and Resources, and is a full-time employee of Medusa Mining Limited, and is entitled to participate in the company's long-term incentive plan, details of which are included in Medusa's 2019 Remuneration Report. Mr. Llorca has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activities for which he is undertaking to qualify as a "Competent Person" as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC)." Mr Llorca consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DISCLAIMER

This report contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Medusa, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements.

Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based.

You should not place undue reliance on forward-looking statements and neither Medusa nor any of its directors, employees, servants or agents assume any obligation to update such information.

APPENDIX A:

Co-O Mine - JORC Code, 2012 Edition - Table 1 report

Section 1. Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handled XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverized to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Diamond Drill (DD) core and stope face channel samples are the two main sample types. DD core samples: Half core samples for DD core sizes LTK60, NQ and HQ, and whole core samples for DD core sizes TT46. • Stope and Development samples: Stope face channel samples are taken over stope widths of 1.5 to 3m, for both waste and mineralised material. • DD drilling is carried out to industry standard to obtain drill core samples, which are split longitudinally in half along the core axis using a diamond saw, except for TT46 core. Half core or whole core samples are then taken at 1m intervals or at lithological boundary contacts (if >20cm), whichever is least. The sample is crushed with a 1kg split taken for pulverization to obtain four (4) 250g pulp samples. A 30g charge is taken from one of the 250g pulp packets for fire assay gold analysis. The remaining pulp samples are retained in a secure storage for future reference.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• For underground drilling, larger rigs (i.e. LM-55 and Diamec U6, U6DH), collar holes using HQ/HQ3 drill bits (core Ø 61mm/63mm) until ground conditions require casing off, then reduce to NQ/NQ3 drill bits (core Ø 45mm/47mm). • For surface holes, drill holes are collared using PQ3 drill bits (core Ø 83mm) until competent bedrock. The holes are then completed using either HQ3 or NQ3 drill bits depending on ground conditions. • Drill core orientation using the Ezy-Mark™ front-end core orientation tool has been temporarily halted due to equipment breakdown. However, due to the closeness and density of drill holes correlation between holes is straightforward.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measure taken to maximize sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• For each core run, total core length is measured with the recovery calculated against drilled length. Recovery averaged better than 95%, which is considered acceptable by industry standards. • Sample recovery is maximised by monitoring and adjusting drilling parameters (e.g. mud mix, drill bit series, rotation speed). Core sample integrity is maintained using triple tube coring system. • No known relationship has been observed to date between sample recovery and grade. Core recovery is high being >95%. No sampling bias has been observed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core samples have been logged geologically and geotechnically to a level of sufficient detail to support appropriate mineral resource estimation, mining and metallurgical studies. Lithology, mineralisation, alteration, oxidation, sulphide mineralogy, RQD, fracture density, core recovery is recorded by geologists, then entered into a digital database and validated. • Qualitative logging is carried out on all drill core. More detailed quantitative logging is carried out for all zones of interest, such as in mineralised zones. Since July 2010, all drill core has been photographed. The drill core obtained prior to July 2010 has a limited photographic record.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or call core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All current drill core is sawn longitudinally in half along the core axis using a diamond saw to predetermined intervals for sampling. Cutting is carried out using a diamond saw with the core resting in a specifically designed cradle to ensure straight and accurate cutting. • No non-core drill hole sampling has been carried out for the purposes of this report. • Development and stope samples are taken as rock chips by channel sampling of the mining face according to geological boundaries. • The sample preparation techniques are to industry standard. • The sample preparation procedure employed follows volume and grain size reduction protocols (-200 mesh) to ensure that a representative aliquot sample is taken for analysis. Grain-size checks for crushing and pulverizing are undertaken routinely. • For PQ/PQ3, HQ/HQ3, NQ/NQ3 and LTK60 core, the remaining half core is retained for reference. • Core sample submission sizes vary between 2-5kg depending on core size, sampling interval, and recovery. The assay sample sizes are considered to be appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All drill core and stope face samples from the mine are submitted to Philsaga Mining Corporation's (PMC) Assay Laboratory, located at the mill site. Samples are prepared and assayed in the laboratory. Gold is assayed by the fire assay method, an industry standard commonly employed for gold deposits. It is a total-extraction method and of ore-grade category. Two assay variants are used based on gold content: the FA30-AAS for Au grades < 5g/t, and FA30-GRAV for Au grades > 5g/t. Both sample preparation and analytical procedures are of industry standards applicable to gold deposits. • A QAQC system has been put in place in the PMC Assay Laboratory since 2006. It has been maintained and continually improved up to the present. The quality control system essentially, utilises certified reference materials (CRMs) for accuracy determination at a frequency of 1:60 to 1:25. For precision, duplicate assays are undertaken at 1:20 to 1:10 frequency. Blanks are determined at 1:50 or 1 per batch. Samples assayed with lead button weights outside the accepted range of >25 to <35 grams, are re-assayed after adjustment of the flux. • Inter-laboratory check assays with an independent accredited commercial laboratory (Intertek Philippines, Manila) are undertaken at a frequency of 1 per quarter. Compatibility of assay methods with the external laboratory is ensured to minimize variances due to method differences. • The QAQC assessment showed that the CRMs inserted for each batch of samples, generally had accuracy within the acceptable tolerance levels. Duplicate assays generally returned assays within ±20% MPRD for FY2016. Replicate assays of CRMs showed good precision within < 10% at 95% confidence level, which is within acceptable limits for gold analysis. Intermittent analytical biases were shown but were well within the accepted tolerance limits.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Visual inspections to validate mineralisation with assay results has occurred on a regular basis. Independent and alternative company personnel on a regular basis verify significant mineralised intersections. • All drilling is diamond drilling and no twinning of holes has been undertaken. The majority of drilling is proximal to mine development and intersections are continually being validated by the advancing mine workings.

