



**MEDUSA**

# QUARTERLY ACTIVITIES REPORT

## PERIOD ENDED

### 31 DECEMBER 2013

#### Snapshot of Medusa:

- ❑ Un-hedged, low cost, gold producer focused on organic growth in the Philippines
- ❑ Successful Capital Raising of A\$34 million during the quarter
- ❑ Commissioning of new mill delayed to 6 December 2013 due to powercell failures
- ❑ December 2013 quarter production of 11,587 ounces (YTD: 26,089 ounces)
- ❑ Safety - No lost time accidents during the quarter.

#### Board of Directors:

**Andrew Teo** (Non-executive Chairman)

**Peter Hepburn-Brown** (Managing Director)

**Raul Villanueva** (Executive Director)

**Ciceron Angeles** (Non-executive Director)

**Robert Weinberg** (Non-executive Director)

**Gary Powell** (Non-executive Director)

#### Capital Structure:

Ordinary shares: 207,794,301  
Unlisted options: 1,575,000

#### Listings:

ASX and LSE (Code: MML)

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#### OVERVIEW:

- ❖ Successfully raised gross proceeds of A\$34 million via a placement
- ❖ Exploration drilling utilised four underground drill rigs at Co-O and two surface rigs at Tambis
- ❖ Crosscutting south from the 8L Shaft has reached all the veins on the resource model.
- ❖ Commissioning of the new SAG Mill was delayed until 6th December due to powercell failure.
- ❖ The new SAG Mill operated at 1,800 tpd in the last days of December
- ❖ Gold Production of 11,587 ounces for the quarter

#### Co-O MINE PRODUCTION & DEVELOPMENT

- Level development continued on the 8L and all the veins in the resource model were intersected. The Great Hamish Veins (including Footwall and Hangingwall veins), Jereme Veins and Catto Veins are now being developed.
- Development and stoping continued on all 8 levels during the quarter.
- Production and development is continued on the Don Pedro and Don Pedro East Veins.
- Exploration drilling continued on the 8L, 2L and on the 3L west of the Tinago Fault.
- Production of 11,587 ounces was down on the September quarter's production (14,502 ounces) due to powercell failure with the new SAG Mill, which was not operational until 6th December 2013.
- The grade was lower due to milling low grade stockpiles and development ore was lower due to mining narrow vein lodes.

#### Co-O MINE EXPLORATION

- Drilling is continuing with two underground rigs on contract and two Company owned rigs. Surface exploration, including geophysical surveys is on-going

#### TAMBIS AREA - BANANGHILIG GOLD DEPOSIT

- Diamond drilling at the B2 area is temporarily suspended pending results and planning of the 2014 exploration and development programmes

#### CORPORATE & FINANCIALS (unaudited)

- Total cash and cash equivalent in gold on metal account at the end of quarter of approximately US\$20.77 million
- Successfully raised gross proceeds of A\$34 million via the placement of 18,890,390 shares at A\$1.80 per share to clients of Euroz Securities Limited
- Retirement of Non-executive Chairman Mr Geoff Davis (Founding Managing Director) and appointment of Mr Andrew Teo as his replacement

# PROJECT OVERVIEW

The locations of the Company's projects are shown on Figures 1 and 2.

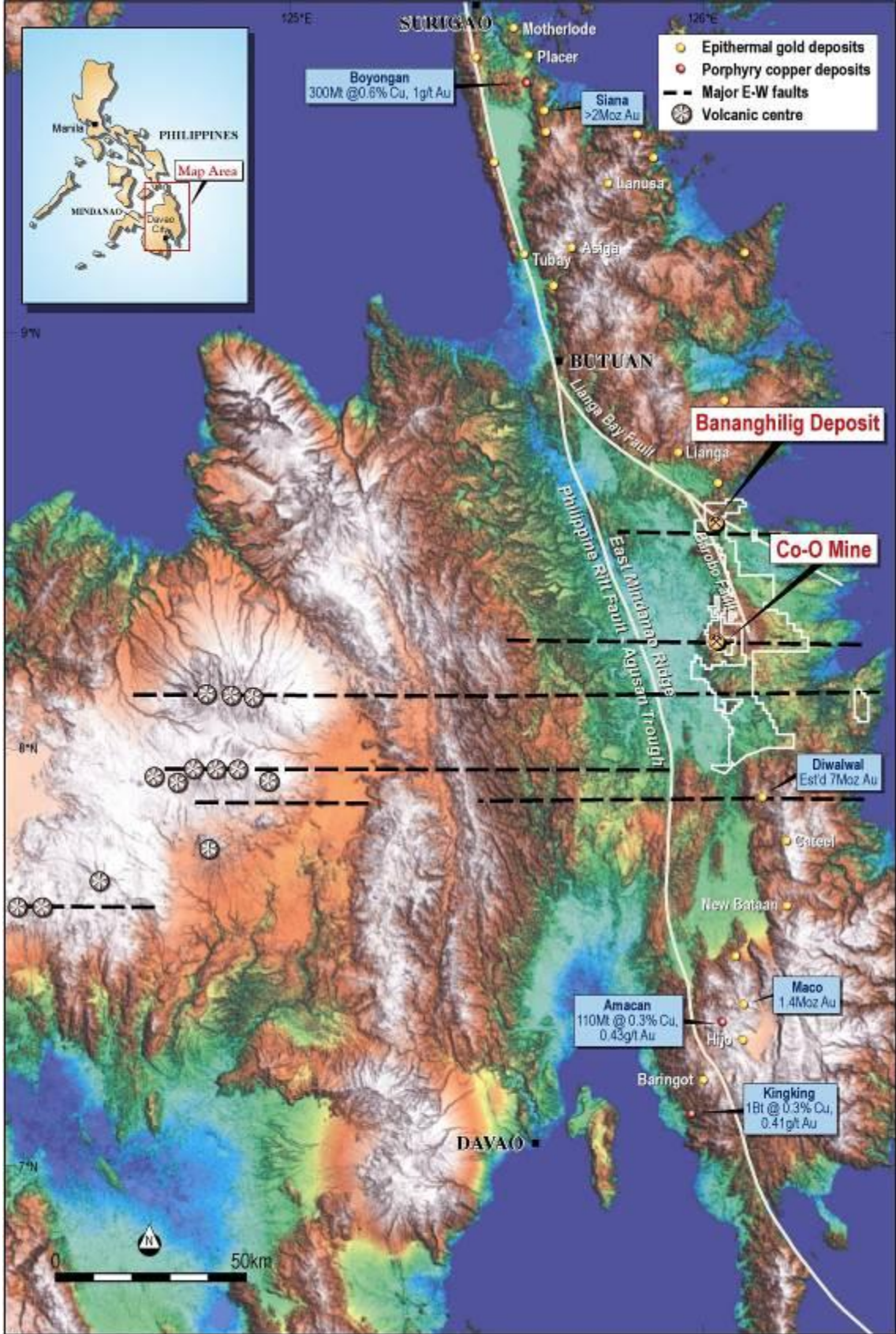


Figure 1. Location diagram showing the Company's tenement areas and prominent East-West structures



