

Quarterly Activities Report

For the period ended 30 June 2021



MEDUSA

HIGHLIGHTS:

CASH BALANCE

Total cash and cash equivalent on metal account at quarter end of:

US\$72.2M

PRODUCTION

Unhedged gold production for the quarter of:

22,396 ozs

COSTS

All-In-Sustaining-Costs for the quarter of:

US\$1,594/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:

Jeffery McGlinn
(Non-Executive Chairman)

Andrew Teo
(Managing Director)

Roy Daniel
(Non-Executive Director)

Simon Mottram
(Non-Executive Director)

Company Secretary:

Peter Alphonso

Executive Management:

Raul C. Villanueva
(President, Philippine Subsidiaries)

Patrick Warr
(Chief Financial Officer)

James P. Llorca
(General Manager, Geology & Resources)

Capital Structure:

| | |
|--------------------|-------------|
| Ordinary shares: | 207,873,301 |
| Unlisted options: | 1,465,000 |
| Performance Rights | 7,973,000 |

ASX Listing:

Code: MML



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Co-O Mine Operations

- **Production:** 22,396 ounces at an average head grade of 5.89 g/t gold (Mar 2021 Qtr: 18,359 ounces at 6.21 g/t gold).
- **Cash Costs:** US\$827 per ounce (Mar 2021 Qtr: US\$883 per ounce).
- **All-In-Sustaining-Costs ("AISC"):** US\$1,594 per ounce (Mar 2021 Qtr: US\$1,304 per ounce).
- **Mill performance:** Gold recovery averaged 95.4% (Mar 2021 Qtr: 95.8%).
- **Mine development:** Total underground advance of 5,942 metres of horizontal and vertical development (Mar 2021 Qtr: 5,813 metres). Tigerway Decline Project commenced with the portal initial excavation and support completed.
- **FY2021 production guidance achieved:** 95,193 ounces of gold produced in FY2021 was slightly above the upper guidance. AISC of US\$1,231 per ounce was achieved within guidance.
- **COVID-19:** Preventive measures to reduce the health risk to personnel while at work continue to be followed. A general community quarantine directive remained in place at the end of the quarter.

Co-O Mine Exploration

- **Underground resource drilling:**
Total drilling for the quarter was 13,027 metres, a 53% improvement quarter-on-quarter (Mar 2021 Qtr: 8,500 metres).
Key areas and highlights are as follows:
 - Reserve drilling at Levels 4, 7, 8 & 10 totalled 4,460 metres from 24 holes;
 - Resource drilling at Levels 10 & 12 totalled 8,568 metres from 16 holes;
 - High-grade results returned from the drilling include 1.0 metre @ 83.4 g/t gold; 0.70 metres @ 29.0 g/t gold; 0.25 metres @ 24.3 g/t gold; 0.95 metres @ 23.7 g/t gold; and 1.60 metres @ 13.1 g/t gold.

Regional and Near Mine Exploration

- **Co-O near-mine exploration:**
 - Increase in the Mineral Resource for the Royal Crown Vein deposit to 409,289 tonnes at a grade of 6.92 g/t gold for 91,088 ounces following incorporation of Phase 4 drill results. An underground approach for future drilling to increase the RCV resource is currently being planned.
 - Exploration activities around Co-O and within the Company's tenements are progressing.

Corporate and Financial

- Total cash and cash equivalent on metal account at quarter end of US\$72.2 million (Mar 2021 Qtr: US\$72.2 million).