Criteria	JORC Code explanation	Commentary
		• Geological logging of drill core and drilling statistics are handwritten and transferred to a digital database. Original logs are filed and stored in a secure office. Laboratory results are received as hardcopy and in digital form. Hardcopies are kept onsite. Digital data is imported into dedicated mining software programs and validated. The digital database is backed up on a regular basis with copies kept onsite.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Suitably qualified surveyors and/or experienced personnel, using total station survey equipment locate all drill hole collars. Coordinates are located with respect to Survey Control Stations (SCS) established within the project area and underground. • A local mine grid system is used which has been adapted from the Philippine Reference System of 1992 (PRS92). • Topographic and underground survey control is maintained using located SCS, which are located relative to the national network of geodetic control points within 10km of the project area. The Company's SCS were audited by independent licensed surveyors (Land Surveys of Perth, Western Australia) in April 2015 and they found no gross errors with the survey data. Land Surveys have since provided independent services to assist mine survey to establish and maintain SCS to a high standard, as the mine deepens. Accuracy is appropriate for the purposes of mine control.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied* • *Whether sample compositing has been applied.*	• Prior to 2015, surface exploration drill holes were located initially on a 50m and 100m grid spacing, and for resource definition drilling the sectional spacing is at least 50m with 25m sectional spacing for underground holes. Since 2015, resource drilling is conducted wholly from underground with minimum intercept spacing for the major veins of 40m x 40m for Indicated and 80m x 80m for Inferred categories. • Sufficient drilling and underground face sampling have been completed to support Mineral Resource and Ore Reserve estimation procedures. • Sample compositing has not been applied to exploration data for the purposes of reporting.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Mineralisation is hosted within narrow, typically <2m wide quartz veins. Orientations of the veins are typically E-W, with variations from NE-SW to NW-SE, with dips varying from flat-lying to steep dipping to the north. Surface drill holes were generally drilled towards the S and vary in dip (-45° to -60°). Underground drill holes are orientated in various directions and dips, depending on rig access to intersect the various mineralised veins at different locations within the mining area. • Due to the nature of this style of mineralisation and the limited underground access for drilling, drilling may not always intersect the mineralisation or structures at an optimum angle, however this is not considered to be material. A good understanding of the deposit geometry has been developed through mining such that it is considered that any sampling bias is recognised and accounted for in the interpretation.
Sample security	• *The measures taken to ensure sample security.*	• Drilling is supervised by Philsaga mine geologists and exploration personnel. All samples are retrieved from the drill site at the first opportunity and taken to a secure compound where the core is geologically logged, photographed and sampled. Samples are collected in tagged plastic bags and stored in a lockable room prior to transportation to the laboratory. The samples are transported using company vehicles and accompanied by company personnel to the laboratory.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• In October 2019, Intertek Testing Services Phils, Inc. conducted and reported on an independent review of available QA/QC data. There were procedural issues identified by the audit that were immediately rectified. • The Laboratory is accredited to ISO 14001: 2015. • A yearly independent audit by a third party is scheduled in August 2020 (pending the lifting of COVID-19 travel restrictions). • Since October 2016, the Philsaga laboratory was visited several times by Mr JP Llorca. Since 2016, the Company conducts its own QAQC using the Acquire database management software. This work is carried out on site by Philsaga Geologist personnel trained and experienced in QAQC protocols. • The accuracy of the gold determinations was predominantly within the tolerance limits for both PMC laboratory and the independent checking laboratory. The precision of assay is comparatively better for the independent laboratory and as such, where diamond drilling assays exist for both laboratories, results from the independent laboratory have been used, in preference to PMC assays, for Mineral Resource estimation. • Sampling techniques and database management is to industry standard.