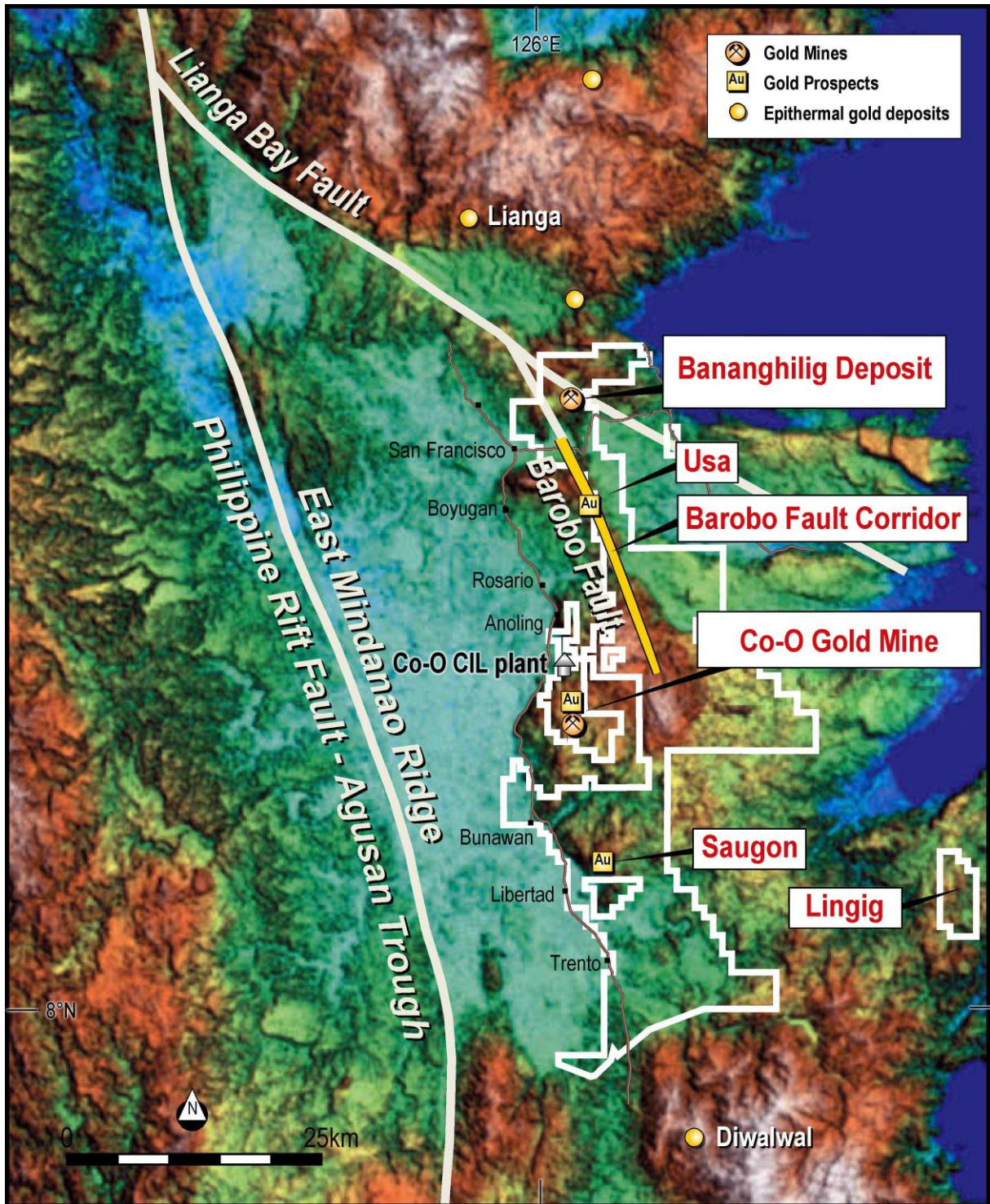


Figure 2. Regional tenement map showing mines and prospects.

## **HEALTH, SAFETY & ENVIRONMENT**

There were no Lost Time Accidents and no environmental breaches during the quarter.

## **EXECUTIVE ORDER ON MINING SECTOR REFORMS IN THE PHILIPPINES**

On 06 July 2012, Philippine President Benigno Aquino III signed Executive Order No. 79 entitled "Institutionalizing and Implementing Reforms in the Philippine Mining Sector Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources" ("EO 79").

On 10 September 2012, the Department of Environment and Natural Resources ("DENR") issued Administrative Order No. 2012-07 ("Rules and Regulations to Implement EO-79" or "EO-79 IRR"), and on 08 October 2012, issued Administrative Order No. 2012-07-A2 ("EO-79 Amended IRR") to revise Sections 3, 7 and 9 of EO-79 IRR. EO-79 IRR and its amendments took effect on October 25, 2012.

The implications of the EO-79 with regards to the Company's projects are discussed in the June 2012 and September 2012 quarterly reports to the ASX. There has been no change in the Company's view since then.

On March 07, 2013, the Secretary of the Department of Environment and Natural Resources (DENR) approved the lifting of the moratorium on acceptance of applications for Exploration Permits and Financial and Technical Assistance Agreements.

The new legislation on mining taxes and royalties is yet to be finalised for submission to Congress.

## **EXECUTIVE ORDER ON EXTRACTIVE INDUSTRIES TRANSPARENCY IN THE PHILIPPINES**

On 26 November 2013, Philippine President Benigno Aquino III signed Executive Order No. 147 entitled "Creating the Philippine Extractive industries transparency Initiative" ("EO 147").

Pursuant to Section 14 of the EO 79, the Philippine government commits to participate in the Extractive Industries Transparency Initiative (EITI) that sets international standards for transparency and accountability in the extractive industries and in government. Established in 2003, the EITI is a global coalition of governments, companies and civil society collaborating to improve honest and responsible management of revenues from natural resources, particularly oil, gas, metals and minerals.

Through EO 147, the Philippine government has instituted the Philippine Extractive Industries Transparency Initiative (PH-EITI), which commits to ensure greater transparency and accountability in the extractive industries, specifically in the way the government collects, and companies pay taxes from extractive industries;

The implications of the EO 147 with regards to the Company's projects are not considered to have any negative impact and the Company sees the Executive Order as a positive commitment by the Philippine Government to adopt good governance practices in accordance with International Guidelines of the EITI.

## **MINERAL RESOURCES AND ORE RESERVES**

The Company's current mineral resources (including the Saugon resource) and ore reserves were previously reported in accordance with the guidelines of the JORC Code 2004 (Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). Refer to announcement of 08 August 2013, the September 2013 Quarterly Report, and the 2013 Annual Report.

The Co-O and Bananghilig deposits are currently undergoing review, interpretations and revised mineral resource and ore reserve estimations in accordance with the guidelines of the recently adopted JORC Code 2012. Since there may be material changes to the mineral resources and ore reserves, due to changes in gold price, mining dilution and so forth, the Company will not be reporting the resources and reserves until the revised estimations have been completed and signed off by the independent Competent Persons. The revised resources and reserves for Co-O and Bananghilig are expected to be reported during the September 2014 quarter.

## Co-O MINE

### Production

The production statistics for the December 2013 quarter and half-year with comparatives for the previous three quarters are summarised in Table 1 below.

Table I. Gold production statistics

|                             | Unit    | Qtr ended<br>31 Dec 2013 | Qtr ended<br>30 Sep 2013 | Qtr ended<br>30 Jun 2013 | Qtr ended<br>31 Mar 2013 | HY ended<br>31 Dec 2013 |
|-----------------------------|---------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| Tonnes mined                | WMT     | 108,264                  | 114,380                  | 103,028                  | 83,134                   | 222,644                 |
| Ore milled                  | DMT     | 98,590                   | 91,461                   | 92,567                   | 73,273                   | 190,051                 |
| Head grade                  | g/t     | 4.51                     | 5.68                     | 5.97                     | 6.76                     | 5.07                    |
| Recovery                    | %       | 85%                      | 87%                      | 88%                      | 89%                      | 86%                     |
| Gold produced               | ozs     | 11,587                   | 14,502                   | 15,642                   | 14,021                   | 26,089                  |
| Cash costs <sup>(1)</sup>   | US\$/oz | \$526                    | \$339                    | \$355                    | \$296                    | \$422                   |
| Gold sold                   | ozs     | 11,774                   | 15,560                   | 16,236                   | 17,760                   | 27,334                  |
| Average gold price received | US\$    | \$1,262                  | \$1,336                  | \$1,410                  | \$1,630                  | \$1,304                 |

Note:

(1) Net of development costs and includes royalties and local business taxes

The Company produced 11,587 ounces of gold for the quarter, at an average head grade of 4.51 g/t and cash costs of US\$526 per ounce, inclusive of royalties and local business taxes (YTD cash costs of US\$422 per ounce). Cash costs were higher during the quarter primarily due to lower gold production.

Gold production for the quarter was low due to the following reasons:

- late commissioning of the new SAG Mill;
- milling of marginal ore from low grade stockpiles;
- milling of development ore sourced from narrow vein lodes.

The new SAG Mill commenced operations on 6<sup>th</sup> December 2013 and on the last days of December 2013, it achieved 1,800 tonnes per day.

### Operations

#### Mine Development

The 8 level Shaft has been operating and during October, new sheave wheels, ropes, skips and man cages were fitted to the Shaft and the haulage speed increased from 2 m/s to 5.3 m/s.

The two ore pass system from the 6 level to 8 level loading pocket were completed and are operational

Development continued on levels 1 to 8. During the quarter, all the veins in the resource model on the 8 level were intersected with the crosscut heading south. Development on all these veins continued during the quarter. The veins developed during the quarter were narrow, but as the south crosscut reached the Great Hamish Veins, the veins were wider and the grade from development improved towards the end of December.

Development and production continued on the Don Pedro and Don Pedro East Vein during the quarter and an exploration winze was commenced on the Don Pedro East vein from the 8 level to the 9 level.

Stoping on levels 1 to 6 continued, with stoping on the Don Pedro veins on the 8 level.



## Co-O Mill

The new SAG Mill commenced operations on 6<sup>th</sup> December 2013 following the re-installment of the repaired powercells. The Mill operated for the rest of December and in the last days of December achieved 1,800 tonnes per day.

The Dominion mill was relined during December and will commence operating in January 2014. The Kurimoto Ball mill will be relined in January and be ready to operate in February 2014.