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

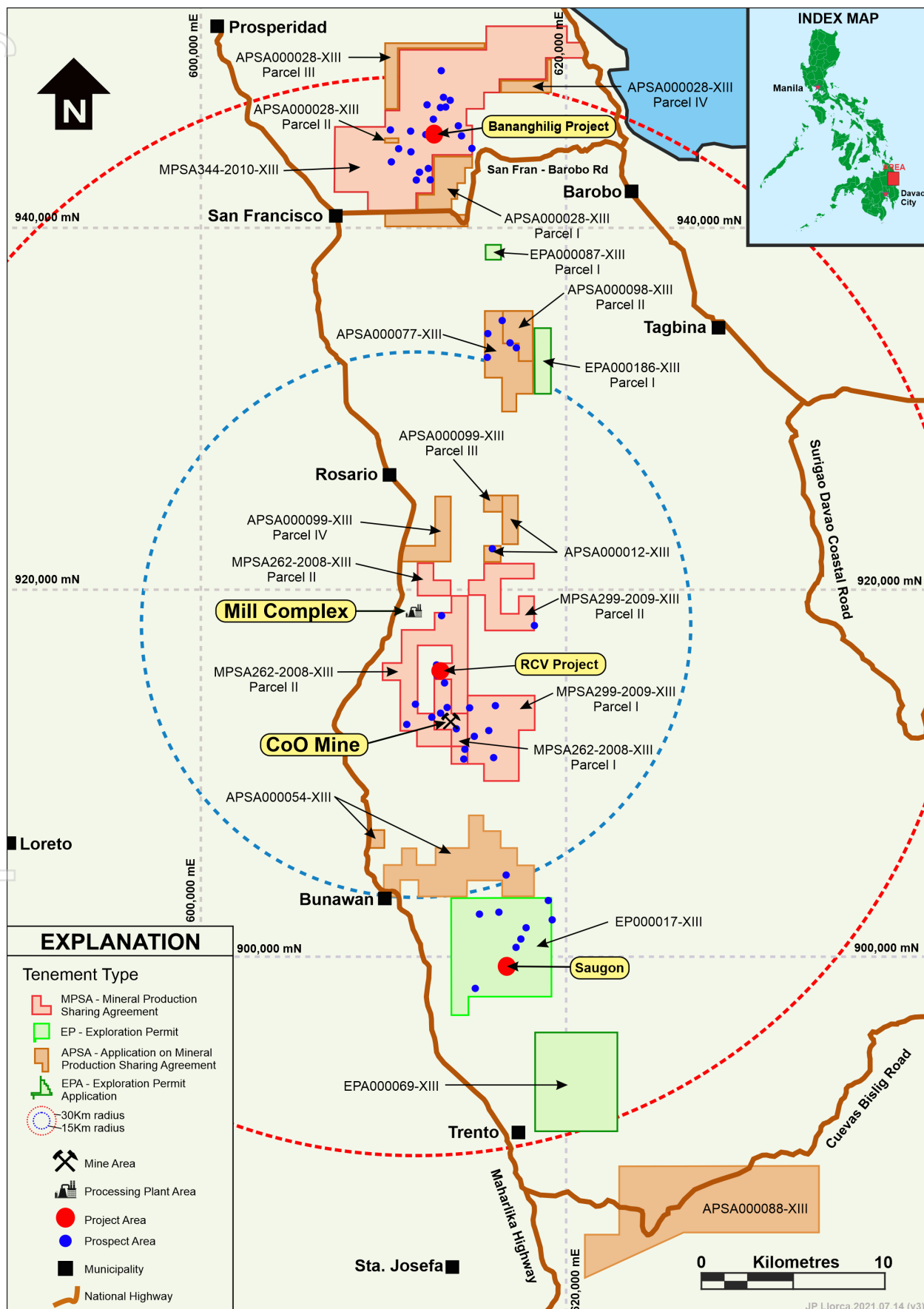


Figure 1: Location diagram showing the Company's Tenements covering the Co-O Mine and Mill operations areas.

At the end of FY2021, the Company's tenement holdings were reduced by 2 to 13, with a combined area of approximately 270 km² (Figure 1 & Appendix B). The tenement holdings removed relate to the joint venture agreement between Medusa and Corplex Resources Incorporated covering APSA-00056-XIII and EPA-000186-XIII. A technical review of data relating to these tenements suggested the areas were generally non-prospective and the decision to cease activities was made. Additionally, the exploration joint venture agreement covering EPA 114-XIII was formally terminated by tenement owner - Neptali Salcedo.

At present, the Company has 4 granted tenements and 9 tenements under application. Of the granted tenements, 3 are currently in the exploration stage, and 1 covering the Co-O Mine is in the operation stage.

All approved tenements are current except for EP 00017-XIII (EP-17) which has a renewal application under review by the Mines and Geosciences Bureau.

Co-O Mine:

Production

The production statistics for the June quarter and comparatives for the previous four quarters are summarised in Table I below.

Table I: Gold production statistics

| Description | Unit | Jun 2020 Quarter | Sep 2020 Quarter | Dec 2020 Quarter | Mar 2021 Quarter | Jun 2021 Quarter | FY 2021 |
|-----------------------------|---------|------------------|------------------|------------------|------------------|------------------|---------|
| Ore mined | WMT | 116,728 | 142,802 | 128,126 | 107,080 | 139,731 | 517,739 |
| Ore milled | DMT | 105,690 | 125,659 | 117,723 | 96,476 | 124,090 | 463,948 |
| Head grade | g/t | 6.59 | 7.56 | 7.12 | 6.21 | 5.89 | 6.48 |
| Recovery | % | 95.8 | 95.9 | 96.1 | 95.8 | 95.40 | 95.73 |
| Gold produced | ounces | 21,947 | 28,363 | 26,075 | 18,359 | 22,396 | 95,193 |
| Gold sold | ounces | 24,024 | 27,018 | 28,453 | 17,691 | 21,457 | 94,619 |
| Underground development | metres | 8,087 | 8,887 | 6,106 | 5,813 | 5,942 | 26,748 |
| Cash Costs * | US\$/oz | 692 | 615 | 693 | 883 | 827 | 738 |
| All-In Sustaining Costs | US\$/oz | 1,116 | 1,079 | 1,033 | 1,304 | 1,594 | 1,231 |
| Average gold price received | US\$/oz | 1,745 | 1,927 | 1,866 | 1,753 | 1,836 | 1,856 |
| Cash & cash equivalent | US\$M | 47.1 | 64.7 | 79.3 | 72.2 | 72.2 | 72.2 |

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

Gold production at Co-O for the June quarter of 22,396 ounces was achieved. This quarter's expected performance contributed to attaining 95,193 ounces, slightly above the upper end of guidance for the Fiscal Year 2020-2021.

Total underground development of 5,942 metres was achieved for the quarter. Much of the vertical and horizontal development being completed at Levels 8, 9 and 10, while focused horizontal development continues at Levels 10 and 12.

All-In-Sustaining-Costs ("AISC") in the quarter increased as expected to US\$1,594 per ounce with the inclusion of costs associated with the construction/development of the Tigerway Decline Project. Total capital costs to date for the Tigerway Decline stands at approximately US\$6.5 million. The AISC for FY2021, inclusive of the Tigerway Decline was achieved within guidance at US\$1,231 per ounce.

Updated production and cost guidance for FY2022 will be provided as part of the Company's FY2021 Financial Results at the end of August.

Production shafts

Overall material hoisted for the period was 124,872 dry tonnes (DMT) which is 15% below budget.

- **Level 8 shaft:**

The shaft achieved a total of 109,753 dry tonnes hoisted for the quarter, comprising 10,176 tonnes of waste and 99,577 tonnes of ore. Continuous, systematic refurbishment of the L8 Shaft is continuing to improve its longevity as a key piece of infrastructure at Co-O.

- **Agsao inclined shaft:**

Total material hoisted from Agsao Shaft totalled 22,878 dry tonnes, comprising of 21,813 dry tonnes of ore and 1,065 dry tonnes of waste.

