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**ANNOUNCEMENT**

16 April 2019

**MAIDEN ROYAL CROWNE VEIN GOLD DEPOSIT  
MINERAL RESOURCE**

(ASX: MML)

- Maiden Inferred Resource of 50koz @ 5.0 g/t gold at Royal Crowne Vein located 3km from the Co-O mill;
- Mineralisation extends from surface to 150 metres below surface and is open along strike and at depth; and
- Further drilling activities at Royal Crowne Vein being planned.

Medusa Mining Limited (“Medusa” or the “Company”), through its Philippines affiliate Philsaga Mining Corporation (“Philsaga”), is pleased to announce a JORC Code 2012 compliant Mineral Resource estimate for the Royal Crowne Vein Gold Deposit.

An Inferred Resource is estimated at 50,300 ounces at a grade of 5.03 g/t gold contained in 311,300 tonnes of ore using a cut-off grade of 2.0 g/t gold. The Mineral Resource estimate is based on assay results of core samples from 12 historical drill holes and 20 new drill holes for 1,885 and 5,087 drilled metres, respectively.

**David McGowan, Chief Executive Officer of Medusa, commented:**

*“It is pleasing that our 2018 drilling campaign has achieved the objective of validating historical data and establishing an initial Inferred Resource of 50koz gold. With the mineralisation still open at depth and along strike, there is good potential to grow the resource. A second phase campaign of drilling is planned to increase the confidence and size of the resource base. This would enable us to better evaluate the project’s potential to provide additional feed to the under utilised Co-O mill, located just 3km away.”*

## BACKGROUND

The Royal Crowne Vein (“RCV”) Gold Deposit is located approximately 3km from the Co-O mill and within the Company’s Mineral Production Sharing Agreement (“MPSA”) permit designated as MPSA 262-2008-XIII covering an area of 2,539 hectares within the Co-O Mineral District.

The prospect area is an active artisanal mining site and was the focus of exploration and drilling activities by Banahaw Mining and Development Corporation (“BMDC”) in the late 1980s and early 1990s. From 2006 to 2007 Philsaga explored and drilled 12 holes for 1,885 metres in the RCV prospect before the Company’s exploration focus shifted to other prospects within the Co-O Mine.

The Company resumed exploration and drilling activities in the area on August 2018 completing 20 diamond drill holes for 5,087 metres by November 2018.

The Co-O mill has a capacity of 2,500 tonnes per day and is currently operating on a campaign basis representing approximately 60% total capacity. Medusa is exploring a number of opportunities to increase mill utilisation, including from the advancement of deposits within the MPSA such as the RCV deposit.

## RESOURCE ESTIMATION

A global Inferred Resource estimation for the Royal Crowne Vein Deposit was undertaken in-house by Philsaga’s Mine Resource Group based on historical drilling and new drill holes completed in 2018.

The summary of the Mineral Resource at various cut-offs with 2.0 g/t gold as the base case - estimate is presented in Table 1.

**Table 1.** Inferred Resource estimate of the Royal Crowne Vein as at 31 March 2019.

Cut-off Grade	Tonnes	Grade	Ounces
0.10	3,283,400	0.98	103,800
0.20	3,177,400	1.01	103,300
0.30	2,897,700	1.08	100,900
0.40	2,532,200	1.19	96,900
0.50	2,241,200	1.29	92,700
1.00	539,900	3.45	59,900
1.50	363,300	4.56	53,200
2.00	311,300	5.03	50,300
2.50	254,500	5.65	46,200
3.00	200,800	6.42	41,400
3.50	159,900	7.23	37,200
4.00	134,400	7.90	34,100
4.50	118,400	8.40	32,000
5.00	106,100	8.82	30,100

**Note:** Minor inconsistencies are due to rounding off to the nearest 100s.

The Royal Crowne Vein Mineral Resource estimate is based on a number of factors and assumptions, some of which are listed below:

- All available drilling data as at 31 January 2019;
- Wireframes were generated on cross-sectional and plan interpretations based on available geology and assay data;
- The bulk density used was 2.55 g/cm<sup>3</sup> based on the averaged measured bulk densities of 131 representative core samples with values ranging from 2.18 g/cm<sup>3</sup> to 3.05 g/cm<sup>3</sup>;
- A lower cut-off of approximately 0.3 g/t gold was used to define 37 mineralisation zones with seven mineralisation zones having three or more composites;
- Block estimates were based on interpolation into 1mN x 1mE x 1mRL parent cells. Block discretization points were set to 5 x 5 x 5 points;
- Considering the limited amount of sample points, inverse distance squared (“IDS”) was used to estimate the block values of the seven mineralisation zones with three or more composites. The 30 remaining mineralisation zones with less than three composites were assigned a grade of 0.5 g/t gold;
- The optimum search distance used for each or domain was set at 100 metres; and
- No high-grade cuts and variograms were applied in the Mineral Resource estimate.