The Detox, Thickener, CIL tanks, Gold Room and associated equipment with "Wet" processing were all successfully operated during the quarter.

## Co-O Mine Drilling

Underground diamond drilling continued during the quarter utilising two large and two smaller portable drilling rigs. A total of 20 holes were completed at Levels 2, 3 and 8 for an advance of 6,160 metres.

Currently there are four diamond drill rigs operating two (on contract), two (owned by the company) on Levels 2, 3 and 8.

The Company has recently purchased an additional six portable underground diamond drill rigs to be deployed at various levels within the mine to assist in exploring for zones of additional mineralisation.

Table II. Co-O surface and underground drill hole results of  $\geq 0.5$  metres at  $\geq 3$  g/t gold.  
(Refer Appendix A for JORC Code, 2012 Edition – Table 1 Report)

| Hole Number  | East <sup>4</sup> | North <sup>4</sup> | RL <sup>4</sup> | Depth (metres) | Dip (°)         | Azimuth (°) | From (metres) | Width <sup>2</sup> (metres) | Gold Grade <sup>1,3</sup> (uncut) (g/t gold) |
|--|-------------------|--------------------|-----------------|----------------|-----------------|-------------|---------------|-----------------------------|--|
| <b>UNDERGROUND EXPLORATION DRILL HOLES - LEVEL 3</b> |                   |                    |                 |                |                 |             |               |                             |  |
| L3-64W-010   | 613348.2          | 913026.6           | 60.5            | 492.00         | -25             | 124         | 335.60        | 1.10                        | 20.30  |
| L3-64W-011   | 613341.2          | 913031.9           | 61.4            | 255.40         | +3              | 331         | 223.65        | 0.90                        | 3.47   |
|  |                   |                    |                 |                |                 |             | 241.65        | 1.00                        | 3.20   |
| L3-64W-012   | 613343.1          | 913032.7           | 61.4            | 256.80         | +3              | 013         | 65.50         | 1.40                        | 5.19   |
| L3-64W-014   | 613344.3          | 913032.9           | 61.3            | 327.40         | +3              | 020         | 74.50         | 2.20                        | 3.70   |
| <b>UNDERGROUND EXPLORATION DRILL HOLES - LEVEL 8</b> |                   |                    |                 |                |                 |             |               |                             |  |
| L8-19E-001   | 614207.3          | 913105.2           | -192.0          | 487.10         | +3              | 247         | 62.85         | 1.00                        | 5.88   |
| L8-29E-008   | 614274.0          | 912908.3           | -190.6          | 473.40         | +3              | 174         | 57.80         | 0.65                        | 47.77  |
|  |                   |                    |                 |                |                 |             | 85.95         | 1.00                        | 4.60   |
|  |                   |                    |                 |                |                 |             | 169.30        | 1.20                        | 5.30   |
|  |                   |                    |                 |                |                 |             | 203.80        | 0.50                        | 3.78   |
| L8-29E-009   | 614276.3          | 912912.8           | -190.6          | 452.20         | +3              | 093         | 80.65         | 0.85                        | 16.77  |
|  |                   |                    |                 |                |                 |             | 186.60        | 5.80                        | 5.62   |
|  |                   |                    |                 |                |                 |             | 236.55        | 1.00                        | 78.50  |
|  |                   |                    |                 |                |                 |             | 326.60        | 0.40                        | 5.33   |
|  |                   |                    |                 |                |                 |             | 338.25        | 4.15                        | 16.51  |
|  |                   |                    |                 |                | <i>includes</i> | 340.40      | 1.00          | 43.77                       |  |
| L8-29E-010   | 614274.0          | 912908.3           | -190.7          | 474.30         | +3              | 142         | 194.50        | 1.00                        | 13.53  |
|  |                   |                    |                 |                |                 |             | 292.00        | 1.70                        | 40.50  |
|  |                   |                    |                 |                |                 |             | 292.00        | 0.75                        | 73.73  |

### Notes:

- Composited intercepts' 'weighted average grades' calculated by using the following parameters:
  - no upper gold grade cut-off applied;
  - lower cut-off grade of 3.0 g/t gold;
  - high-grade samples ( $\geq 20$  g/t gold) within composited interval are individually reported; and
  - $\geq 0.5$  metres down hole intercept width at  $\geq 3.0$  g/t gold, or
  - $\geq 6$  gram.metres, and
  - maximum of 1.0 metre of down-hole internal dilution at  $\leq 3$  g/t gold.
- Intersection widths are downhole drill widths not true widths;
- Assays are by Philsaga Mining Corporation's laboratory; and
- Grid coordinates based on the Philippine Reference System 92. RL is elevation in metres relative to Mine Datum.

## **Co-O EXPLORATION**

### **IP Survey**

The ground Induced Polarisation (“IP”) and Resistivity (“RES”) survey is ongoing within the Co-O tenements including the Co-O mine environs. During the December 2013 quarter, approximately 67 line kilometres of IP survey were completed. Heavy rain has hampered the survey and it is now expected that the balance (~104 line kilometres) will be completed early in the June 2014 quarter, with interpretation being carried out during the June/September 2014 quarters.

### **Ground Magnetism Survey**

A Ground Magnetism survey is ongoing, using the same grid as the IP survey. A total of approximately 118 line kilometres were completed during the December quarter. Approximately 94 line kilometres remains to be completed, and is expected to be completed at the same time as the IP survey, with interpretation being carried out concurrent with the IP interpretation.

### **Reconnaissance Programmes**

Reconnaissance mapping and sampling programmes are ongoing.

## **TAMBIS REGION**

The Tambis project comprising the Bananghilig Gold Deposit (Figure. 2) is operated under a Mining Agreement with Philex Gold Philippines Inc. over Mineral Production Sharing Agreement (“MPSA”) 344-2010-XIII, which covers 6,262 hectares.

The Executive Order on Mining (EO 79) signed on 6 July 2012, by the President of the Philippines, will have no immediate impact on the Bananghilig Project as the Company can continue to explore, conduct feasibility studies and planning.

## **BANANGHILIG GOLD DEPOSIT**

The announcement of 12 September 2011 summarises the Tambis regional geological setting, local geological setting, deposit description and mineralisation. Additional information is contained in the September 2011 quarterly report dated 24 October 2011, drilling updates on 17 January 2012, 8 August 2012, 21 November 2012, and 02 April 2013, operations update on 08 July 2013, and resource estimation updates on 29 January 2013 and 08 August 2013.

### **Indicated & Inferred Mineral Resource Estimation**

The Bananghilig resource was previously announced in accordance with the guidelines of the JORC Code 2004 (Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). Refer to announcement of 08 August 2013, the September 2013 Quarterly Report, and the 2013 Annual Report.

The Bananghilig deposit is currently undergoing review, interpretation and revised mineral resource and estimation in accordance with the guidelines of the recently adopted JORC Code 2012. Since there may be material changes to the mineral resources, due to changes in gold price, and so forth, the Company will not be reporting the project’s mineral resources until the revised estimations have been completed and signed off by the independent Competent Persons. The revised mineral resources for Bananghilig are expected to be reported during the September 2014 quarter.

### **Bananghilig Scoping & Pre-Feasibility Study <sup>1</sup>**

On 09 April 2013, the Company published the results of a first pass Scoping Study<sup>1</sup> of the Bananghilig Gold Deposit. The Scoping Study was carried out and reported under the guidelines of the JORC Code 2004, therefore the results of the Scoping Study do not now necessarily comply with the requirements of the JORC Code 2012 and will not be reported henceforth.

<sup>1</sup> The Scoping Study referred to in the announcement dated 9 April 2013 was based on low-level technical and economic assessments of Indicated and Inferred Mineral Resources, as defined under the guidelines of JORC Code 2004, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

A Feasibility Study was initiated on the completion of the Scoping Study. Sterilisation and geotechnical drilling programmes were completed in early October 2013.

A decision was made towards the end of the September quarter to temporarily suspend the feasibility study given the mineralisation being encountered at the new B2 discovery area, as well as given consideration to the depressed gold price and commissioning of the new Co-O milling circuit.

### B2 Discovery Area

During the September reporting period, two large capacity diamond drilling rigs completed two diamond drill holes (TDH332 & TDH334) within the B2 area for a total advance of 622.6 metres.

Figure 3 shows the Bananghilig area geology showing the position of the new B2 mineralisation discovery, beneath the limestone cover, relative to the Bananghilig resource.