- **Baguio inclined shaft:**

Baguio Shaft total material hoisted amounted to 2,723 dry tonnes, comprising of 2,658 dry tonnes of ore and 65 dry tonnes of waste.

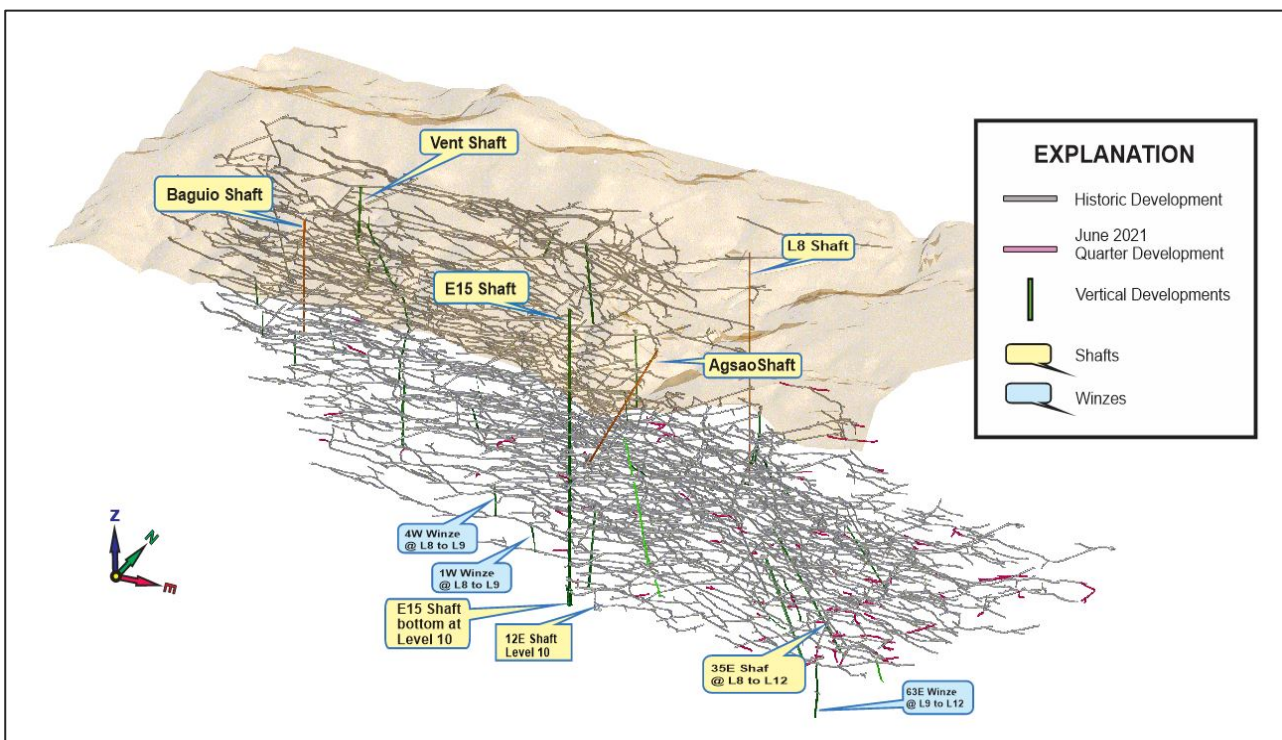


Figure 2: 3D Isometric view of Co-O mine showing all historic mine development, plus the June Quarter's horizontal development in Pink, also showing the primary vertical developments.

- **E15 service shaft**

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

- **Processing plant**

Plant throughput for the June quarter was 124,090 dry tonnes at a grade of 5.89 g/t gold. Throughput tonnage increased by 29% compared to the previous quarter (Mar 2021 Qtr: 96,476 dry tonnes at 6.21 g/t gold). Beneficial gold recoveries continued to be achieved with 95.4% recorded for the quarter.

Tigerway (Decline Access) Project Update

Surface excavation activities for the Tigerway Decline Project commenced during the quarter with work on the decline portal area well advanced. The last bench of the decline portal area has been completed with an existing ramp/platform (backfilled) elevation at 145 RL. The platform will be utilised during the installation of ground support which, once complete, will be removed to finalise the portal boxcut.



Photo 1: View of the portal area for the Tigerway Decline Portal.

Other essential surface infrastructure such as mechanical / electrical workshops, housing, office buildings, compressor house, drainage sumps, among others, are either under construction or have been completed. Project progression continues according to schedule.

Health, safety, environment

Safety performance has improved this quarter and will remain a key focus.

There were no significant environmental issues reported for the quarter.

COVID-19 update

As the largest employer in the Caraga region, the Company has implemented several health and safety protocols to prevent the spread of COVID-19 in the workplace and assist with the community response. These protocols are expected to remain in place for the foreseeable future.

To date, the Company has not experienced any material COVID-19 related disruptions to production or the supply of goods and services. Accordingly, no material impacts on gold production have occurred. However, the ability to attract labour, travel restrictions and associated isolation requirements have impacted total material mined and continue to present a risk to future production.

Co-O Mine geology

Co-O Mine drilling

Total drilling for the quarter was 13,027 metres, a 53% improvement from the previous quarter (Mar 2021 Qtr: 8,500 metres) due to increased access to drill coddies in deeper levels of the mine. Ore Reserve drilling at Levels 4, 7, 8 and 10 totalled 4,460 metres from 24 drill holes, while resource drilling at Levels 10 and 12 totalled 8,568 metres from 16 drill holes.

Significant high-grade results returned from the drilling include 1.0 metre @ 83.4 g/t gold; 0.7 metres @ 29.0 g/t gold; 0.25 metres @ 24.3 g/t gold; 0.95 metres @ 23.7 g/t gold; and 1.6 metres @ 13.1 g/t gold (see Table II).