Section 2. Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The Co-O mine is operated under Mineral Production Sharing Agreements ("MPSA") MPSAs 262-2008-XIII and 299-2009-XIII, which covers a total of 4,739 hectares. • Aside from the prescribed gross smelter return royalties' payable to the Philippine government (4%), the Indigenous People (1%), and the US$20 per ounce of recovered gold produced from any extensions of the Co-O Mine mineralisation mined from the eastern side of the Oriental Fault, capped to a maximum total of US$10,000,000, payable to the original partners of Philsaga, no other royalties are payable on production from any mining activities within the MPSA.
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• The Co-O mine was originally developed in 1989 by Banahaw Mining and Development Corporation ("BMDC"), a wholly owned subsidiary of Musselbrook Energy and Mines Pty Ltd. The operation closed in 1991 and was placed on 'care and maintenance' until its purchase by PMC in 2000. PMC recommissioned the Co-O mine and began small-scale mining operations. • Medusa Mining Ltd ("MML") listed on the ASX in December 2003, and in December 2006, completed the acquisition of all of PMC's interests in the Co-O mine and other assets including the mill and numerous tenements and joint ventures. MML, through PMC, has since been actively exploring the Co-O tenements.
Geology	• *Deposit type, geological setting and style mineralisation.*	• The Co-O deposit is an intermediate sulphidation, epithermal gold (+Ag ±Cu±Pb±Zn) vein system. The deposit is located in the Eastern Mindanao volcano-plutonic belt of the Philippines.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *Easting and northing of the drill hole collar* ○ *Elevation or RL (Reduced Level-elevation above sea level in metres) of the drill hole collar* ○ *Dip and azimuth of the hole* ○ *Down hole length and interception depth* ○ *Hole length*	• Detailed information in relation to the drill holes forming the basis of this Mineral Resource estimate is not included in this report on the basis that the data set is too large and the information has been previously publicly reported. The information is not material in the context of this report and its exclusion does not detract from the understanding of this report. For the sake of completeness, the following background information is provided in relation to the drill holes.