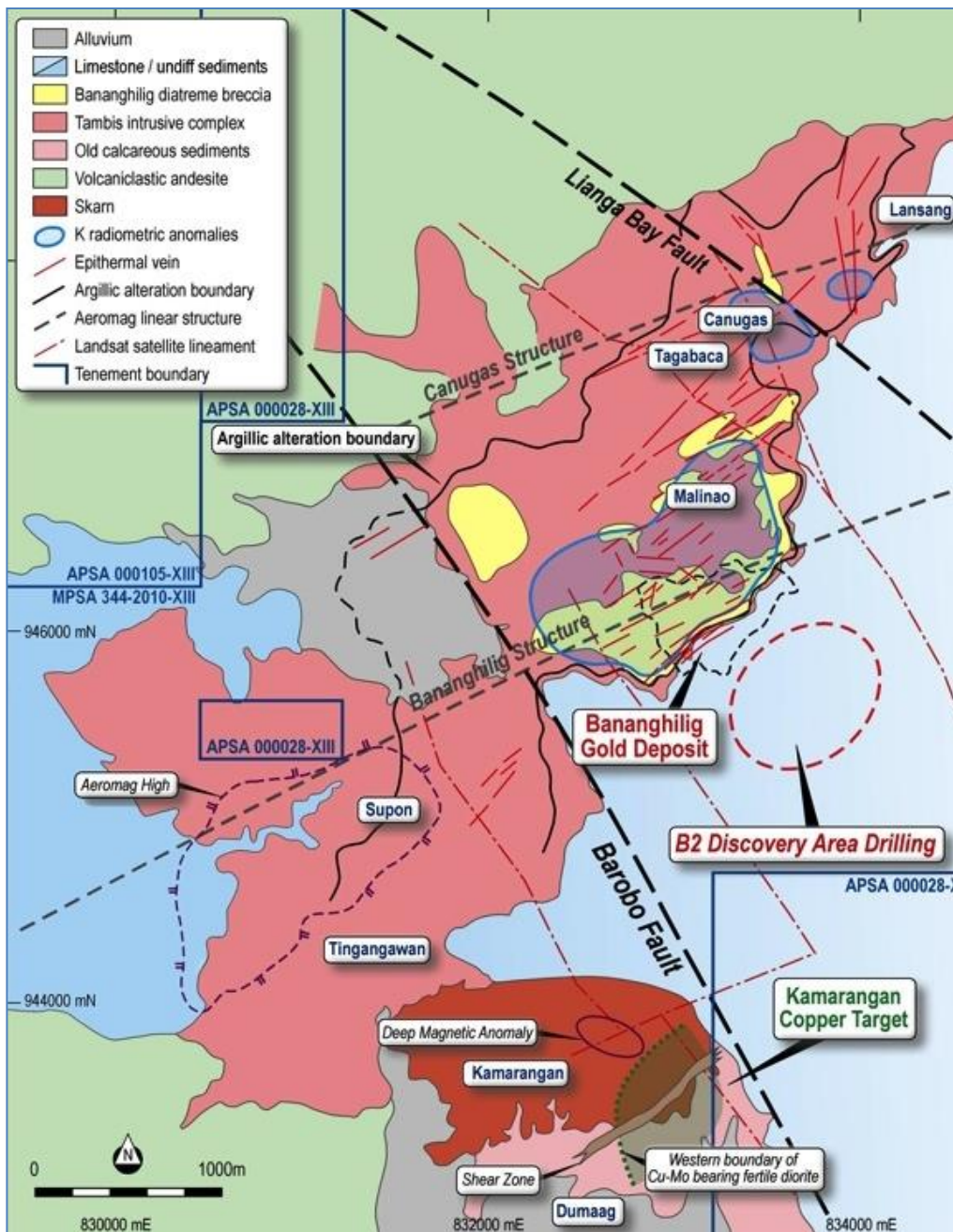


Figure 3. Tambis Project geology showing location of Bananghilig resource relative to the B2 mineralisation discovery area & other prospect areas



Figure 4 shows the drill hole projection plan of the B2 drill holes relative to the Bananghilig 2013 resource model.

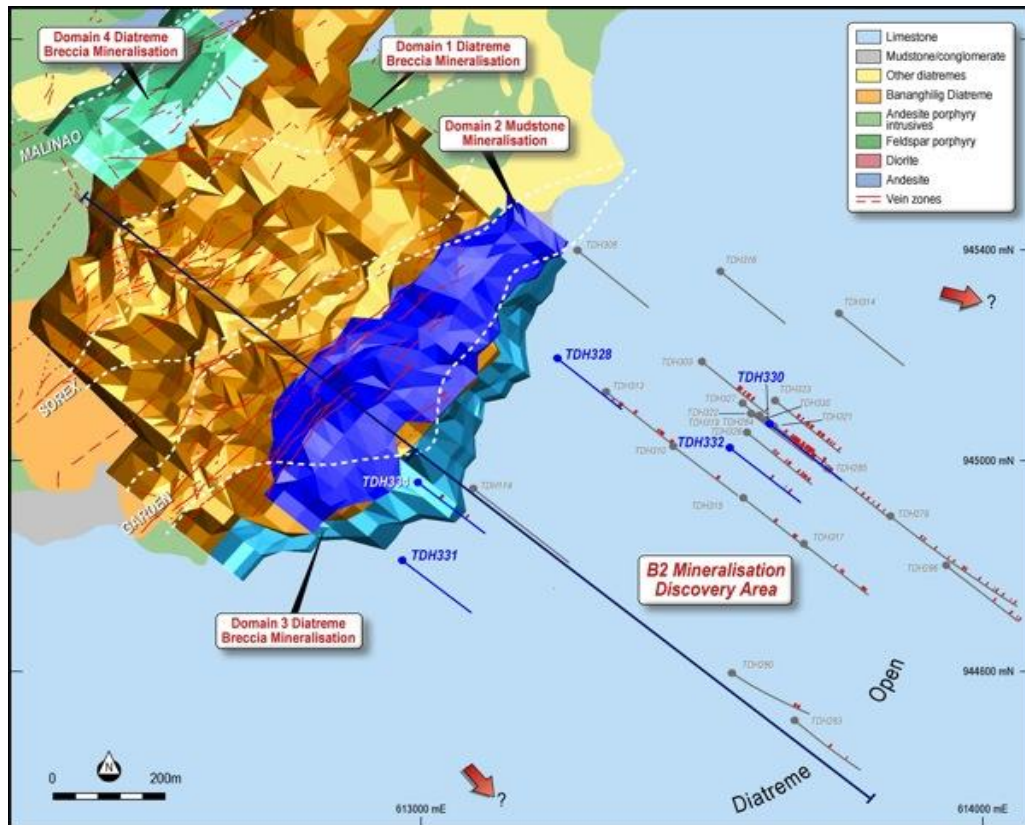


Figure 4. Plan of the Bananghilig resource block model and the B2 drill hole locations.

## B2 Drilling Results

Results of diamond drilling at B2 were announced on 2 April 2013 and 8 July 2013, in the March 2013, June 2013 and September 2013 Quarterly Reports, and the September 2013 Annual Report. Results have subsequently been received for all outstanding sample submissions as well as for the holes completed during this quarter. Significant intercepts for completed drill holes are included in Table III below.

## Geotechnical and Sterilisation Drilling Programmes

The Geotechnical drilling and test pitting programmes were completed in first week of October with one last diamond drill hole completed for a total of 60 metres. Drilling was carried out to investigate sites suitable for infrastructure associated with the potential development of the Bananghilig resource, including plant site, waste, tailings and process water storage facilities. Sterilisation drilling programme was completed in the same areas. No significant assay results have been received for any of the drilling programmes in these areas.

## Regional Exploration

Reconnaissance mapping and sampling is on-going within the Tambis Region.

Table III. Bananghilig B2 Discovery Area drill hole results  $\geq 1$  g/t gold.