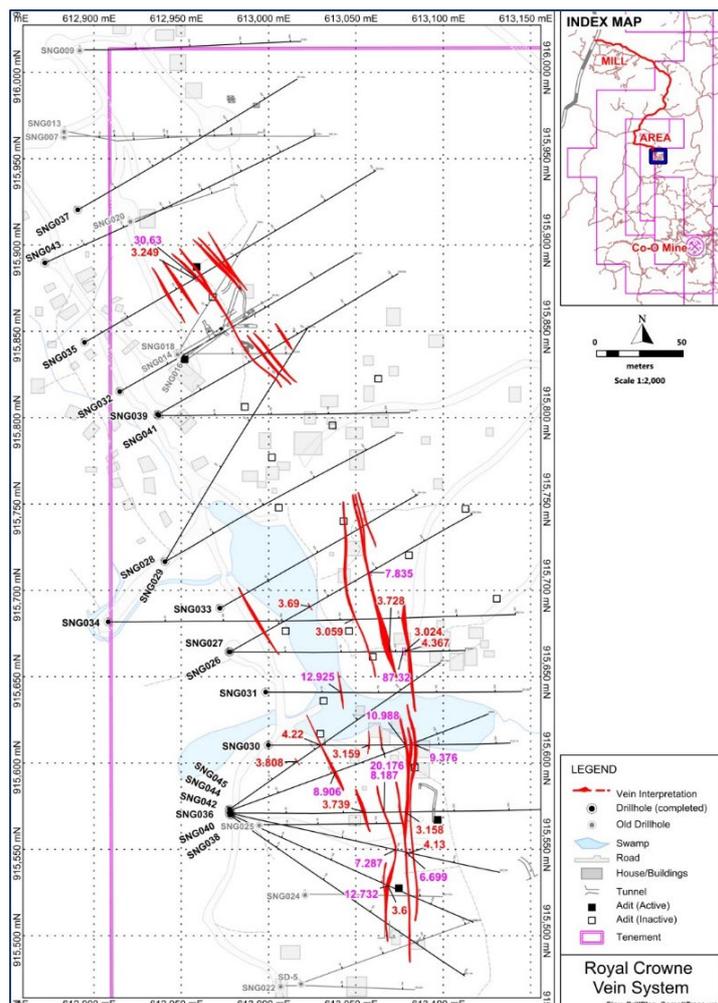


Figure 1. Map showing location of the 20 completed holes of the RCV scout drilling program, and significant drill intercepts above 3.0 g/t gold.

