



**MEDUSA**

## QUARTERLY ACTIVITIES REPORT

PERIOD ENDED

31 DECEMBER 2016

### Snapshot of Medusa:

- Un-hedged, low cash cost, gold producer focused on organic growth in the Philippines
- No long-term debt

### Board of Directors:

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

**Boyd Timler** (Managing Director)

**Raul Villanueva** (Executive Director)

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

**Roy Daniel** (Non-executive Director)

### Management:

**Boyd Timler**  
(Managing Director)

**Raul Villanueva**  
(President, Philippine subsidiaries)

**Peter Alphonso**  
(Chief Financial Officer / Company Secretary)

**James Llorca**  
(Manager of Geology & Resources)

### Capital Structure:

Ordinary shares: 207,794,301  
Unlisted options: 4,940,500

### Listing:

ASX (Code: MML)

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## OVERVIEW:

### Co-O MINE PRODUCTION

- **Production:** 17,350 ounces at average head grade of 4.75 g/t gold (Sep 2016 qtr: 21,157 ounces at average grade of 5.26 g/t gold).
- **Cash Costs:** of US\$625 per ounce (Sep 2016 qtr: US\$592 per ounce).
- **All-In-Sustaining-Costs ("ASIC"):** US\$1,498 per ounce (Sep 2016 qtr: US\$1,334 per ounce).
- **Mill Performance:** gold recovery averaged 94.2% (Sep 2016 qtr 94.5%).
- **Mine Development:** Total advance was 5,758 metres of horizontal and vertical development (Sep 2016 qtr: 4,960 metres).
- **Mine Infrastructure Projects:**
  - **E15 Servie Shaft:** Shaft, headframe and Winders commissioned with 9.2 metres of sinking completed.
  - **Main Levels and Winzes:** Development on Level 9 totaled 409 metres. Level 10 development was 6.5 metres to stub out the level.
  - **Mine Ventilation:** Upgrade completed, fans commissioned. Second fan idling while replacing defective vibration monitoring hardware.
  - **Mine De-Watering:** Level 8 chamber develop and ground support completed. Removing broken rock, pumps received.
- **Revised Production Guidance (2016/17):** The production guidance was revised down to a range of between 85,000 to 95,000 ounces at ASIC of between US\$1,250 to US\$1,350 per ounce of gold.

### Co-O MINE EXPLORATION

- **Underground resource drilling**
  - Reserve drilling from Levels 2, 4 and 9 targeting the Royal, Great Hamish, Central, Jeremy, Breccia, Catto and Don Pedro East Veins aggregating 1,965 metres were completed.
  - Resource and Definition drilling from Levels 2, 3 and 8 this quarter totalled 13,585 metres.
  - Results from the resource drilling include 2.35 metres @ 56.96 g/t Au, 1.35 metres @ 32.84 g/t Au and 1.50 metres @ 14.44 g/t Au.

### REGIONAL EXPLORATION

- **Near Mine Exploration (MinEX):** continued with on-going reconnaissance activities within the mine environments.

### COAL EXPLORATION

- No field work was undertaken this quarter. All data for the completion of a Scoping Study were received during this quarter.

### CORPORATE & FINANCIALS

- Total cash and bullion on hand at the end of the quarter of approximately US\$12.9 million (approximately US\$19.6 million at 30 Sep 2016).
- On 9 January 2017, Mr Boyd Timler, then Medusa's CEO joined the Board of Medusa and was appointed Managing Director.

## PROJECT OVERVIEW

The locations of the Company's projects covered during this quarter are shown on Figure 1.