(Refer Appendix B for Table 1 prepared in accordance with JORC Code 2012)

| Hole Number                            | East <sup>4</sup> | North <sup>4</sup> | RL <sup>4</sup> | Depth (metres) | Dip (°) | Azimuth (°) | From (metres)   | Width <sup>2</sup> (metres) | Gold Grade <sup>1,3</sup> (g/t gold) |       |
|--|-------------------|--------------------|-----------------|----------------|---------|-------------|-----------------|-----------------------------|--------------------------------------|-------|
| <b>BANANGHILIG – B2 DISCOVERY AREA</b> |                   |                    |                 |                |         |             |                 |                             |                                      |       |
| TDH328                                 | 613241.7          | 945191.7           | 214.6           | 312.50         | -60     | 130         | 260.20          | 1.45                        | 8.82                                 |       |
|  |                   |                    |                 |                |         |             | 289.20          | 15.60                       | 1.51                                 |       |
| TDH330                                 | 613626.8          | 945064.5           | 123.7           | 294.50         | -56     | 130         | 154.85          | 16.50                       | 3.78                                 |       |
|  |                   |                    |                 |                |         |             | <i>includes</i> | 159.05                      | 0.55                                 | 40.64 |
|  |                   |                    |                 |                |         |             | <i>includes</i> | 161.05                      | 0.75                                 | 16.71 |
|  |                   |                    |                 |                |         |             |                 | 197.85                      | 5.80                                 | 0.93  |
| TDH332                                 | 613554.7          | 945020.3           | 142.1           | 320.50         | -60     | 130         | 170.35          | 7.00                        | 7.27                                 |       |
|  |                   |                    |                 |                |         |             | <i>includes</i> | 174.70                      | 1.00                                 | 45.49 |
|  |                   |                    |                 |                |         |             |                 | 236.30                      | 0.70                                 | 22.40 |
|  |                   |                    |                 |                |         |             | <i>includes</i> | 254.50                      | 7.55                                 | 5.79  |
|  |                   |                    |                 |                |         |             | <i>includes</i> | 254.50                      | 1.00                                 | 21.90 |
|  |                   |                    |                 |                |         |             | <i>includes</i> | 259.70                      | 1.00                                 | 14.69 |
| TDH334                                 | 613001.7          | 944955.1           | 147.5           | 302.10         | -60     | 130         | 80.30           | 9.50                        | 2.77                                 |       |
|  |                   |                    |                 |                |         |             | 200.15          | 6.85                        | 1.26                                 |       |

**Notes:**

- Composited intercepts' 'weighted average grades' calculated by using the following parameters:
  - no upper gold grade cut-off applied;
  - lower cut-off grade of 0.5 g/t gold;
  - high-grade samples (>10 g/t gold) within composited interval are individually reported;
  - $\geq 5$  metres down hole intercept width at  $\geq 1.0$  g/t gold, or
  - $\leq 5$  metres down hole intercept width at  $\geq 5$  gram per metres, and
  - maximum of 3 metres of downhole internal dilution at  $\leq 0.5$  g/t gold;
- Intersection widths are downhole drill widths not true widths;
- Assays are by Intertek McPhar Mineral Services Inc. in Manila; and
- Grid coordinates and RL (elevation) based on the Philippine Reference System 92.

## LINGIG

The Lingig prospect is located in Mineral Production Sharing Agreement 343-2010-XIII with an area of 3,824 hectares over which the Company has an operating agreement.

Detailed geological mapping was completed during the quarter. Data compilation from the mapping, soil sampling, and geophysical surveys will commence during the March 2014 quarter. Interpretations will be reviewed prior to planning drill targets.

## USA PORPHYRY COPPER-GOLD PROSPECT

A Memorandum of Agreement with Corplex Resources Inc. covers the Usa prospect, which is located within MPSA application XIII-00077. Processing of the tenement application is progressing.

## SAUGON DEPOSIT

Detailed and reconnaissance geological mapping, trenching and sampling programmes are on-going.

## **FINANCIALS** (unaudited)

As at 31 December 2013, the Company had total cash and cash equivalent in gold on metal account of approximately US\$20.77 million (30 September 2013: US\$5.99 million).

The Company sold 11,774 ounces of gold at an average price of US\$1,262 per ounce (September 2013 quarter: sold 15,560 ounces at an average price of US\$1,336 per ounce).

During the quarter, the Company incurred,

- exploration expenditure of US\$4.1 million (September 2013 quarter: US\$4.4 million);
- US\$2.7 million on capital works associated sustaining capital at the mine and mill and costs for the new mill construction and infrastructure (September 2013 quarter: US\$8.9 million); and
- US\$8.3 million on continued mine development (September 2013 quarter: US\$9.2 million).

## **CORPORATE**

- During the quarter, the Company raised gross proceeds of A\$34,002,702 via the issue of 18,890,390 shares at A\$1.80 each to clients of Euroz Securities Limited. (refer announcement dated 31 October 2013)
- Mr Geoff Davis (Founding Managing Director of Medusa) retired as Non-executive Chairman on 22 November 2013 and was succeeded by Non-executive Director, Mr Andrew Teo.

### **JORC CODE 2012 COMPLIANCE - CONSENT OF COMPETENT PERSONS**

#### **Medusa Mining Limited**

Information in this report relating to **Exploration Results** has been reviewed and is based on information compiled by Mr Gary Powell who is a member of The Australian Institute of Geoscientists. Mr Powell is a Non-Executive Director and has sufficient experience, which is relevant to the style of mineralisation and type of deposits under consideration, and to the activity which they are 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 Powell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#### **DISCLAIMER**

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

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

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

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

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## Appendix A. Co-O 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 (e.g. 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> </ul>  | <ul style="list-style-type: none"> <li>Diamond drill core samples obtained by wireline diamond drilling techniques using triple tube as per industry standard practice. Sample Intervals (minimum 20cm) determined by lithological boundaries or at one (1) metre down-hole intervals, whichever is least.</li> <li>No other types of samples were obtained for the purposes of this report.</li> </ul>  |
|                            | <ul style="list-style-type: none"> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> </ul>   | <ul style="list-style-type: none"> <li>At the end of each core run, the drill core is aligned as best as possible and recovered length measured. Core blocks are annotated with hole number, depth, core run length, and core length recovered.</li> <li>Down-hole depths are validated against measured length of drill rods down-hole.</li> <li>Drill hole deviation measured using electronic single-shot survey tools such as the REFLEX EZ-Shot<sup>®</sup>.</li> </ul>   |
|                            | <ul style="list-style-type: none"> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i><br/><br/><i>In cases where 'industry standard' work has been done this would be relatively simple (egg '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 (egg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul> | <ul style="list-style-type: none"> <li>Diamond drilling carried out to industry standard to obtain drill core samples, from which selected core is split in half along the core axis using a diamond saw. Quartz vein intercepts widths <math>\geq 20</math> cm are half-core sampled at maximum 1m intervals. Adjacent wall rock samples are sampled 1m either side of the vein. Sample is crushed to -3mm. A 1kg riffle split is pulverized to obtain four (4) 250g pulp samples. One pulp sample is used to produce a 30g charge for classical fire assay gold analysis. The remaining pulp samples are retained in secure storage for future reference.</li> <li>Since Oct 2010, all sample pulps are resubmitted for silver and base metal analysis by wet geochem method.</li> </ul> |

| Criteria                     | JORC Code explanation   | Commentary  |
|------------------------------|---|---|
| <b>Drilling techniques</b>   | <ul style="list-style-type: none"> <li>• <i>Drill type (egg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (egg 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>• Underground Diamond Coring<br/>For larger rigs, such as LM55, drill holes are collared using HQ3 drill bits (core Ø 61mm) until ground conditions require casing off, then NQ3 drill bits (core Ø 47mm) are used. For smaller portable rigs, drill holes are collared using TT46 drill bits (core Ø 35mm). All holes completed to target depths.</li> <li>• Surface Diamond Coring<br/>Drill holes are collared using PQ3 drill bits (core Ø 83mm) to competent bedrock (typically &lt;50 metres), then predominantly HQ3 drill bits (core Ø 61mm) unless ground conditions require casing off, then NQ3 drill bits (core Ø 47mm) are used. All holes completed to target depths.</li> <li>• Core orientation trial commenced during September 2013 quarter, with limited success, using the Ezy-Mark™ front-end core orientation tool. Prior to September 2013, no core orientation carried out due to the very broken nature of the core. The trial is still in progress.</li> </ul> |
| <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, and then recovery calculated against drilled length. Recovery averaged 95%, which is considered acceptable by industry standards.</li> <li>• Sample recovery is maximised by monitoring and adjusting drilling parameters. (e.g. mud mix, drill bit series, rotation speed)</li> <li>• Core sample integrity maintained as best as practical using triple tube system.</li> <li>• No known relationship has been observed to date between sample recovery and grade. Recovery is high at &gt;95%.</li> <li>• No sampling bias has been observed to date.</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</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Core samples have been logged geologically and geotechnically to a level of sufficient detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Lithology, mineralisation, alteration, oxidation, sulphide mineralogy, RQD,</li> </ul>   |

| Criteria   | JORC Code explanation   | Commentary   |
|--|---|--|
|  | <p><i>studies.</i></p> <ul style="list-style-type: none"> <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>  | <p>fracture density, core recovery are recorded by geologists, entered into a digital database, and validated.</p> <ul style="list-style-type: none"> <li>Qualitative logging is carried out on all drill core. More detailed quantitative logging is carried out for all zones of interest, such as mineralised zones.</li> <li>Since July 2010, all drill core is photographed. Limited photographic records exist for drill core obtained prior to July 2010.</li> <li>All drill core is logged.</li> </ul>   |
| <p><b>Sub-sampling techniques and sample preparation</b></p> | <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>Drill core is half sawn only for those intervals predetermined for sampling. Cutting is carried out using high-speed circular diamond saw blade on a cutting machine, with the core resting in a specifically designed cradle to ensure straight and accurate cutting.</li> <li>No non-core sampling carried out for the purposes of this report.</li> <li>The nature, quality and appropriateness of the sample preparation techniques are to industry standard practice.</li> <li>For all sample submissions to the laboratory: Certified Reference Material samples, Sample Duplicates and Blank Material samples (&lt;0.005ppm Au) are each inserted into every batch of drill core sample submissions at ratio of 1:17.</li> <li>PQ3, HQ3, NQ3 core samples are obtained by cutting core along the core axis into two halves. Oriented core is cut using the 'bottom of hole' markings. TT46 drill core is sampled whole.</li> <li>Drill core are not re-sampled. Remaining half core is retained should resampling be required in the future.</li> <li>Core sample sizes vary typically between 2-5kg depending on core size, sampling interval, and to a lesser extent recovery. Samples sizes are considered to be appropriate with respect to the nature and tenor of mineralisation.</li> </ul> |