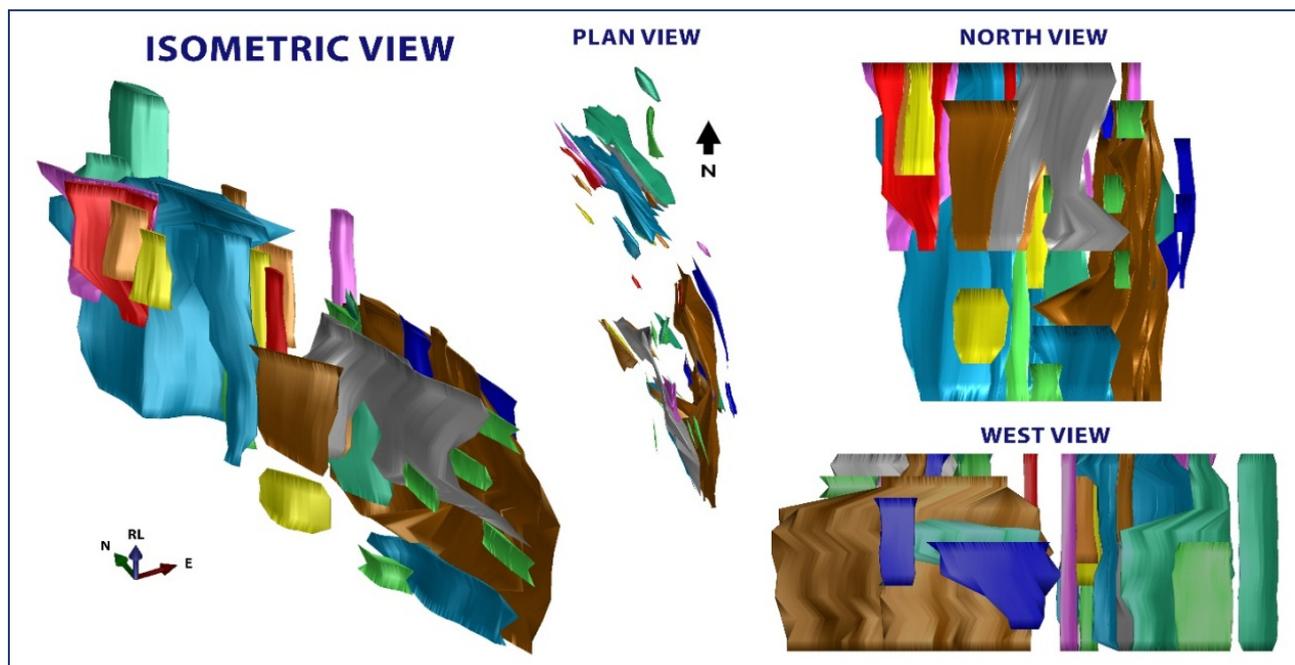


Figure 2. Composite geological interpretation wireframe of the RCV vein deposit.

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**JORC COMPLIANCE - CONSENT OF COMPETENT PERSONS**

**Medusa Mining Limited**

Information in this report relating to **Exploration Results** and all geological work on **Co-O Mineral Resources** has been reviewed by Mr James P Llorca, and is based on information compiled by Philsaga Mining Corporation's Co-O mine-site and exploration technical personnel. Mr Llorca is a Fellow of The Australian Institute of Geoscientists, a Fellow of the Australasian Institute of Mining and Metallurgy, and a Chartered Professional in Geology with the AusIMM. Mr Llorca is General Manager – Geology and Resources, and is a full time employee of Medusa Mining Ltd, and has more than 35 years of sufficient experience which is relevant to the styles of mineralisation and type of deposit 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." 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.