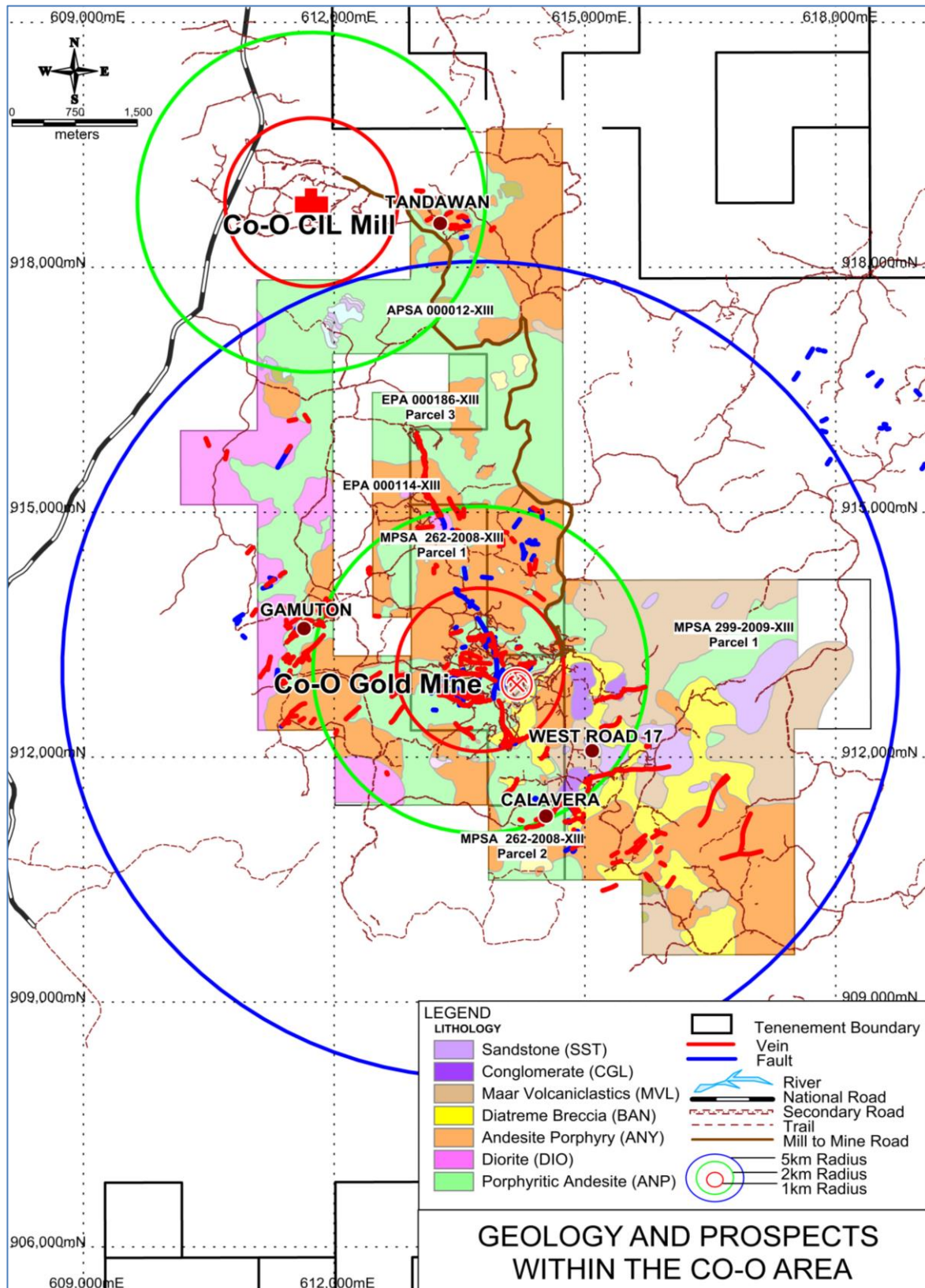


Figure 1. Location diagram showing the Company's Co-O mine and mill operations, tenement areas and main project areas

## Co-O MINE

### PRODUCTION

The production statistics for the previous five quarters and the December 2016 quarter are summarised in Table I below:

**Table I.** Gold production statistics

Description	Unit	Sep 15 Quarter	Dec 15 Quarter	Mar 16 Quarter	Jun 16 Quarter	2015/16 Full Year	Sep 16 Quarter	Dec 16 Quarter	2016/17 Half-Year
Ore mined	WMT	166,620	159,149	148,478	149,412	623,660	149,394	134,740	284,134
Ore milled	DMT	151,463	144,123	132,393	133,213	561,192	132,371	120,731	253,102
Head grade	g/t	6.80	6.79	5.47	6.32	6.40	5.26	4.75	5.02
Recovery	%	94.0%	94.0%	94.0%	94.0%	94.0%	94.5%	94.2%	94.3%
Gold produced	ounces	31,495	29,674	21,980	25,429	108,578	21,157	17,350	38,507
Gold sold	ounces	31,176	30,835	20,999	25,519	108,529	21,152	17,909	39,061
U/G development	metres	7,269	4,836	5,266	4,501	21,872	4,960	5,758	10,718
Cash costs <sup>(*)</sup>	US\$/oz	\$439	\$435	\$494	\$512	\$466	\$592	\$625	\$607
All-In-Sustaining-Costs	US\$/oz	\$953	\$950	\$1,033	\$1,088	\$999	\$1,334	\$1,498	\$1,408
Average gold price received	US\$/oz	\$1,121	\$1,096	\$1,173	\$1,331	\$1,173	\$1,315	\$1,219	\$1,271
Cash & cash equivalent	US\$M	\$11.6M	\$16.0M	\$16.8M	\$22.0M	\$22.0M	\$19.6M	\$12.9M	\$12.9M