The underground drilling campaign from Level 10, targeting resource definition to Levels 11 and 12 (Figure 3), continued to return good results. This program aims to increase and upgrade the current Mineral Resource through depth and strike extensions of the mineralised vein system between Levels 10 and 12 (-300m to -400m RL). Drilling at Level 12 continued to deliver excellent grades, proving the extension of the Mineral Resource to Level 16 (Figure 3). A second drill cuddy at Level 12 is currently being developed to further test mineralisation down-dip to Level 20.

Significant results obtained during the quarter are reported in Table II, and relative positions are shown in the longitudinal section (Figure 3 & 4).

Table II: Co-O Mine underground drill hole results from ≥ 3 gram-metre/tonne gold

(refer Appendix A for JORC Code, 2012 Edition - Table 1 Report)

| Hole Number | East | North | RL | Depth (metres) | Azim (°) | Dip (°) | From (metres) | To (metres) | Width (metres) | Gold (g/t) | Accumulations (gm*m) |
|---|--------|--------|------|----------------|----------|---------|---------------|-------------|----------------|------------|----------------------|
| UNDERGROUND RESOURCE DRILLING - LEVEL 7 | | | | | | | | | | | |
| L7-34W-001 | 613618 | 912805 | -133 | 240.60 | 358 | -1 | 35.85 | 36.60 | 0.75 | 18.73 | 14.05 |
| UNDERGROUND RESOURCE DRILLING - LEVEL 10 | | | | | | | | | | | |
| L10-19W-001 | 613771 | 912800 | -288 | 160.10 | 44 | -1 | 108.05 | 108.50 | 0.45 | 9.93 | 4.47 |
| L10-7E-030 | 613987 | 912950 | -291 | 551.10 | 182 | -31 | 17.55 | 18.10 | 0.55 | 8.40 | 4.62 |
| | | | | | | | 62.50 | 63.50 | 1.00 | 11.47 | 11.47 |
| L10-7E-032 | 613986 | 912950 | -291 | 551.10 | 202 | -29 | 102.60 | 103.60 | 1.00 | 4.89 | 4.89 |
| L10-7E-033 | 613987 | 912949 | -291 | 551.10 | 172 | -32 | 61.60 | 62.60 | 1.00 | 8.53 | 8.53 |
| UNDERGROUND RESOURCE DRILLING - LEVEL 12 | | | | | | | | | | | |
| L12-35E-001 | 614373 | 913066 | -391 | 550.50 | 167 | -22 | 188.10 | 188.60 | 0.50 | 12.93 | 6.46 |
| | | | | | | | 191.80 | 192.25 | 0.45 | 78.10 | 35.14 |
| | | | | | | | 230.30 | 231.10 | 0.80 | 5.13 | 4.10 |
| | | | | | | | 294.50 | 295.50 | 1.00 | 9.43 | 9.43 |
| | | | | | | | 423.15 | 424.15 | 1.00 | 4.14 | 4.14 |

Notes:

- Composited intercepts' 'Accumulations' calculated by using the following parameters:
 - accumulations = grade x width;
 - no upper gold grade cut-off applied; and
 - lower cut-off grade of 3.0 g/t gold.
- Widths and depths are downhole measurements, not true widths.
- 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.
- Grid coordinates are rounded and based on the Co-O Mine Grid. RL is elevation, rounded in metres relative to Mine Datum.

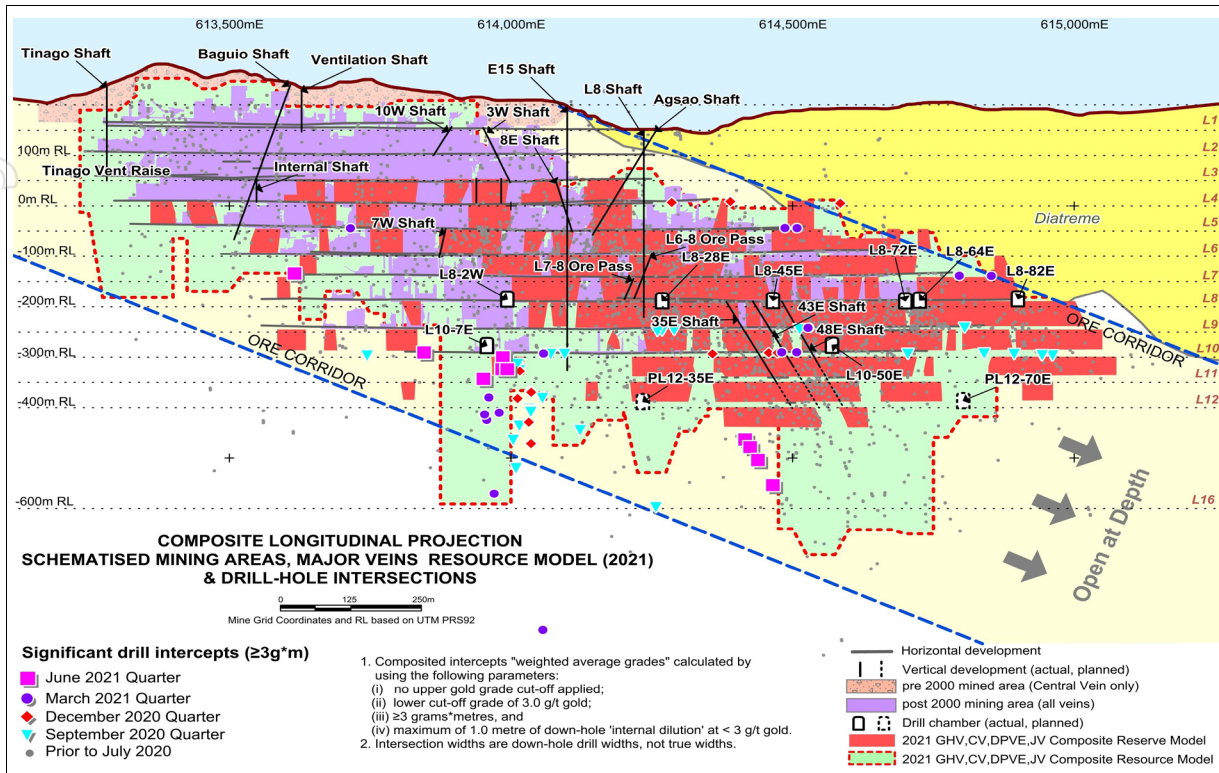


Figure 3: Co-O Mine Longitudinal Projection showing composited mining depletion, vertical development, Mineral Resource limits and significant drill intercept locations (including previously reported).