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not distract form the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Easting, northing and RL of the drill hole collars are in both the local mine grid, PRS92 and UTM WGS84 Zone 51 coordinates. • Dip is the inclination of the hole from the horizontal. For example, a vertically down drilled hole from the surface is -90°. Azimuth is reported in magnetic degrees, as the direction toward which the hole is drilled. Magnetic North <-1° west of True North. • Down hole length is the distance from the surface to the end of the hole, as measured along the drill trace. Interception depth is the distance down the hole as measured along the drill trace. Intersection width is the downhole distance of a mineralised intersection as measured along the drill trace.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade result, the procedure used for aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No top cutting of assays is done for the reporting of exploration results. • Short lengths of high-grade assays are included within composited intercepts. • Metal equivalent values are not reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The majority of drilling is oriented approximately orthogonal to the known orientation of mineralization. However, the intersection length is measured down the hole trace and may not be the true width. • The orientation of the veins is typically E-W, with variations from NE-SW to NW-SE with dips varying from flat-lying to steep to the north. Surface drill holes are generally orientated towards the S and vary in dip (-45° to -60°). Underground drill holes are orientated in various directions and dips, depending on rig access to intersect the various mineralised veins at different locations within the mining area. • All drill results are downhole intervals due to the variable orientation of the mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported these should include but not limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A longitudinal section is included showing significant assay results locations (Figure 3). Tabulated intercepts are included as Table II.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Significant intercepts have previously been reported for all DD drill holes that form the basis of the Mineral Resource estimate. Less significant intercepts have not been reported since the drilling is carried out within the mine environs.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater; geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other substantive exploration data has been acquired or considered meaningful and material to this announcement.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions of depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling area, provided this information is not commercially sensitive.*	• Recent drilling focused on the eastern geological limits of GHV from Levels 9 to 16 with less than favourable results due to the disruptive diatreme. However, the GHV shows mineralisation at L16. Also, from L-9 to 15, the northern veins indicate the favourable mineralisation. • Mineralisation is still open to the east down plunge, and at depth. Underground exploration and development drilling will continue to test for extensions along strike and at depth to the Co-O vein system.

APPENDIX B:

Tenement Schedule (as at 30 September 2020)

Name	Tenement ID	Registered Holder	Company's Interest as at		Royalty [1]	Area (hectares) as at	
			30 Jun 2020	30 Sep 2020		30 Jun 2020	30 Sep 2020
Co-O Mine	MPSA 262-2008-XIII	PMC	100%	100%	-	2,539	2,539
	MPSA 299-2009-XIII	PMC	100%	100%	-	2,200	2,200
Co-O	APSA 00012-XIII	BMMRC	100%	100%	-	340	340
	APSA 00088-XIII	Phsamed	100%	100%	-	4,742	4,742
	APSA 00098-XIII	Philcord	100%	100%	1% NPI	507	507
	APSA 00099-XIII	Philcord	100%	100%	1% NPI	592	592
Saugon	EP 017-XIII	PMC	100%	100%	-	3,132	3,132
	EPA 00066-XIII	PMC	100%	100%	-	6,769	6,769
	EPA 00069-XIII [(2)]	Phsamed	100%	100%	-	2,540	2,540
	EPA 00087-XIII [(2)]	PMC	100%	100%	-	85	85
Tambis	MPSA 344-2010-XIII	Philex	100%	100%	7% NSR	6,208	6,208
Apical	APSA 00028-XIII	Apmedoro	Earning 70% (JV)		-	1,235	1,235
Corplex	APSA 00054-XIII	Corplex	100%	100%	3% NSR	2,118	2,118
	APSA 00056-XIII	Corplex	100%	100%	-	162	162
	APSA 00077-XIII	Corplex	100%	100%	4% GSR	810	810
	EPA 00186-XIII	Corplex	100%	100%	3% GSR	7,111	7,111
Sinug-ang	EPA 00114-XIII	Salcedo/PMC	100%	100%	-	190	190

Notes:

1. Royalties payable to registered holders, aside from the prescribed royalties' payable to the Philippine government and the indigenous people.
2. Awaiting approval and confirmation by MGB of area reduction.

ABBREVIATIONS:

Tenement Types

MPSA	Granted Mineral Production Sharing Agreement	APSA	Application for Mineral Production Sharing Agreement
EP	Granted Exploration Permit	EPA	Application for Exploration Permit

Registered Holders

PMC	Philsaga Mining Corporation	Philex	Philex Gold Philippines Incorporated
BMMRC	Base Metals Mineral & Resources Corporation	Das-Agan	Das-Agan Mining Corporation
Phsamed	Phsamed Mining Corporation	Apmedoro	APMEDORO Mining Corporation
Philcord	Mindanao Philcord Mining Corporation	Salcedo	Neptali P. Salcedo
Corplex	Corplex Resources Incorporated		

Royalty

NPI	Net Profit Interest	GSR	Gross Smelter Royalty
NSR	Net Smelter Royalty		