Note:

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

The Company produced 17,350 ounces of gold for the quarter, at an average head grade of 4.75 g/t gold from 120,731 tonnes of ore processed. Compared to the September quarter, ounces produced are down by 18% due to a combination of lower grade treated and lesser tonnes processed, impacting ounces equally. The quarter-on-quarter mine development was 16% higher for December quarter, which impacted the mill feed blend.

The December 2016 quarter also saw higher than normal levels of maintenance for the L8 Shaft. The conveyance guides have been wearing at a higher rate than anticipated. The extra maintenance time required to change the L8 Shaft guides has had an adverse impact on the total material hoisted. The overall material mined for the quarter was 12% less than the September quarter and the mill feed throughput was 9% less.

In the last quarter, 5,758 metres of development was completed, 16% more than the September quarter. The higher volume of development ore in the December quarter's mill feed blend attributed to the feed grade of 4.75 g/t, 10% lower than the September quarter.

To ensure the safe operation of the L8 shaft, the maintenance of the conveyance guides has taken precedence over the hoisting of production ore. This setback is only a short-term issue, as the long-term mine development plan is still intact and not compromised.

All-In-Sustaining-Costs ("AISC") for the December 2016 quarter was US\$1,498 per ounce of gold, higher than expected, primarily as a result of the lower than expected ounces produced for the quarter.

As explained, gold production was curtailed as a result of limited access to hoisting of production ore due to unforeseen maintenance required on the L8 conveyance guides.

The December quarter AISC's also includes some exceptional costs:

- E15 Service Shaft; headframe, winders and sinking stage was commissioned in the quarter requiring final payments to some suppliers.
- The high amount of underground resource and reserve drilling totalled 13,585 metres for the December quarter.
- The mine completed a total of 5,758 metres of development, an 18% increase over the September quarter. With the L8 Shaft restrictions due to maintenance issues, some of the stoping labour resources were allocated to mine development. This further impacted the short-term production tonnes and the mill feed grade in the quarter, for a longer-term benefit. Of this, 3,135 metres was horizontal and 2,623 metres was vertical development. For the December quarter the focus was on L7 and L8 to open up new stoping blocks on the high-grade GH Vein. L9 accounted for 7% of the overall development even though the area is restricted to a few development headings.

The in-stope broken ore inventory as at 31 December 2016 was 61,224 WMT at 6.61 g/t. This is a quarter on quarter increase of 23% in tonnes, with contained ounces increasing to 13,011, up 13% and adjusted for a slight grade reduction. The increase in broken ore inventory is attributable the L8 Shaft maintenance issues, with development ore being preferentially hoisted over the stope ore for the December quarter.

## **Production Shafts**

Overall material hoisted was 142,180 tonnes for ore and waste combines.

- **L8 Shaft:**

The December 2016 quarter required much higher than planned shaft maintenance, impacting on its overall availability for hoisting. The shaft guides are routinely inspected and replaced as part of the normal shaft maintenance work. The L8 conveyance guides have been experiencing higher than normal wear rated. For safety reasons, it was decided in the December quarter to increase the guide replacement schedule.

During the December holiday season the mine had scheduled some upgrade work on the L8 Shaft. This included installing "swing guides" in the headframe to reduce the conveyance changeout times (skips to man-cage) and installing an upgraded shaft maintenance platform. This work was deferred to the March 2017 quarter due to logistics issues in receiving the critical items in December. The maintenance platform will make future guide repairs much quicker, once installed.

The reduced L8 Shaft availability impacted levels L6 to L9 as Agsao and Baguio only can skip from L5 and above.

- **Agsao Inclined Shaft:**

During the December quarter the Agsao had to be taken off-line for a week to replace a section of deteriorating shaft guide sleepers. Agsao is a 60-degree inclined shaft.