| Criteria   | JORC Code explanation   | Commentary   |
|--|---|--|
| <p><b>Quality of assay data and laboratory tests</b></p> | <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> </ul>   | <ul style="list-style-type: none"> <li>• All samples are submitted to the company's laboratory located at the processing plant site.</li> <li>• Sample Preparation Protocol <ul style="list-style-type: none"> <li>○ Dry entire sample at 105° C for approximately 6-8 hours;</li> <li>○ Jaw-crush entire sample to 95% passing 3 mm;</li> <li>○ Homogenize and riffle split 700-800 grams of -3 mm material;</li> <li>○ Pulverize 700-800 subsample to 95% passing 200 mesh (75 micron), and</li> <li>○ Riffle split four (4) 175-200 gram subsamples of -200 mesh material for analyses.</li> </ul> </li> <li>• Sample Analysis Protocol <ul style="list-style-type: none"> <li>○ Gold analysis is by classical fire assay technique with Atomic Absorption Spectrometer (AAS) finish on a 30g charge;</li> <li>○ Since Oct 2010, all sample pulps are resubmitted for silver and base metal analysis by wet geochem method;</li> <li>○ Samples with gold assay results <math>\geq 5</math> g/t Au are re-analysed using Fire Assay and gravimetric finish</li> </ul> </li> <li>• All sample preparation and analysis techniques are appropriate for this style of mineralisation. The quality of sample preparation and analysis is of international standard.</li> </ul> |
|  | <ul style="list-style-type: none"> <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> </ul> | <ul style="list-style-type: none"> <li>• The Company used no geophysical or other analytical tools for the purposes of this report.</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>• <i>Nature of quality control procedures adopted (egg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></li> </ul>                  | <ul style="list-style-type: none"> <li>• The company's laboratory employs industry standard QA/QC procedures during sample preparation and analysis using internal standards and CRM standards, blanks and duplicates. The laboratory undergoes regular audits by independent consultants.</li> <li>• Duplicate samples (crushed core sample rejects and/or duplicate pulps) are selected for re-submission to an independent laboratory (Intertek Philippines, Manila) for gold analysis. Inter-laboratory check assay results are within acceptable variability limits.</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> </ul>   | <ul style="list-style-type: none"> <li>Independent and alternative company personnel on a regular basis verify significant intersections.</li> </ul>  |
|  | <ul style="list-style-type: none"> <li><i>The use of twinned holes.</i></li> </ul>   | <ul style="list-style-type: none"> <li>All drilling is by diamond coring. Drill holes are not twinned.</li> </ul>   |
|  | <ul style="list-style-type: none"> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> </ul>  | <ul style="list-style-type: none"> <li>Logging of drill core and drilling statistics are hand written and encoded into 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 on-site. Digital data is imported into dedicated mining software programs and validated.</li> <li>Digital database is backed up on regular basis, with copies kept on-site.</li> </ul> |
|  | <ul style="list-style-type: none"> <li><i>Discuss any adjustment to assay data.</i></li> </ul>   | <ul style="list-style-type: none"> <li>There is no adjustment to assay data.</li> </ul>   |
| <b>Location of data points</b>               | <ul style="list-style-type: none"> <li><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></li> </ul>                         | <ul style="list-style-type: none"> <li>Suitably qualified surveyors and/or experienced personnel, using total station survey equipment locate all drill hole collars. Coordinates are located with respect to Survey Control Stations established within the project area and underground.</li> </ul>   |
|  | <ul style="list-style-type: none"> <li><i>Specification of the grid system used.</i></li> </ul>  | <ul style="list-style-type: none"> <li>UTM PRS92 (Philippine Reference System of 1992).</li> </ul>  |
|  | <ul style="list-style-type: none"> <li><i>Quality and adequacy of topographic control.</i></li> </ul>  | <ul style="list-style-type: none"> <li>Topographic control is maintained using located Survey Control Stations (SCS), which are located relative to the national network of geodetic control points within 10km of the project area.</li> <li>The company's Survey Control Stations was audited by independent licensed surveyors in August 2011 and accuracy is <math>\pm 5\text{mm}</math></li> </ul>   |
| <b>Data spacing and distribution</b>         | <ul style="list-style-type: none"> <li><i>Data spacing for reporting of Exploration Results.</i></li> </ul>  | <ul style="list-style-type: none"> <li>Exploration drill holes are located initially on 50 and 100 metre grid spacing. For resource estimation drill hole spacing is closed to at least 50 metre hole spacing.</li> <li>Drill core sampling is carried out on maximum of one (1) metre down-hole intervals</li> </ul>   |
|  | <ul style="list-style-type: none"> <li><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</i></li> </ul> | <ul style="list-style-type: none"> <li>Sufficient drilling has been completed to establish the drill hole density required to attain the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve</li> </ul>  |

| Criteria  | JORC Code explanation   | Commentary  |
|---|---|---|
|   | <p><i>classifications applied.</i></p> <ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>  | <p>estimation procedures.</p> <ul style="list-style-type: none"> <li>• Sample compositing has not been applied.</li> </ul>  |
| <p><b>Orientation of data in relation to geological structure</b></p> | <ul style="list-style-type: none"> <li>• <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></li> </ul>   | <ul style="list-style-type: none"> <li>• Mineralisation is hosted within narrow, typically &lt;2 metres wide, quartz veins. The orientation of the veins typically vary from an E-W to NW-SE orientation, and dips vary from flat-lying to steep dips to the north and NE. Surface drill-holes are generally orientated towards the south and vary in dip (-45° to -70°). Underground drill holes are orientated in various directions and dips, depending on accessibility, to intersect the various mineralised veins at different locations within the mining area.</li> </ul> |
|   | <ul style="list-style-type: none"> <li>• <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></li> </ul> | <ul style="list-style-type: none"> <li>• Due to the nature of this style of deposit, and limited underground accessibility for drilling, drilling typically does not intersect mineralisation or structures at an optimum angle, however this is not considered to be material. A good understanding of the deposit has been developed through mining over a period of time, such that it is considered that any sampling bias is recognised and accounted in subsequent interpretations.</li> </ul>  |
| <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 is supervised by company 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 then sampled. Samples are collected in tagged plastic bags, and stored in a lockable room prior to transportation to the laboratory. The samples are transported using Company vehicles and accompanied by company personnel to the laboratory.</li> </ul>   |
| <p><b>Audits or reviews</b></p>                                       | <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>• Audits have been conducted by independent consultants on sampling techniques, laboratory procedures, and database management on an intermittent basis. Alternative company personnel carry out regular reviews of sampling techniques. Results of the audits confirm that the laboratories and protocols are industry standard and results within acceptable tolerance limits.</li> <li>• Sampling techniques and database management is of 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 Co-O mine tenement is operated under a Mineral Production Sharing Agreement (“MPSA”) MPSA No. 262-2008-XIII, which covers 2,538.8 hectares.</li> <li>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.</li> <li>The tenement is a granted mining and production sharing agreement with the Philippine government.</li> <li>The Executive Order on Mining (EO-79) signed on 6 July 2012, by the President of the Philippines, will have no immediate impact on the Co-O operations as the Company is able to continue to explore, develop and mine from within the current operations.</li> <li>New legislation on mining taxes and royalties is yet to be finalised for consideration by Congress.</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 Co-O mine was originally developed in 1989 by Banahaw Mining and Development Corporation (“BMDC”), a wholly owned subsidiary of Musselbrook Energy and Mines Pty Ltd. The operation closed in 1991 and was placed on ‘care and maintenance’ until its purchase by Philsaga Mining Corporation (“PMC”) in 2000. PMC recommissioned the Co-O mine operations and began small-scale mining operations.</li> <li>Medusa Mining Ltd (“MML”) listed on the ASX in December 2004, and since acquired all of PMC’s interests in the Co-O mine and other assets including the mill and numerous tenements and joint ventures. MML has since been actively exploring the Co-O tenements.</li> </ul>  |