# Royal Crowne Vein (RCV) Gold Project – 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
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g 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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• For the Royal Crown Vein (RCV) Drilling Program diamond (“DD”) core is the main sample type. Core sizes comprise of PQ (core Ø 83mm) and HQ (core Ø 61mm) size cores. Cores are split using a diamond core saw with cutting plane oriented perpendicular to the mineralized structures. Half of the core is taken as sample and the other half retained for future reference.</li> <li>• Drilling is carried out to industry standard.</li> <li>• Cores are sampled based on lithological contacts with a minimum interval of 20cm and maximum interval of 1.0m.</li> <li>• Since 2010, all PMC surface exploration core samples are directly sent to Intertek Minerals Philippines (“Intertek”) for sample preparation and analysis. Intertek is an ISO 9001: 2015 QMS certified laboratory. Sample preparation and analytical techniques employed are to industry standards.</li> <li>• The remaining pulps and coarse sample rejects are retained in a secure storage for future reference.</li> <li>• Historical core samples from 2006 to 2007 were analysed in Philsaga Mining Corporation’s (“PMC”) Laboratory. A 2005 audit of the PMC laboratory facility and procedures by a Competent Person (Obial, 2005) noted a potential for sample cross contamination as both mine ore and exploration samples are prepared and analysed using the same laboratory facilities. An independent laboratory check of CRMs and high grade (i.e. &gt;5.0 g/t Au) pulp samples noted that the PMC laboratory consistently reports mostly high assay values compared to those analysed by MacPhar Geoservices Philippines Inc. (“MacPhar”) – a NATA and ISO9001:2000 accredited laboratory in Manila. MacPhar was later acquired by Intertek on April 2008.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>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).</i></li> </ul>	<ul style="list-style-type: none"> <li>• The drilling rigs used for the RCV scout drilling program include crawler- and skid-mounted Boart Longyear LF™90 units with depth capacities of 1,200m.</li> <li>• Drilling is carried out using wireline diamond coring techniques with core retrieved using triple tube barrel assembly.</li> <li>• Drill holes were collared using PQ drill bits (core Ø 83mm) and drilled down to competent bedrock. Holes were then completed using HQ drill bits (core Ø 61mm) to target depths or pre-terminated due to difficult ground conditions.</li> <li>• Drill hole deviation was monitored at 50m interval using Devico DeviFlex® - a non-magnetic multi-shot down-hole survey instrument.</li> <li>• For historical drill holes, deviation was monitored at 50m interval using REFLEX EZ-SHOT, a single shot down-hole survey instrument.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• For each core run, total core length is measured with the recovery calculated against the drilled length. For the RCV Drilling Program core recovery range from 93% to 99% with the average core recovery at 98%, which is well above the industry standards.</li> <li>• Sample recovery was maximized by monitoring and adjusting drilling parameters (e.g. mud mix, drill bit series, rotation speed). Core sample integrity was maintained using triple tube coring system.</li> <li>• There is no observed bias between sample recovery and grade as core recovery rates were above industry standards.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All drill core geotechnical parameters – such as RQD, fracture intensity, weathering and rock strength, including a quick geological log (mineralized zone, dominant alteration and lithology) are initially logged on-site using Company standard logging form/s with level of detail appropriate to capture preliminary geological and geotechnical information.</li> <li>• Core photography is also done on site, and used as reference to validate integrity of transported core from site to PMC’s Core Farm facility. Core photos are immediately reviewed to ensure that resolution are of sufficient quality for future re-logging review. Core photos of poor quality and resolution are re-photographed.</li> <li>• Detailed geologic and geotechnical logging were done for the entire drill length, and undertaken within a secured well-lighted and ventilated space inside PMC’s Core Farm facility.</li> <li>• A more detailed qualitative and quantitative geological and geotechnical logging were undertaken within PMC’s Core Farm using a Company standard logging form/s of sufficient level of detail to support geological, geotechnical, mineral resource estimation, mining, metallurgical and other related studies.</li> <li>• Logged data was digitally encoded, entered into a digital database, and validated using acQuire® software.</li> <li>• For historical drill holes only the digital excel files are available. Not all drill holes were logged in detail with some holes having intervals that were not logged. However, unlogged intervals comprise only 20% of the total metreage. Where core photos are available for validation, unlogged drill intervals correspond to unmineralised units.</li> <li>• Logging was both qualitative and quantitative in nature.</li> <li>• Historical drill holes used a different set of logging codes and format, which was later modified to conform to the current PMC geological logging codes and format. The modified drill hole data logs are the ones retained in the drill hole database while the old drill hole data logs are digitally archived for future reference.