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 June quarter continued to return encouraging high-grade assay results.

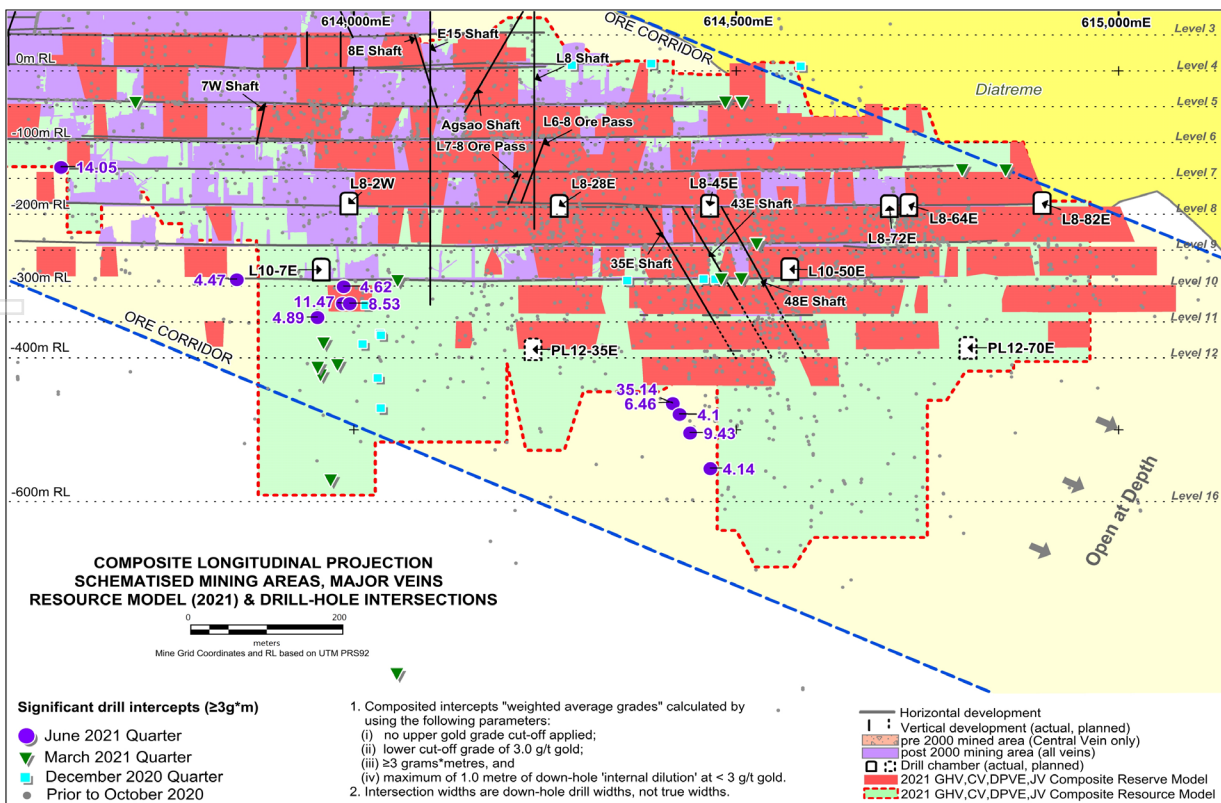


Figure 4: Co-O Mine Longitudinal Projection showing details of the significant drill intercept's accumulation values in Table II.

Co-O surface exploration

Near mine surface exploration

Exploration activities during the June quarter were focused on the Royal Crown Vein ("RCV") Project and Laila-Brenda and Laklak vein system within the Tagabaka prospects located within MPSA 299-2009-XIII (Figure 5).

Prospects within the tenement area are shown in Figure 5.