| Criteria                        | JORC Code explanation  | Commentary  |
|---------------------------------|--|---|
| <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 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.</li> </ul>   |
| <b>Drill hole Information</b>   | <ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>• Refer to Table II in the main body of this report.</li> <li>• No drill hole information has been excluded from Table II.</li> </ul>  |
| <b>Data aggregation methods</b> | <ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (egg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>• <i>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.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Composited intercepts' 'weighted average grades' calculated by using the following parameters: <ul style="list-style-type: none"> <li>○ no upper gold grade cut-off applied;</li> <li>○ lower cut-off grade of 3.0 g/t gold;</li> <li>○ high grade samples (≥ 20 g/t gold) within composited interval are individually reported;</li> <li>○ ≥ 0.5 metres down hole intercept width at ≥ 3.0 g/t gold, or</li> <li>○ ≥ 6 gram.metres composited down hole intercept width, and</li> <li>○ maximum of 1.0 metre of down hole internal dilution at ≤ 3.0 g/t gold.</li> </ul> </li> <li>• Short lengths of high-grade (≥ 20 g/t Au) gold assays, within composited intercepts, are included and reported within Table II as individual results.</li> <li>• Metal equivalent values are not reported.</li> </ul> |

| Criteria  | JORC Code explanation   | Commentary   |
|---|---|--|
| <b>Relationship between mineralisation widths and intercept lengths</b> | <ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (egg 'down hole length, true width not known').</i></li> </ul> | <ul style="list-style-type: none"> <li>• Mineralisation is hosted within narrow, typically &lt;2 metres wide, quartz veins. The orientation of the veins typically vary from an E-W to NW-SE orientation, and dips vary from flat-lying to steep dips to the north and NE. Surface drill-holes are generally orientated towards the south and vary in dip (-45° to -70°). Underground drill holes are orientated in various directions and dips, depending on accessibility, to intersect the various mineralised veins at different locations within the mining area.</li> <li>• Intersection widths are down hole drill widths not true widths;</li> </ul> |
| <b>Diagrams</b>   | <ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Refer to Table II located in the main body of this report.</li> </ul>   |
| <b>Balanced reporting</b>   | <ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Short lengths of high-grade (<math>\geq 20</math> g/t Au) gold assays, within composited intercepts, are included and reported within Table II as individual results.</li> </ul>  |
| <b>Other substantive exploration data</b>                               | <ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>                            | <ul style="list-style-type: none"> <li>• No other substantive exploration data has been acquired for the purposes of this report.</li> </ul>   |
| <b>Further work</b>   | <ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (egg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Mineralisation is still open to the east, and west and at depth. Underground exploration and development drilling will continue to test for extensions along strike and at depth to the Co-O vein system.</li> </ul>  |

| Criteria | JORC Code explanation  | Commentary  |
|----------|--|---|
|          | <ul style="list-style-type: none"> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul> | <ul style="list-style-type: none"> <li>No figures are included for the purposes of this report, as the drilling results are located within the current mining operations, and do not represent extensions to the current resource, but better defining the resources within the current mining environs.</li> </ul> |



## Appendix B. Tambis Project – Bananghilig Gold Deposit

### JORC Code, 2012 Edition – Table 1 Report

#### Section 2. 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>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 down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> </ul>  | <ul style="list-style-type: none"> <li>Diamond drill core samples obtained by wireline diamond drilling techniques using triple tube as per industry standard practice. Sample Intervals (minimum 20cm) determined by lithological boundaries or at one (1) metre down-hole intervals, whichever is least.</li> <li>No other types of samples were obtained for the purposes of this report.</li> </ul>  |
|                            | <ul style="list-style-type: none"> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> </ul>   | <ul style="list-style-type: none"> <li>At the end of each core run, the drill core is aligned as best as possible and recovered length measured. Core blocks are annotated with hole number, depth, core run length, and core length recovered.</li> <li>Down-hole depths are validated against measured length of drill rods down-hole.</li> <li>Drill hole deviation measured using electronic single-shot survey tools such as the REFLEX EZ-Shot<sup>®</sup>.</li> </ul>   |
|                            | <ul style="list-style-type: none"> <li>Aspects of the determination of mineralisation that are Material to the Public Report.<br/><br/><i>In cases where ‘industry standard’ work has been done this would be relatively simple (egg ‘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 (egg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul> | <ul style="list-style-type: none"> <li>Diamond drilling carried out to industry standard to obtain drill core samples, from which the core is split in half along the core axis using a diamond saw. Half core samples are then taken at 1 metre intervals or at lithological boundary contacts (if &gt;20cm), whichever is least, crushed from which a 1kg split is pulverised to obtain four (4) x 250 g pulp samples. One pulp sample is used to produce a 50 g charge for classical fire assay gold analysis. The remaining pulp samples are retained in secure storage for future reference.</li> <li>Since Dec 2011, for samples which assay &gt;0.2 g/t Au, the pulps are resubmitted for silver and base metal analysis by mixed acid digest with ICP finish.</li> </ul> |

| Criteria                     | JORC Code explanation   | Commentary  |
|------------------------------|---|---|
| <b>Drilling techniques</b>   | <ul style="list-style-type: none"> <li>• <i>Drill type (egg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (egg 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>• Diamond Coring – Holes collared using PQ3 (core Ø 83mm) to competent bedrock (typically &lt;50m), then predominantly HQ3 (core Ø 61mm) until ground conditions require casing off, then NQ3 (core Ø 47mm). All holes completed to target depths.</li> <li>• Core orientation trial carried out during September 2013 quarter, with limited success, using the Ezy-Mark™ front-end core orientation tool. Prior to September 2013, no core orientation carried out due to the soft and very broken nature of the core.</li> </ul>   |
| <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, and then recovery calculated against drilled length. Recovery averaged 95%, which is considered acceptable by industry standards.</li> <li>• Sample recovery is maximised by monitoring and adjusting drilling parameters. (e.g. mud mix, drill bit series, rotation)</li> <li>• Core sample integrity maintained as best as practical using triple tube system.</li> <li>• No known relationship has been observed to date between sample recovery and grade. Recovery is high at &gt;95%.</li> <li>• No sampling bias has been observed to date.</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>• Core samples have been logged geologically and geotechnically to a level of sufficient detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Lithology, mineralisation, alteration, oxidation, sulphide mineralogy, RQD, fracture density, core recovery are recorded by geologists, entered into a digital database, and validated.</li> <li>• Qualitative logging is carried out on all drill core. More detailed quantitative logging is carried out for all zones of interest, such as mineralised zones.</li> <li>• Since July 2010, all drill core is photographed. Drill core obtained prior to July 2010 have no photographic record.</li> <li>• All drill core is logged.</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> </ul>  | <ul style="list-style-type: none"> <li>Drill core is half sawn only for those intervals predetermined for sampling. Cutting is carried out using high-speed circular diamond saw blade on a cutting machine, with the core resting in a specifically designed cradle to ensure straight and accurate cutting.</li> </ul>   |
|   | <ul style="list-style-type: none"> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i></li> </ul>   | <ul style="list-style-type: none"> <li>No non-core sampling carried out for the purposes of this report.</li> </ul>  |
|   | <ul style="list-style-type: none"> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> </ul>   | <ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the sample preparation techniques are to industry standard practice.</li> </ul>  |
|   | <ul style="list-style-type: none"> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> </ul>  | <ul style="list-style-type: none"> <li>For all sample submissions to Intertek Philippines laboratory: Certified Reference Material samples (0.2–12 ppm Au) and Blank Material samples (&lt;0.005ppm Au) are each inserted into every batch of drill core sample submissions at ratio of 1:18. Duplicates are not inserted, as it is deemed impractical for drill core.</li> </ul>  |
|   | <ul style="list-style-type: none"> <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> </ul> | <ul style="list-style-type: none"> <li>Core samples are obtained by cutting core along the core axis into two halves. Oriented core is cut using the 'bottom of hole' markings. Drill core are not re-sampled. Remaining half core is retained should resampling be required in the future.</li> </ul>   |
|   | <ul style="list-style-type: none"> <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>Core sample sizes vary typically between 2-5kg depending on core size, sampling interval, and to a lesser extent recovery. Samples sizes are considered to be appropriate with respect to the nature and tenor of mineralisation.</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> </ul>                         | <ul style="list-style-type: none"> <li>All samples are submitted to Intertek Philippines, an independent ISO17025 accredited laboratory.</li> <li>Gold analysis is by classical fire assay technique using 50g charge and AAS finish.</li> <li>Since Dec 2011, for samples, which assay &gt;0.2ppm Au, duplicate pulps are resubmitted for Ag, Cu, Pb, Zn analysis by mixed acid digest with ICP finish.</li> <li>All sample preparation and analysis techniques are appropriate for this style of mineralisation. The quality of sample preparation and analysis is of international standard.</li> </ul> |