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <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></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Diamond (DD) core samples were cut longitudinally in half along the core axis using a circular diamond core saw. Cutting planes were oriented perpendicular to the orientation of the mineralised structure.</li> <li>• The right half-side of the cores were sampled, broken into manageable pieces and placed together with a unique numbered synthetic waterproof sample ticket inside a similarly pre-numbered “double plastic bag”. The sample bag is secured using a plastic straw string. The remaining half of the core is retained for future reference.</li> <li>• Individual core samples weigh between 1kg to 5kg depending on core size, sampling interval and recovery. The sample size is considered appropriate for the style of mineralisation.</li> <li>• Duplicate samples were collected at a nominal ratio of 1 duplicate sample for every 17 samples.</li> <li>• Core samples are submitted to Intertek in Surigao City for additional sample preparation prior to laboratory analysis. Sample preparation techniques employed are to industry standards.</li> <li>• Historical drill core samples from 2006 to 2007 followed the same sampling procedure, but samples were prepared and analysed in-house at the PMC laboratory. Sample preparation techniques are to industry standards.</li> </ul>
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <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></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• All RCV drill core samples were sent to Intertek – an ISO 9001:2015 QMS certified laboratory, for sample preparation and laboratory analysis. Samples are analysed for gold, silver, copper, lead, zinc, arsenic and molybdenum.</li> <li>• Gold is analysed by fire assay method with an AA finish (FA50/AA), an industry standard analytical technique used for gold deposits. It is a total extraction technique.</li> <li>• Silver, copper, lead, zinc, arsenic and molybdenum is analysed by conventional atomic absorption spectrometer (“AAS”), an industry standard analytical technique.</li> <li>• One CRM standard, duplicate and blank are inserted at a ratio of one sample for every 17 primary core samples.</li> <li>• QA/QC assessment of assay results noted that CRMs are well within the tolerable limits. Duplicates generally returned assays within the <math>\pm 20\%</math> MPRD. One sample that failed was visually core validated, and attributed to “nugget effect”. Blank samples were all below the analytical detection limit for gold.</li> <li>• Historical drill core samples during the 2006 to 2007 drilling campaign samples were analysed in-house at the PMC laboratory. A 2005 audit of the PMC laboratory facility and procedures noted a potential for sample cross contamination as both mine ore and exploration samples are prepared and analysed using the same laboratory facilities. An inter-laboratory check of CRMs and high-grade (i.e. &gt;5.0 g/t Au) exploration pulp samples also showed the PMC laboratory consistently reporting mostly high assay values compared to those analysed by MacPhar.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Significant mineralized intersections are visually validated with assay results regularly. Independent and alternative Company personnel also verify significant intersections on a regular basis.</li> <li>• No drill holes were twinned.</li> <li>• Structural and geological logging of drill cores and sample ledgers are hand written using Company standard logging forms. Original logs are scanned and archived for future reference. Logged data are encoded into an excel spreadsheet using standard drop-down entry codes. Encoded data are uploaded, validated, stored and managed using acQuire® software – a mineral industry standard database management software.</li> <li>• Laboratory assay results are received in both digital (csv) format and as hard copy signed laboratory certificates. Digital assay result validation and merging into the database is done using acQuire®. Digital assay entries are later validated and reconciled with the hard copy signed laboratory assay certificates. Hard copies of the laboratory certificates are scanned, and both physical and e-copy of the certificates archived for future reference at the Exploration GIS-Database office and server.</li> <li>• Data on the exploration server are remotely backed-up on a daily basis directly to the Company's server in Davao. Data are also backed-up weekly to an external hard drive and kept in a secured vault at the Exploration GIS-Database office.</li> <li>• Gold assay values below the detection limits and reported with a negative value of -0.01 ppm were assigned an absolute value of 0.005 ppm.</li> <li>• Drilling data for the historical 2006 to 2007 drilling campaign were originally encoded and stored in an excel spreadsheet from the original hardcopy drilling and log forms. No systematic validation of encoded data was done as there remain incomplete drill hole data entries – e.g. start and end of drilling. The original hardcopies of the logs have not been stored properly and/or are missing to enable retrieval of missing entries and validation of existing entries. The original hardcopy PMC laboratory certificates are filed, scanned and digitally archived.</li> </ul>