- **Baguio Inclined Shaft:**

Normal operations.

- **L8 Winzes:**

29E and 17E Winzes are developed to L9. For the December quarter, there was a total of 409 metres of development on L9, a 33% increase over the September quarter. L9 development remains the highest priority to establish stoping blocks on the higher grade "Great Hamish Vein" (GHV) and Jeremy Vein.

12E has been developed to L10. Development only restarted at the end of the December quarter once the 1.2 tonne sinking winder was replaced with a 2.4 tonne production winder (electric vs. pneumatic). Total horizontal development for the quarter was 6.5 metres.

Three new winzes were in development in the December Quarter. The 43E, 48E and 35E Winze's winder chambers and head gear chambers where under development this quarter. These three winzes will be developed from L8 to L12.

## **E15 Service Shaft**

Progress on the E15 Service Shaft as of 31 December 2016:

- The shaft was fully commissioned this quarter.
  - High voltage feed, low voltage and electronics commissioned
  - Main Winder commissioned
  - Stage Winders commissioned
  - Headframe completed
  - Headframe safety devises and switches installed and commissioned
  - Sinking stage installed and commissioned
  - Shaft Services commissioned



Picture 1: E15 sinking stage lower deck, on the bench

- Blind sink stopped in the June 2016 quarter as planned to erect the headframe. Blind sinking resumed in the December quarter with an advance of 9.2 metres.
- The safety pillar between the blind sinking bench and the Alimak Raise was removed. The shaft sinking will now consist of stripping out the 2.5 metres x 2.5 metres Alimak Raise to the planned 3.95 metres x 3.5 metres sectional area, for the next 278 vertical metres to level 8. Blind sinking will resume below L8. There is a bulkhead installed in Level 5 in the Alimak chamber, thus all material will be trammed on L5 and backfilled into old stopes, avoiding L8 Shaft hoisting where possible.

### **New ventilation**

The mine ventilation plan will segment the mine into two districts; above / below Level 6. The upper district (above L6) has been operating to design since the June quarter.

The lower district (below L6) with the completion of the L7, L6 ground support is now 100% completed. The second fan was operational and commissioned in the December quarter. The fans vibration monitoring hardware has failed on installation. The supplier is expediting replacement components thus, the fan is idling at this time.

The Co-O mine ventilation upgrade project is effectively complete.

### **Dewatering**

By the December quarter the key elements of the L8 de-watering project are:

- The pumps have arrived at site
- The sump chamber rock-work is completed
- The chamber has been bolted and shotcreted
- The waste rock is being removed via the L8 shaft.

The waste rock is being hoisted via the L8 production shaft. Due to the L8 Shaft availability issues this work is taking longer than planned. All that remains following the waste removal is installation and commissioning

### **Processing Plant**

The process plant throughput was 120,731 tonnes at a grade of 4.75 g/t. The December quarter throughput was impacted by the L8 hoisting limitations and the grade was impacted by the ore blend as previously discussed. The process plant maintained recoveries at 94.2% for the quarter.

### **Production Guidance**

The Company's production guidance for FY2016-17, initially set at between 105,000 to 115,000 ounces of gold at All-In-Sustaining-Costs ("AISC") of between US\$1,000 to US\$1,100 per ounce has now been revised to between 85,000 to 95,000 ounces of gold at AISC of between US\$1,250 to US\$1,350 per ounce.

The Co-O mine delivered 21,157 ounces of gold at AISC of US\$1,334 per ounce for the September 2016 quarter, with the December 2016 quarterly gold production at 17,350 ounces and AISC's of US\$1,498 per ounce of gold. The original guidance profile for FY16-17 was presented as being back-end loaded, but with the poor results for the December 2016 quarter, the production plan for the second half of the year does not have the flexibility to recover lost production and match the original guidance.

The poor production for the December 2016 quarter and revised mid-year production guidance can be attributed to the following factors:

The reduced grade for the quarter relates to the increased amount of development ore in the mill feed blend. The overall mine production output has been below plan. The tonnage shortfall relates to much higher L8 mine-shaft maintenance requirements, thus impacting the hoisting availability for the quarter. This relates to the wear rate of the L8 Shaft guides.

For safety reasons the mine will continue with an accelerated L8 Shaft guide replacement strategy through the March 2017 quarter, resulting in overall lower shaft availability. The mine site has arranged through a third-party service provider to conduct a full assessment of the L8 Shaft in late January 2017.