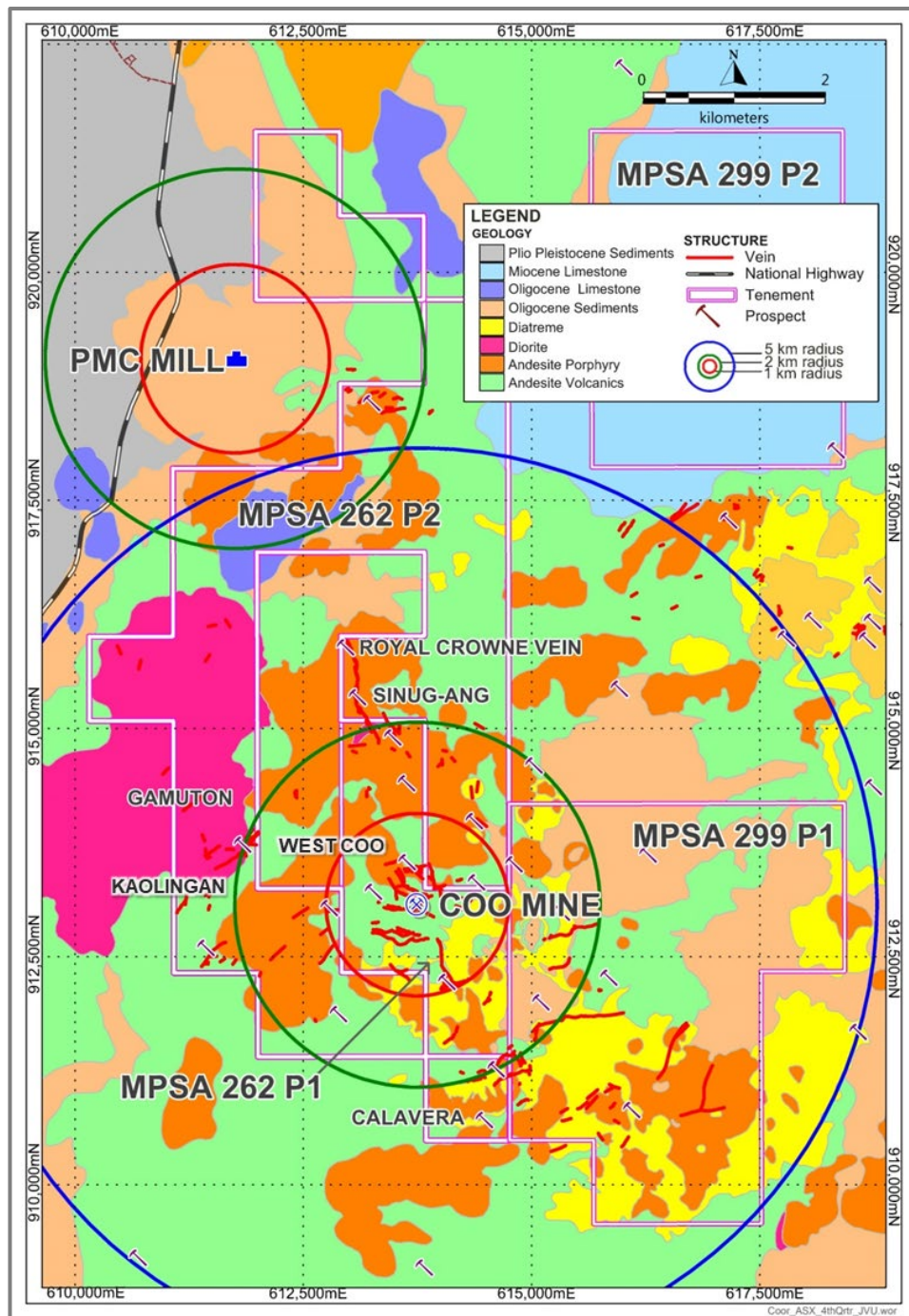


Figure 5: Geological map of the Co-O Mine District showing the location of Royal Crown Vein and other projects within the Co-O Mine District.

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

The update of the geologic model and Mineral Resource Estimate for the RCV epithermal vein deposit was completed during the quarter, incorporating results from the Phase 4 drilling program.

The total JORC 2012 Indicated and Inferred Mineral Resources for the RCV Deposit is now estimated at 409,500 tonnes at a grade of 6.91 g/t gold equivalent to 91,017 ounces of gold. This represents a 14% increase from the previous resource estimate announced to the ASX on 13 April 2021.

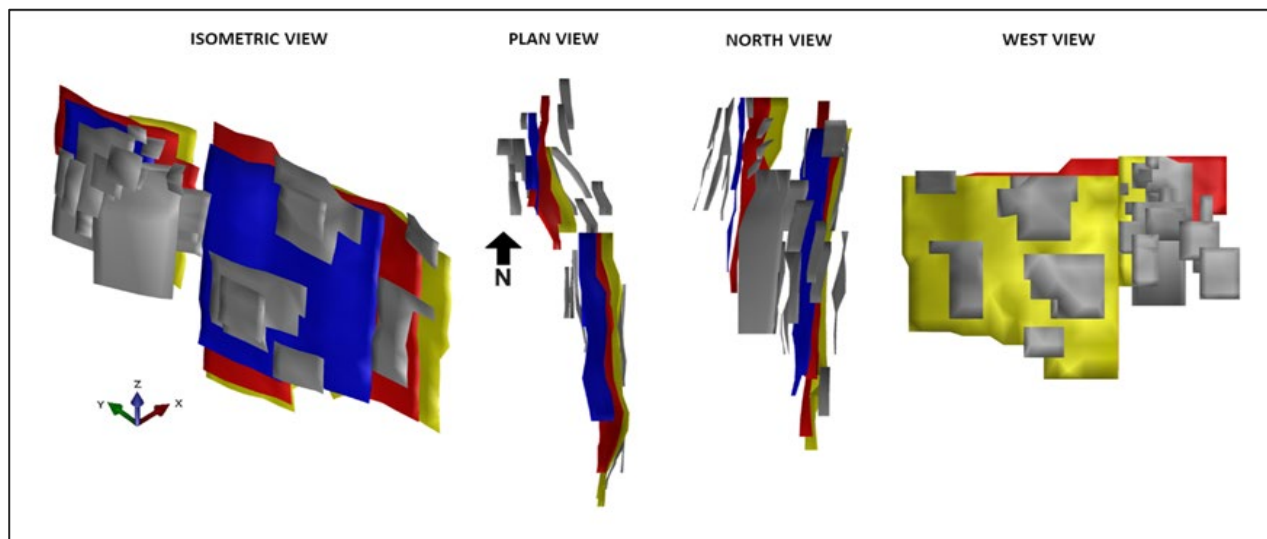


Figure 6: Composite geological wireframe model of the RCV vein deposit as of 7 May 2021

Table III: Total JORC Code 2012 Mineral Resources for the RCV Deposit at a cut-off grade of 2.00 g/t gold for Indicated and Inferred Resources as of 7 May 2021.

| Category | Tonnes | Gold (g/t) | Gold (g/t) |
|------------------------|----------------|-------------|---------------|
| Indicated resources | 53,733 | 5.45 | 9,419 |
| Inferred resources | 355,556 | 7.14 | 81,669 |
| TOTAL RESOURCES | 409,289 | 6.92 | 91,088 |

Completing the Phase 4 drilling program at the Royal Crown Vein Gold and the updated resource estimate, an underground approach for an additional drilling program is currently being put together to increase the resource base.