Criteria	JORC Code explanation	Commentary
<p><b>Location of data points</b></p>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill hole collars were established by experienced survey personnel using a total station survey equipment (i.e. Topcon GTS-235N model). All drill hole coordinates are referenced to nearby Surveyed Control Stations (“SCS”) established within the project area.</li> <li>• The grid system used is Philippine Reference System of 1992 (“PRS92”) Zone 5.</li> <li>• All SCS control points were established by licensed and experienced surveyors tied and cross-referenced to known and available NAMRIA geodetic control points in the region. The accuracy of SCS control points were audited by McDonald Consultants Inc. on 2012 using RTK DGPS survey equipment, and by Land Surveys on 2015 using a Leica® GNSS survey equipment. No gross errors were found on the survey data on both audits.</li> <li>• Of the 12 historical drill holes completed in the area prior to the RCV drilling campaign, only one drill hole – SNG025 was located during an inventory of historical drill holes. Survey validation found no gross deviations of the drill hole details compared to the information retrieved from the database.</li> <li>• Access issues limited the establishment of topographic control points of sufficient density to construct a local digital terrain (“DTM”) model of the project site. In lieu of this, interferometric synthetic aperture radar (“IFSAR”) data was used in creating the DTM model with a 5m to 10m resolution. The IFSAR data was acquired from Certeza Infosys Corporation (“Certeza”) and INTERMAP® Technologies in 2015.</li> <li>• For surveyed RCV drill collars the difference in reduced level (“RL”) elevation compared to the IFSAR-generated DTM model range from less than a meter to three meters.</li> <li>• For historical drill collars the difference in RL with the DTM model range from less than a meter to 13m.</li> </ul>
<p><b>Data spacing and distribution</b></p>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• 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.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Drill spacing was initially established at 50m interval with subsequent in-fills at 25m interval. Where access to drill site became an issue, drilling was oriented in a manner that would provide at least a 50m spacing between target mineralized zones.</li> <li>• The current data spacing is sufficient to establish geological and grade continuity at the Inferred category.</li> <li>• Sample compositing has not been applied to the exploration data.</li> </ul>
<p><b>Orientation of data in relation to geological structure</b></p>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Mineralisation is hosted within narrow, typically less than 1m wide veins and stockworks. These are generally oriented NNW to N-S, and dips to the west at -60o to almost vertical.</li> <li>• Drilling was generally oriented to the east with azimuths and inclination designed to optimize intersecting mineralized structures orthogonally.</li> <li>• Where access to preferred drill site is not possible, drilling was subsequently oriented to minimize intercepting mineralized structures along its dip orientation. Core logging validated that intersected mineralized structures were oriented between 40o to 90o with reference to the core axis.</li> </ul>