The L8 shaft availability has an overall impact on the mines performance including; manpower movements, materials movements and rock hoisting capabilities. The higher planned production rates for the March quarter will be pushed out by a few months, thus requiring the revised guidance.

## HEALTH, SAFETY & ENVIRONMENT

There were no reportable Lost Time Accidents (LTI's) nor environmental breaches during the December 2016 quarter.

## Co-O MINE GEOLOGY

### Co-O Mine Drilling

The progressive underground drilling campaign that commenced during the September 2016 quarter from L8 drill caddy which is targeting resource definition between Levels 8 to Level 12 (Fig 2) continued over this quarter. This program is targeting to increase and upgrade the current mineral resource base and intercept the depth and strike extensions of the mineralized vein system between Levels 8 to Level 12 (-200m to -400m RL) in the short term and Levels 12 to Level 16 (-400m to -600m RL) in the long term.

For the December 2016 quarter a total of 43 drill holes were completed for an advance of 13,585 metres, of which resource definition drilling totaled 17 drill holes for an advance of 1,965 metres. The total drilling meterage is about 10% less than last quarter due to the number of non-working days over the December period.

Significant results obtained during the quarter are reported in Table II and relative positions shown in longitudinal section in Figures 2 and 3.

**Table II.** Co-O Mine underground drill hole results  $\geq 3$  gram-metres/tonne gold  
(Refer Appendix A for JORC Code, 2012 Edition - Table 1 Report)

Hole Number	East	North	RL	Depth (metres)	Azim (°)	Dip (°)	From (metres)	Downhole Width (metres)	Gold Grade (uncut) (g/t gold)
<b>UNDERGROUND RESOURCE DRILLING - LEVEL 2</b>									
L2-16W-003	613811	912805	102.90	82.60	115	0	59.75	0.45	137.60
L2-17W-001	613821	912960	100.52	49.60	43	1	28.15	0.25	12.20
L2-19W-001	613797	912920	100.59	94.40	48	1	13.55	1.00	4.47
L2-24W-002	613730	912895	101.14	70.20	225	2	54.10	0.45	7.07
<b>UNDERGROUND RESOURCE DRILLING - LEVEL 3</b>									
L3-37W-001	613583	912763	54.47	300.30	133	2	25.90	0.90	7.60

Hole Number	East	North	RL	Depth (metres)	Azim (°)	Dip (°)	From (metres)	Downhole Width (metres)	Gold Grade (uncut) (g/t gold)
<b>UNDERGROUND RESOURCE DRILLING - LEVEL 8</b>									
L8-28E-016	614272	912866	189.90	571.60	144	-10	202.30	2.35	56.96
L8-28E-016							382.70	1.00	4.39
L8-28E-017	614271	912865	-190.70	587.30	134	-21	33.05	0.20	19.07
L8-28E-017							193.05	0.55	21.10
L8-2W-005	613993	913098	-188.50	656.60	178	-26	232.70	0.20	104.33
L8-2W-005							235.40	1.10	3.12
L8-2W-005							252.10	0.40	12.67
L8-2W-007	613993	913098	-188.00	499.90	155	-16	328.90	0.85	44.83
L8-64E-017	614727	913101	-187.00	602.00	175	-10	49.10	0.45	19.07
L8-64E-017							271.15	0.90	6.83
L8-64E-017							312.05	0.50	13.90
L8-64E-018	614723	913102	-187.40	627.50	181	-19	43.75	1.35	32.84
L8-64E-018							124.70	0.70	6.43
L8-64E-018							127.50	0.25	161.63
L8-64E-019	614727	913101	-187.40	647.20	176	-19	51.10	0.45	10.47
L8-64E-019							73.00	0.30	16.97
L8-64E-020	614726	913101	-188.00	596.00	176	-15	50.00	0.50	13.00
L8-64E-020							89.90	1.00	12.67
L8-64E-020							168.65	0.35	13.33
L8-64E-020							170.70	1.00	10.20
L8-64E-021	614726	913101	-187.20	585.60	167	-14	55.15	1.50	14.44
L8-64E-022	614726	913102	-187.90	601.80	167	-55	536.25	0.30	10.57
L8-82E-001	614899	913103	-185.30	545.00	192	0	98.85	0.45	6.97
L8-82E-002	614899	913103	-185.20	551.90	208	1	328.50	0.95	4.86

**Notes:**

\* Some intercepts reported in this table are from holes completed and significant assays reported prior to June 2016 quarter, and where there has since been additional sampling.