West Co-O Prospect (MPSA 262-2008-XIII Parcel 2)

A scout drilling program was initiated to test the presence of a potential bulk-mineable high sulfidation epithermal gold deposit to the west of the Co-O Mine. The area represents a potential extension of the westernmost segment of the Co-O Mine intermediate sulfidation epithermal narrow vein deposit into the West Co-O prospect.

Drill testing of this target commenced on 19 April 2021 and was completed on 24 June 2021. A total of five drill holes with a cumulative meterage of 1,634.80m were completed.

The drill holes successfully intercepted the vein-stockwork zone previously defined by the historical drill hole EXP-016. A total of 425 core samples were submitted to Intertek Laboratory in Manila. The initial results from the first batch of samples returned low gold values that are mostly below the detection threshold. Thus, further project work was put on hold awaiting further assay results before a decision on whether to continue the project.

CORPORATE:

- On 16 April 2021, the Company advised that its Philippines affiliate Philsaga Mining Corporation, had executed a contract for the 'Tigerway' Decline Project for its Co-O Gold Mine with a Philippines contractor, Mount Rock Powder Corporation.
- At a General Meeting of shareholders held on 24 June 2021, shareholders approved the issuance of Performance Rights to Managing Director, Andrew Teo and the President of Medusa's Philippines entities, Raul Villanueva. The shareholders also supported the adoption of the Company's Performance Rights Plan but vetoed the proposed adoption of an amended Constitution of the Company.
- President Rodrigo Duterte of the Philippines signed Executive Order No. 130 aimed at implementing reforms in the Philippine mining sector and lifting a moratorium on the signing of new mining agreements. Medusa welcomes this positive development for the Philippines mining industry.
- The Board will consider declaring a final dividend in the context of the upcoming capital requirements of the business, the future operating outlook and current cash balance. The payment of a final dividend remains at the full discretion of the Board.

FINANCIALS:

As at 30 June 2021, the Company had total cash and cash equivalent in gold on metal account of approximately US\$72.2 million (31 March 2021: US\$72.2M).

The Company sold 21,457 ounces of gold at an average price of US\$1,836 per ounce in the June 2021 quarter (Mar 2021 Qtr: 17,691 ounces sold at an average price of US\$1,753 per ounce).

During the June 2021 quarter, the Company incurred:

- Exploration expenditure (inclusive of underground exploration) of US\$1.8 million (March 2021 Qtr: US\$1.3);
- US\$7.0 million on capital works (primarily on the development/construction of the Tigerway Decline) and associated sustaining capital at the mine and mill (March 2021 quarter: Nil);
- US\$7.3 million on continued mine development (March 2021 Qtr: US\$5.6M); and
- Corporate overheads of US\$1.4 million (March 2021 Qtr: US\$1.4M).

In addition to the expenses highlighted above, which form part of All-In-Sustaining-Costs ("AISC") of US\$1,594 per ounce for the June 2021 quarter (Mar 2021 Qtr: AISC of US\$1,304 per ounce), the Company also expended cash in the following areas during the June quarter:

- Net decrease in creditors/borrowings of approximately US\$0.5 million;
- Net increase in warehouse inventory, prepayments and receivables of approximately US\$0.8 million;
- Net increase of indirect value added tax (refundable in tax credits) of approximately US\$2.2 million; and
- Tax and interest charges totalling approximately US\$1.8 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), 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 2020 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.

Except where explicitly stated, this Quarterly Report contains references to prior Exploration Targets and Exploration Results, all of which have been cross-referenced to previous ASX announcements made by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant ASX announcements.

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 | <ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole 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 mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done, this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised 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 (eg submarine nodules) may warrant disclosure of detailed information. | <ul style="list-style-type: none"> Diamond (DD) core and stope face channel samples are the two main sample types. Diamond (DD) core samples: Half core samples for DD core sizes, NQ and HQ. Stope and Development samples: Stope face channel samples are taken over stope widths of 1.5 to 3m for waste and mineralised material. DD drilling is carried out to industry standard to obtain drill core samples, split longitudinally in half along the core axis using a diamond saw. Half 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 for pulverisation 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 | <ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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). | <ul style="list-style-type: none"> For underground drilling, larger rigs (i.e. LM-55 and Diamec U6, U6DH-APC), 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 the smaller portable rigs (Diamec 232, TDM-30, and GD-55), drill holes are collared using NTW (core diameter Ø 56mm), NQ/NQ3 (core Ø 45mm/47mm) and HQ/HQ3 (core Ø 61mm/63mm) until hole termination. Previous small rigs were Ingetrol and XU-200, with the holes collared using TT46 or LTK60 drill bits (core diameters 35mm and 44mm respectively) and continue coring to target depth. Drill core orientation is measured using the Ezy-Mark™ (single magnetic shot) and DeviFlex (non-magnetic multi-shot) front end core orientation tool. For surface holes, drillholes 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 sample recovery | <ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measure taken to maximise 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. | <ul style="list-style-type: none"> 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 a 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. |