Criteria	JORC Code explanation	Commentary
<p><b>Sample security</b></p>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling was supervised by PMC geologists. A 24-hour security and cordon of the drill sites is provided by three security personnel doing 8-hour shifts.</li> <li>• The length of the core is immediately measured by a core checker after it is taken out of the barrel to establish core recovery, and conduct other preliminary geotechnical logging measurements. Core intervals are duly noted and marked in core blocks and placed appropriately together with the core in a plastic core tray. Core trays are labeled sequentially with the drill hole ID and drill interval, stacked and covered at all times with a wooden plyboard sheet while on site.</li> <li>• Core photography is conducted on-site, and photos taken are used as additional reference to validate core integrity during transport from the drill site to the Core Farm.</li> <li>• Core trays are packed with foam strips on top of the core, covered with a wooden plyboard sheet and secured with a plastic straw string to prevent spillage during manual hauling of the core tray from the drill site to the nearest vehicle pick-up point.</li> <li>• All dispatched core trays on-site are accompanied by a duly accomplished transmittal form signed by the PMC geologist on rig duty to establish core tray sample chain of custody. Dispatched core trays are transported using a Company vehicle and personnel to the Exploration Core Farm, where it is received and validated by the Core Farm Supervisor or his duly designated representative. Core trays are individually inspected for potential core disturbance or spillage. Signed and accepted transmittal forms are forwarded and compiled for future reference to the Exploration GIS-Database office.</li> <li>• The Exploration Core Farm Facility is a secured fenced compound with a 24-hour security detail. Detailed core logging and sampling is undertaken inside the Exploration Core Farm building.</li> <li>• Core samples are placed in a pre-labeled "double-packed" plastic sample bag together with a similar labeled synthetic waterproof sample ticket. Individual samples are listed in a standard sample ledger form for documentation. The sample ledger is encoded and merged in the sample database.</li> <li>• Packed core samples for dispatch are placed inside a plastic sack pre-labelled with a sequential nominal sack ID number and sample IDs at a frequency of 7 to 12 sample bags per sack.</li> <li>• Core samples dispatched to Intertek are accompanied by a completed Intertek transmittal form. Samples are transported by Company vehicles and personnel to the Intertek laboratory sample preparation facility in Surigao City where the shipment is received, validated and the transmittal form signed by an Intertek representative. The signed transmittal form is brought back to the Exploration office where it is compiled for future reference.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>Intertek is an accredited ISO 9001:2015 QMS Certified Laboratory, and goes through a regular audit process to maintain its ISO certification.</li> <li>Since 2016, the Company conducts its own QA/QC using acQuire® database management software. This work is routinely carried out upon receipt of laboratory assay results by PMC personnel trained and experienced in QA/QC protocol. For the RCV project samples, assay results were within the tolerance limits.</li> <li>Sampling techniques and database management is to industry standard.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Royal Crowne Vein (“RCV”) Gold Project is located within a granted Mineral Production Sharing Agreement (“MPSA”) designated as MPSA 262-2009-XIII covering an area of 2,538.79 hectares. The license is valid until 11 March 2033. The tenement ground is divided into two contiguous parcel blocks designated as Parcel 1 and Parcel 2.</li> <li>The Royal Crowne Vein Gold Project is located within Parcel 2. Parcel 2 has an area of 2,115.64 hectares, and is covered by a renewable two-year exploration permit.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>The project area was part of the areas previously explored in the late 1980’s by Banahaw Mining and Development Company (“BMDC”), a wholly owned subsidiary of Musselbrook Energy and Mines Pty Ltd. Exploration activities ceased when BMDC closed its Co-O Mine operation in 1991.</li> <li>Benguet Corporation appraised the prospectivity of the project area as part of its due diligence of BMDC’s Co-O Mine in 1991.</li> <li>Philsaga Mining Corporation (“PMC”) eventually acquired BMDC’s Co-O Mine and tenements in 2000. No sustained exploration was conducted by PMC in the area as it focused on the Co-O Mine operation.</li> <li>Medusa Mining Ltd (“MML”) gradually acquired PMC between 2003 and 2006. Active exploration in the area has since been undertaken by MML through PMC.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>The Royal Crowne Vein (“RCV”) deposit is an epithermal gold vein deposit located in the eastern Mindanao volcano-plutonic arc of the Philippines.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• 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:</li> <li>• easting and northing of the drill hole collar</li> <li>• elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>• dip and azimuth of the hole</li> <li>• down hole length and interception depth</li> <li>• hole length.</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Two historical drilling campaigns were conducted in the project area. BMDC drilled one hole in the area in 1988, while PMC drilled 11 holes between 2006 to 2007. Most of the drill monuments from these previous drilling campaigns were not found and verified during field inventory of historical drill holes in the area, except for one drill hole – SNG-025. Re-survey of SNG-025 found no gross deviations from the drill hole collar details noted in the drilling database.</li> <li>• Based on historical drill data, majority of the drill holes during these drilling campaigns were oriented roughly orthogonal to the orientation of veins with drill azimuths relative to the east, at an inclined angle from -45o to -60o.</li> <li>• Historical drill data was used in the drill hole planning of the RCV scout drilling program. Drill collar details of BMDC and PMC drill holes are summarized in Table 1.</li> <li>• The drill hole collar details for the current RCV scout drilling program is summarized in Table 2.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>• No top-cutting of sample were done in the reporting of exploration results.</li> <li>• Short lengths of high-grade assays were not composited. Minimum sampling width was 20cm and maximum sampling widths at 1m.</li> <li>• Metal equivalent values were not reported.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• 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').</li> </ul>	<ul style="list-style-type: none"> <li>• Majority of drilling was oriented approximately orthogonal to the known orientation of the mineralization. However, where surface access to preferred drill site is limited drilling was oriented in a manner that would optimize intercepting projected vein geometry.</li> <li>• Vein and stockworks are oriented NNW-SSE to N-S with dips varying from 60o to steep to the west. Surface drill holes were generally oriented towards the east with inclination ranging from -50o to -60o.</li> <li>• All drill results are reported as downhole intervals due to the variable orientation of the mineralization.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>• Plan map of completed drill hole collars showing drill intercepts returning grades above 1.0 g/t Au is included as Figure 1.</li> <li>• Tabulation of significant drill intercepts returning grades above 3.0 g/t Au are summarized in Table 3.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• A total of 1,555 core samples were sent to Intertek – an ISO 9001:2015 QMS Certified Laboratory, to be analysed for Au, Ag, Cu, Mo, As, Pb and Zn.</li> <li>• Resulting assays of the 1,555 core samples from the RCV scout drilling program range from below detection limit of 0.01 g/t Au to a peak of 87.32 g/t Au.</li> <li>• Of the total core samples analysed, 100 core samples returned grades above 1.0 g/t Au, and 12 samples returned grades above 5.0 g/t Au with drill intervals ranging from 0.20m to 1.00m.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Bulk density of selected core samples were measured by water immersion and displacement method using 10cm to 20cm paraffin-coated whole or half core samples.</li> <li>A total of 131 core samples were measured of which 130 were whole cores and only one was half core sample.</li> <li>Measured bulk density values range from 2.18 g/cm<sup>3</sup> and 3.05 g/cm<sup>3</sup>. The average bulk density value is 2.56 g/cm<sup>3</sup>.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Mineralization is contiguous to the south towards the Sinug-ang Vein System (“SVS”). The SVS has a projected strike length of about 1,500m. Negotiations are ongoing to explore and drill the segment of the SVS south of RCV project area.</li> <li>Two previous proposed holes south of SNG-045 that were not drilled during this recent drilling campaign are planned for implementation once access issues are resolved.</li> <li>Underground exploratory adits are being planned to test continuity of vein geometry for near surface significant RCV drill intercepts by accessing and extending existing artisanal underground workings.</li> </ul>