1. Compositing intercepts' 'weighted average grades' calculated by using the following parameters:

- (i) no upper gold grade cut-off applied;
- (ii) lower cut-off grade of 3.0 g/t gold;
- (iii) high-grade samples ( $\geq 300$  g/t gold) within compositing interval are individually reported;
- (iv)  $\geq 3$  gram-metres, and
- (v) maximum of 1.0 metre of down-hole internal dilution at  $\leq 3$  g/t gold.

2. Intersection widths are downhole drill widths not true widths;

3. Analysis is carried out by Philsaga Mining Corporation's laboratory; Inter-laboratory check assays are carried out with an independent accredited commercial laboratory (Intertek Philippines, Manila) on a regular basis every quarter.

4. Grid coordinates are rounded and based on the Co-O Mine Grid. RL is elevation, rounded in metres relative to Mine Datum.



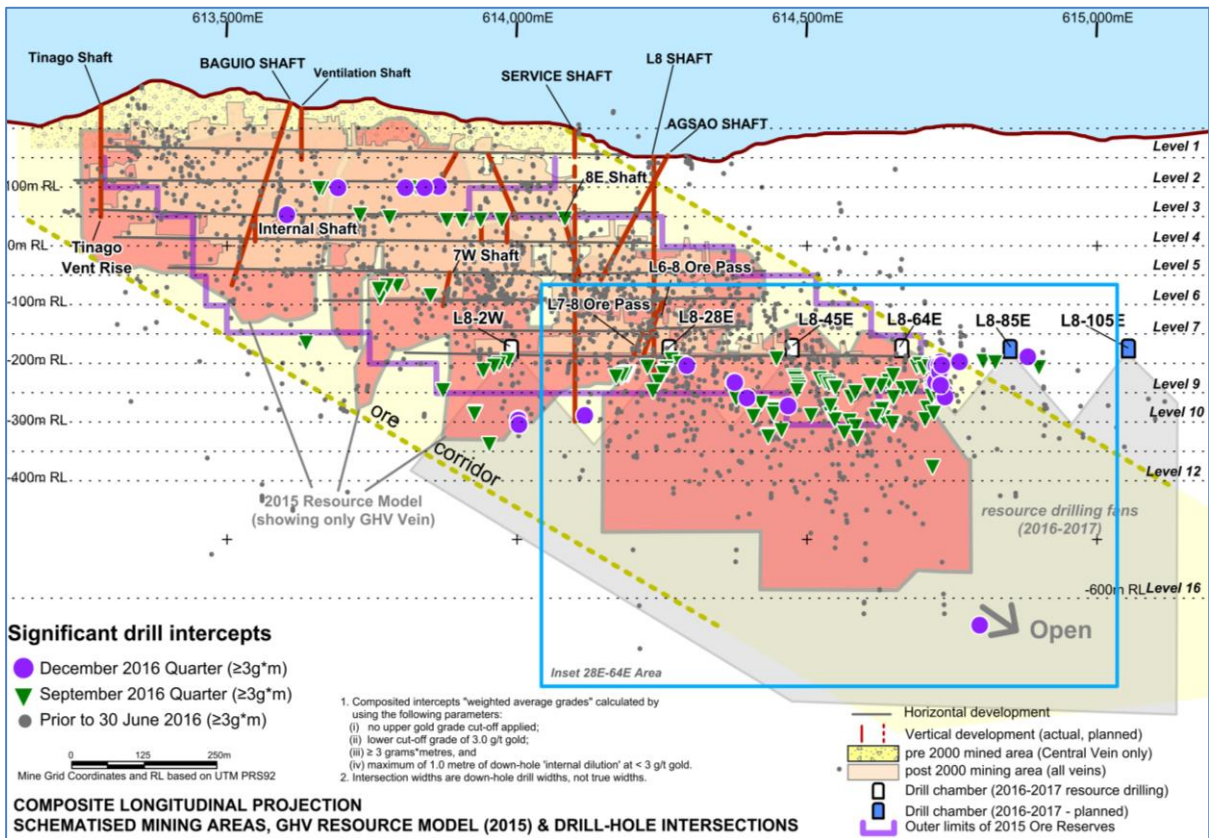


Figure 2. Co-O Mine Longitudinal Projection showing composited mining depletion, vertical development, Ore Reserves limits, and significant drill intercept locations (including previously reported).