| Criteria | JORC Code explanation | Commentary |
|---|--|--|
| Logging | <ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> | <ul style="list-style-type: none"> 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 cores. 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. |
| Sub-sampling techniques and sample preparation | <ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or call core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> | <ul style="list-style-type: none"> Except for TT46 drill core, all 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 standards. 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 pulverising are undertaken routinely. For PQ/PQ3, HQ/HQ3, NQ/NQ3 and LTK60 core, the remaining half core is retained for reference. The TT46 drill core is whole core sampled. 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 | <ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i> | <ul style="list-style-type: none"> 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. |

| Criteria | JORC Code explanation | Commentary |
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| | | <ul style="list-style-type: none"> 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 minimise 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 $\pm 20\%$ 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 | <ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> | <ul style="list-style-type: none"> Visual inspections to validate mineralisation with assay results has occurred regularly. In addition, independent and alternative company personnel regularly verify significant mineralised intersections. All drilling is a diamond drilling, and no twinning of holes has been undertaken. The majority of drilling is proximal to mine development, and intersections are continually validated by the advancing mine workings. 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 | <ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> | <ul style="list-style-type: none"> Suitably qualified surveyors or experienced personnel, using total station survey equipment, locate all drillhole collars. Coordinates are located 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 in establishing and maintaining SCS to a high standard as the mine deepens. Therefore, accuracy is considered to be appropriate for mine control. |
| Data spacing and distribution | <ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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</i> <i>Whether sample compositing has been applied.</i> | <ul style="list-style-type: none"> Before 2015, surface exploration drillholes 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 has been completed to support Mineral Resource and Ore Reserve estimation procedures. |

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| | | <ul style="list-style-type: none"> Sample compositing has not been applied to exploration data for the purposes of reporting. |
| Orientation of data in relation to geological structure | <ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> | <ul style="list-style-type: none"> Mineralisation is hosted within narrow, typically <2m wide quartz veins. Orientations of the veins generally are E-W, with variations from NE-SW to NW-SE, with dips varying from flat-lying to steep dipping to the North. Surface drillholes 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 | <ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> | <ul style="list-style-type: none"> 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 in-house contractor's (Bastareche Trucking Services) vehicles and accompanied by company personnel to the laboratory. |
| Audits or reviews | <ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> | <ul style="list-style-type: none"> In August 2018, Intertek Testing Services Phils, Inc. conducted and reported an independent review of available QA/QC data. There were procedural issues identified by the audit that was immediately rectified. The Laboratory is currently on the conversion of the ISO 14001: 2015 version. A follow up independent audit by a third party is scheduled between May to June 2019. Since October 2016, the Philsaga laboratory was visited several times by Mr JP Llorca. As of 2016, the Company conducts its QAQC using the Acquire database management software. This work is carried out on-site by Philsaga GIS personnel trained and experienced in QAQC protocols. The accuracy of the gold determinations was predominantly within the tolerance limits for both the PMC laboratory and the independent checking laboratory. However, the precision of assay is 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 | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> The Co-O mine is operated under Mineral Production Sharing Agreements ("MPSA") MPSAs 262-2008-XIII and 299-2009-XIII, which covers 4,739 hectares. Aside from the prescribed gross royalties' payable to the Philippine government (2%) and the Indigenous People (1%), no other royalties are payable on production from any mining activities within the MPSA. |
| Exploration done by other parties | <ul style="list-style-type: none"> Acknowledgement and appraisal of exploration by other parties. | <ul style="list-style-type: none"> The Co-O mine was initially 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 | <ul style="list-style-type: none"> Deposit type, geological setting and style mineralisation. | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. | <ul style="list-style-type: none"> Detailed information concerning the drill holes forming the basis of this Mineral Resource estimate is not included in this report because 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. Easting, northing and RL of the drillhole 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. Downhole 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 | <ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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. | <ul style="list-style-type: none"> 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. |

| Criteria | JORC Code explanation | Commentary |
|---|---|--|
| | <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. | |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> 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 (eg 'down hole length, true width not known'). | <ul style="list-style-type: none"> The majority of drilling is oriented approximately orthogonal to the known orientation of mineralisation. 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 drillholes 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 | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> A longitudinal section is included showing significant assay results locations (Figure 3). Tabulated intercepts are not included as they have been previously reported. |
| Balanced reporting | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Significant intercepts have previously been reported for all DD drillholes that form the basis of the Mineral Resource estimate. However, less significant intercepts have not been reported since the drilling is carried out within the mine environs. |
| Other substantive exploration data | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> No other substantive exploration data has been acquired or considered meaningful and material to this announcement. |
| Further work | <ul style="list-style-type: none"> The nature and scale of planned further work (eg 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. | <ul style="list-style-type: none"> Recent drilling focused on the eastern geological limits of GHV from Levels 11 to 14 the northern veins indicate favourable mineralisation. Mineralisation is still open to the east and at depth. Underground exploration and development drilling will continue to test for extensions along strike and depth to the Co-O vein system. |

APPENDIX B:

Tenement Schedule (as at 30 June 2021)

| Name | Tenement ID | Registered Holder | Company's Interest as at | | Royalty ¹ | Area (hectares) as at | |
|-----------|-------------------------------|-------------------|--------------------------|-------------|----------------------|-----------------------|-------------|
| | | | 31 Mar 2021 | 30 Jun 2021 | | 31 Mar 2021 | 30 Jun 2021 |
| 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 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 00077-XIII | Corplex | 100% | 100% | 4% GSR | 810 | 810 |

Notes:

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

ABBREVIATIONS:

Tenement Types

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

Registered Holders

| | |
|----------|---|
| Apmedoro | APMEDORO Mining Corporation |
| BMMRC | Base Metals Mineral & Resources Corporation |
| Corplex | Corplex Resources Incorporated |
| PMC | Philsaga Mining Corporation |
| Philcord | Mindanao Philcord Mining Corporation |
| Philex | Philex Gold Philippines Incorporated |
| Phsamed | Phsamed Mining Corporation |

Royalty

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