| Criteria                                     | JORC Code explanation   | Commentary  |
|--|---|---|
|  | <ul style="list-style-type: none"> <li>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.</li> <li>Nature of quality control procedures adopted (egg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul> | <ul style="list-style-type: none"> <li>The Company used no geophysical or other analytical tools for the purposes of this report.</li> <li>Intertek Philippines is an independent commercial laboratory, which employs industry standard QA/QC procedures during sample preparation and analysis using internal standards, blanks and duplicates. Data from their QA/QC is made available and reviewed.</li> <li>Occasional batches of crushed core sample rejects and/or duplicate pulps are selected for re-submission for gold analysis.</li> </ul>  |
| <b>Verification of sampling and assaying</b> | <ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>   | <ul style="list-style-type: none"> <li>Independent and alternative company personnel on a regular basis verify significant intersections.</li> <li>All drilling is by diamond coring. Drill holes are not twinned.</li> <li>Logging of drill core and drilling statistics are hand written and encoded into 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 off-site. Digital data is imported into dedicated mining software programs and validated.</li> <li>Digital database is backed up on regular basis, with copies kept off site.</li> <li>There is no adjustment to assay data.</li> </ul> |
| <b>Location of data points</b>               | <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>Suitably qualified surveyors and/or experienced personnel, using total station survey equipment locate all drill hole collars. Coordinates are located with respect to Survey Control Stations established within the project area.</li> <li>UTM PRS92 (Philippine Reference System of 1992).</li> <li>Topographic control is maintained using located Survey Control Stations (SCS), which are located relative to the national network of geodetic control points within 10km of the project area.</li> <li>The company's Survey Control Stations was audited by independent</li> </ul>  |



| Criteria   | JORC Code explanation   | Commentary   |
|--|---|--|
|  |   | licensed surveyors in August 2011 and accuracy is $\pm 5$ mm   |
| <b>Data spacing and distribution</b>                           | <ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Exploration drill holes are located initially on 150 metre grid spacing. For resource estimation drill hole spacing is closed to at least 40 metre hole spacing.</li> <li>• Drill core sampling is carried out on maximum of one (1) metre down-hole intervals</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>• <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></li> </ul> | <ul style="list-style-type: none"> <li>• Sufficient drilling has been completed to establish the drill hole density required to attain the degree of geological and grade continuity appropriate for Mineral Resource estimation procedure(s) and classifications applied.</li> </ul>  |
|  | <ul style="list-style-type: none"> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>   | <ul style="list-style-type: none"> <li>• Sample compositing has not been applied.</li> </ul>   |
| <b>Orientation of data in relation to geological structure</b> | <ul style="list-style-type: none"> <li>• <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></li> </ul>   | <ul style="list-style-type: none"> <li>• Mineralisation is hosted predominantly by a diatreme breccia complex with narrow hydrothermal breccia zones encompassed by more broad zones of hydrothermal crackle breccia zones. The orientation of the higher-grade zones is predominantly in a NE-SW (040°-220°) orientation with dips varying from sub-vertical to moderate dips to the NW. Drill-hole orientation (azimuth 130°, dip -60°) is considered to be the most appropriate orientation to intersect the mineralisation and associated structures.</li> </ul> |
|  | <ul style="list-style-type: none"> <li>• <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></li> </ul>                   | <ul style="list-style-type: none"> <li>• Due to the nature of this style of deposit, there are rare instances where drilling has not intersected mineralisation or structures at an optimum angle, however this is not considered to be material.</li> </ul>   |
| <b>Sample security</b>   | <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 is supervised by company 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 then sampled. Samples are collected in tagged plastic bags, and stored in a lockable room prior to transportation to the laboratory. The samples are transported using Company vehicles and accompanied by company personnel to the laboratory.</li> </ul>  |
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| 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>Audits have been conducted by independent consultants on sampling techniques, laboratory procedures, and database management on an intermittent basis. Alternative company personnel carry out regular reviews of sampling techniques. Results of the audits confirm that the laboratories and protocols are industry standard and results within acceptable tolerance limits.</li> <li>Sampling techniques and database management is of industry standard.</li> </ul> |

### Section 3. 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 Tambis project, comprising the Bananghilig Gold Deposit, is operated under a Mining Agreement with Philex Gold Philippines Inc. ("Philex") over Mineral Production Sharing Agreement ("MPSA") 344-2010-XIII, which covers 6,262 hectares.</li> <li>Aside from the prescribed royalties payable to the Philippine government and the Indigenous People ("IP"), a royalty of 7% NSR is payable to Philex on precious and base metal production from any mining activities within the MPSA.</li> <li>The tenement is a granted mining and production sharing agreement with the Philippine government.</li> <li>The Executive Order on Mining (EO-79) signed on 6 July 2012, by the President of the Philippines, will have no immediate impact on the Bananghilig Project as the Company can continue to explore, conduct feasibility studies and planning.</li> <li>New legislation on mining taxes and royalties is yet to be finalised for consideration by Congress.</li> </ul> |

| Criteria                                 | JORC Code explanation  | Commentary   |
|--|--|--|
| <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>1973-77 Soriano Exploration, a division of Atlas Consolidated and Mining Development Corporation conducted first exploration. 38 diamond drill holes (4,871m). No hardcopy data is available. Digital data obtained from Philex. No drill hole collars were able to be verified in the field.</li> <li>1995-97 Philex carried out diamond drilling (79 drill holes, 12,173m) and RC drilling (227 drill holes, 12,629m). No hardcopy data is available. Digital data obtained from Philex. No drill core or RC samples are available for verification purposes. The position of five (5) diamond drill hole collars were verified in the field. No RC drill hole collars have been located in the field.</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>Bananghilig is a diatreme breccia hosted, intermediate sulphidation epithermal gold (+Ag ±Cu±Pb±Zn) deposit. The deposit is located in the Eastern Mindanao Volcano-plutonic belt of the Philippines.</li> </ul>  |
| <b>Drill hole Information</b>            | <ul style="list-style-type: none"> <li><i>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:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>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.</i></li> </ul> | <ul style="list-style-type: none"> <li>Refer to Table 4 in the main body of this report.</li> <li>No drill hole information has been excluded from Table 4.</li> </ul>   |
| <b>Data aggregation methods</b>          | <ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (egg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> </ul>   | <ul style="list-style-type: none"> <li>Composited intercepts' 'weighted average grades' calculated by using the following parameters:</li> </ul>   |

| Criteria  | JORC Code explanation  | Commentary  |
|---|--|---|
|   | <ul style="list-style-type: none"> <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 upper gold grade cut-off applied;</li> <li>lower cut-off grade of 0.5 g/t gold;</li> <li>high grade samples (&gt;10 g/t gold) within composited interval are individually reported;</li> <li>≥ 5 metres down hole intercept width at ≥ 1.0 g/t gold, or</li> <li>≤ 5 metres down hole intercept width at ≥ 5 gram per metres, and</li> <li>maximum of 3 metres of down hole internal dilution at ≤0.5 g/t gold.</li> <li>Short lengths of high-grade (&gt;10 g/t Au) gold assays, within composited intercepts, are included and reported within Table 4 as individual results.</li> <li>Metal equivalent values are 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 (egg 'down hole length, true width not known').</li> </ul> | <ul style="list-style-type: none"> <li>The orientation of the higher-grade zones is predominantly in a NE-SW (040°-220°) orientation with dips varying from sub-vertical to moderate dips to the NW. Drill hole orientation (azimuth 130°, dip - 60°) is considered to be the most appropriate orientation to intersect the mineralisation and associated structures.</li> <li>Intersection widths are down hole drill widths not true widths;</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>Refer to Figures 3 &amp; 4 located in the main body of this report.</li> </ul>   |
|   |  |   |



| Criteria                                  | JORC Code explanation   | Commentary  |
|---|---|---|
| <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>Short lengths of high-grade (&gt;10 g/t Au) gold assays, within composited intercepts, are included and reported within Table 4 as individual results.</li> </ul>  |
| <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>Geotechnical diamond drill core samples have been obtained, and will be submitted to an independent geotechnical laboratory during the March 2014 quarter.</li> <li>To date, more than 4,000 bulk density determinations have been completed.</li> </ul>   |
| <b>Further work</b>                       | <ul style="list-style-type: none"> <li>The nature and scale of planned further work (egg 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>Mineralisation is still open to the southeast, south, and southwest and at depth. Step-out drilling will continue during the March 2014 quarter to outline further extensions to mineralisation on 150m x 150m drill hole spacing.</li> <li>Figures 3 &amp; 4 located within the main body of the report highlights the areas for possible extensions to the mineralisation beneath the limestone cover, in relation to the Bananghilig deposit as it is currently known, as well as location of the results of drilling tabulated in Table IV.</li> </ul> |