### Section 3. Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used</li> </ul>	<ul style="list-style-type: none"> <li>The data entry form has an underlying validation system in the form of lookup codes. Data transfer of drillhole records and all other related records are done electronically. The data is managed through a relational database management system (RDBMS) based on Access. The data repository has an underlying data model consisting of inter-related tables with defined data structure to ensure restrictive referential integrity. The database has defined validation codes aligned to its relationship to the tables with ordered referential keys to trap errors during data entry and data import. PMC GIS staff perform daily backups of the database. Only nominated staff are given access permission to do data maintenance.</li> <li>During 2016, the database was transferred, and is now stored and maintained in a large scale database format using a database tool called acQuire Geoscientific Information Management Suite (GIMS). The acQuire GIMS is widely used in the mining industry worldwide. All records necessary to produce graphical QAQC plots for reporting were extracted from acQuire database to ascertain integrity of data processing and accuracy of data analyses.</li> <li>All geological logs are collated on paper and reviewed by the end user before electronic data entry. All entered records are imported into the master database with error detection mechanisms in place. The records will not be copied to database until errors are corrected. Validation checks on the database were completed prior to exploratory data analysis for resource estimation. The drilling data was found to be well structured and no obvious material discrepancies were detected in the collar, survey, assay or geology data.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Site visits</b>	<ul style="list-style-type: none"> <li>• <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></li> <li>• <i>If no site visits undertaken indicate why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mr Llorca, (Medusa's General Manager – Geology and Resources), has been actively involved with the Co-O mine technical operations and the RCV Project during the FY2018, with regular site visits usually for periods of up to 2 weeks at a time.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>• <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i></li> <li>• <i>Nature of the data used and of any assumptions made.</i></li> <li>• <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></li> <li>• <i>The use of geology in guiding and controlling Mineral Resource estimation</i></li> <li>• <i>The factors affecting continuity both of grade and geology.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The geological confidence is moderate to high in areas where drilling took place.</li> <li>• Mineralised wireframes were constructed using a combination of: drillhole logging; assay grade data; surface geological mapping</li> <li>• The final geological interpretation was supervised by Mr Llorca in consultation with the PMC geological group.</li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>• <i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The overall RCV project area comprises numerous anastomosing veins generally orientated north-north-west with steep and flat dipping interconnected veins within a 100m x 500m area (Figure 1). Mineralisation extends from surface to approximately 150m below surface. The depth limit to mineralisation is not yet defined, with current limits being a function of geological plunge and lack of drilling.</li> </ul>
<b>Estimation and modelling techniques</b>	<ul style="list-style-type: none"> <li>• <i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> <li>• <i>The availability of check estimate, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li>• <i>The assumptions made regarding recovery of by-products.</i></li> <li>• <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></li> <li>• <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li>• <i>Any assumptions behind modeling of selective mining units.</i></li> <li>• <i>Any assumptions about correlation between variables.</i></li> <li>• <i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li>• <i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li>• <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• A 2D modelling approach using Inverse Distance was used to estimate accumulation and horizontal width. The final gold grades were derived using back calculation involving accumulation and horizontal width.</li> <li>• Intercept composites were used. Gold grades had no top-cuts applied due to the small sample population.</li> <li>• Estimation was constrained within 3D interpretation wireframes.</li> <li>• No deleterious elements are known.</li> <li>• 2D block sizes were 1m along strike, 1m down dip. This block size was adopted to account for exploration drilling data typically spaced on 25m and 50m sections and stope face samples which were taken every 1.5 to 3m. A 5m by 5m discretisation was used.</li> <li>• No assumptions of selective mining units were made.</li> <li>• Only gold was modelled and no correlation between other elements was investigated.</li> <li>• Mineralised domains acted as hard boundaries to control the mineral resource estimates.</li> <li>• Visual comparisons were also made between the accumulation variable from the input composites and the estimated accumulation block values. A similar visual comparison was made for the input composite gold grade and the back-calculated block grade.</li> <li>• Block model validation was undertaken using the comparison of model data to intercept composite drillhole data.</li> </ul>
<b>Moisture</b>	<ul style="list-style-type: none"> <li>• <i>Whether the tonnages are estimated on a dry basis or with natural moisture content.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Moisture was not considered in the density assignment and all tonnage estimates are based on dry tonnes.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>A sensitive cut-off grade was used in the estimation with 2.0g/t as the base case (see Table 1).</li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>The RCV project area is currently an active underground mine by small scale miners.</li> <li>No external mining dilution was applied to the mineral resource model.</li> </ul>
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>All ore associated with the mineral resource is currently treated in PMC's owned and operated Carbon-in-Leach (CIL) plant located at the Co-O mine.</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>The RCV project is an approved tenement with all of the appropriate regulatory permits to allow exploration and future underground mining, haulage and processing of ore material, and storage of tailings.</li> </ul>
<b>Bulk density</b>	<ul style="list-style-type: none"> <li>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</li> <li>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>A program of specific gravity measurements was completed on vein samples from drill core and rock, prior to January 2019. All samples were processed and analysed in house.</li> <li>The January 2019 density measurements confirmed the use of 2.55 g/cm<sup>3</sup> as being appropriate for all vein mineralisation.</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in</li> </ul>	<ul style="list-style-type: none"> <li>The criteria used for resource classification include: geological continuity and vein volume, vein texture, data quality and spacing, mining information on all levels, grade extrapolation and modelling technique.</li> <li>Areas of Inferred Resource reflect identified veins where there is no mining information with limited drillhole data.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>continuity of geology and metal values, quality, quantity and distribution of the data).</i></p> <ul style="list-style-type: none"> <li>• <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Mineral Resource estimate appropriately reflects the Competent Persons' view of the deposit.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of Mineral Resource estimates.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Block models were validated by visual and statistical comparison of drillhole assays, block grades and vein textures.</li> </ul>
<b>Discussion of relative accuracy /confidence</b>	<ul style="list-style-type: none"> <li>• <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></li> <li>• <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></li> <li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The relative accuracy of the Mineral Resource estimation in the RCV project area of PMC is reflected in the resource classification in accordance with the guidelines set out in the JORC Code 2012.</li> <li>• The mineral resources constitute a global resource estimate.</li> </ul>