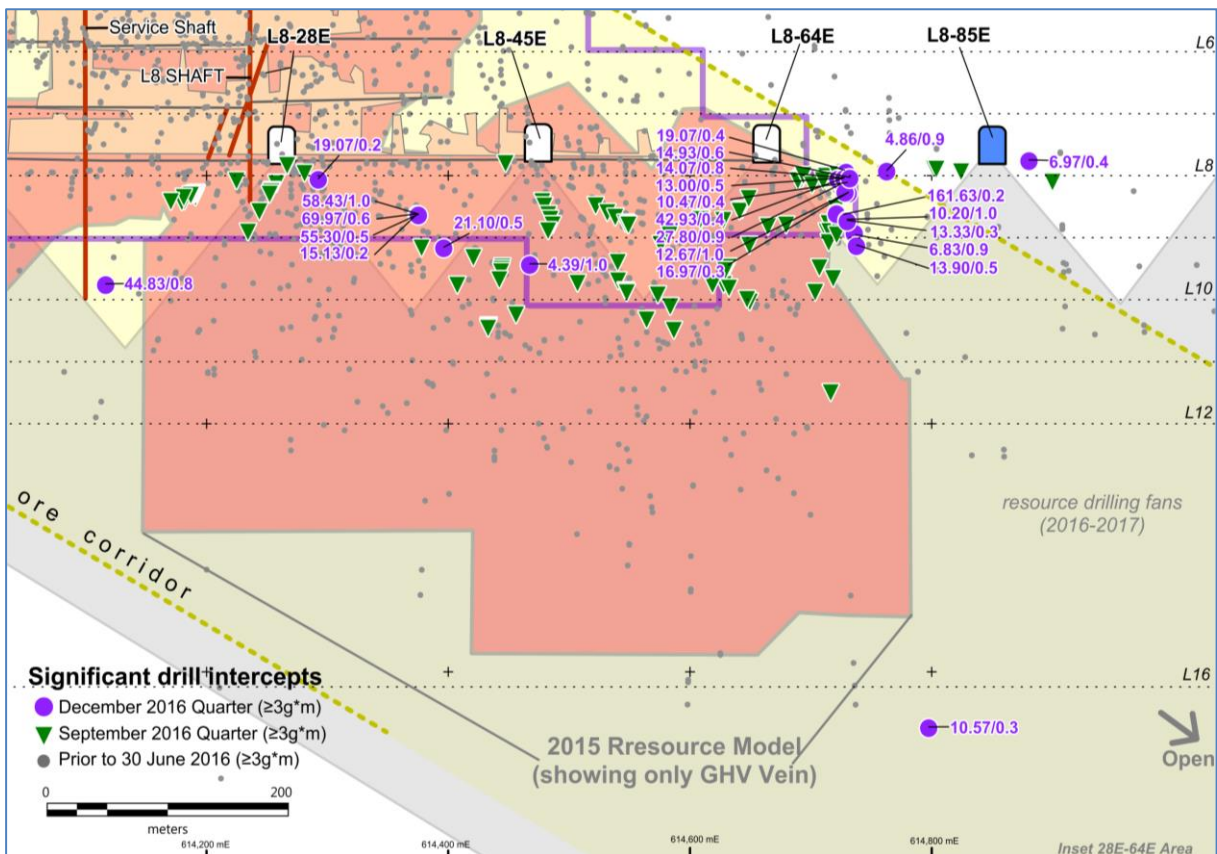


Figure 3. Inset 28E-45E – Significant intercepts obtained during the December 2016 quarter and significant intercepts obtained from previous drilling, beneath the lower limits of the June 2015 ore reserves.

Figures 2 and 3 show significant intercepts obtained during the December 2016 quarter as well as other significant intercepts obtained from previous September 2016 Quarter drilling. The geological continuity of the multiple veins system will be further validated by having a denser drilling campaign.

The above results consolidated on long-section figures 2 & 3 give a more representative depiction of the drill data shown on Table II. The guidance for the FY 2016-17 resource drilling will remain at the meterage levels achieved in the September and December 2016 quarters recognising the importance of getting the required drill hole densities down to level 16. This is to best understand the deposits full resource potential at depth.

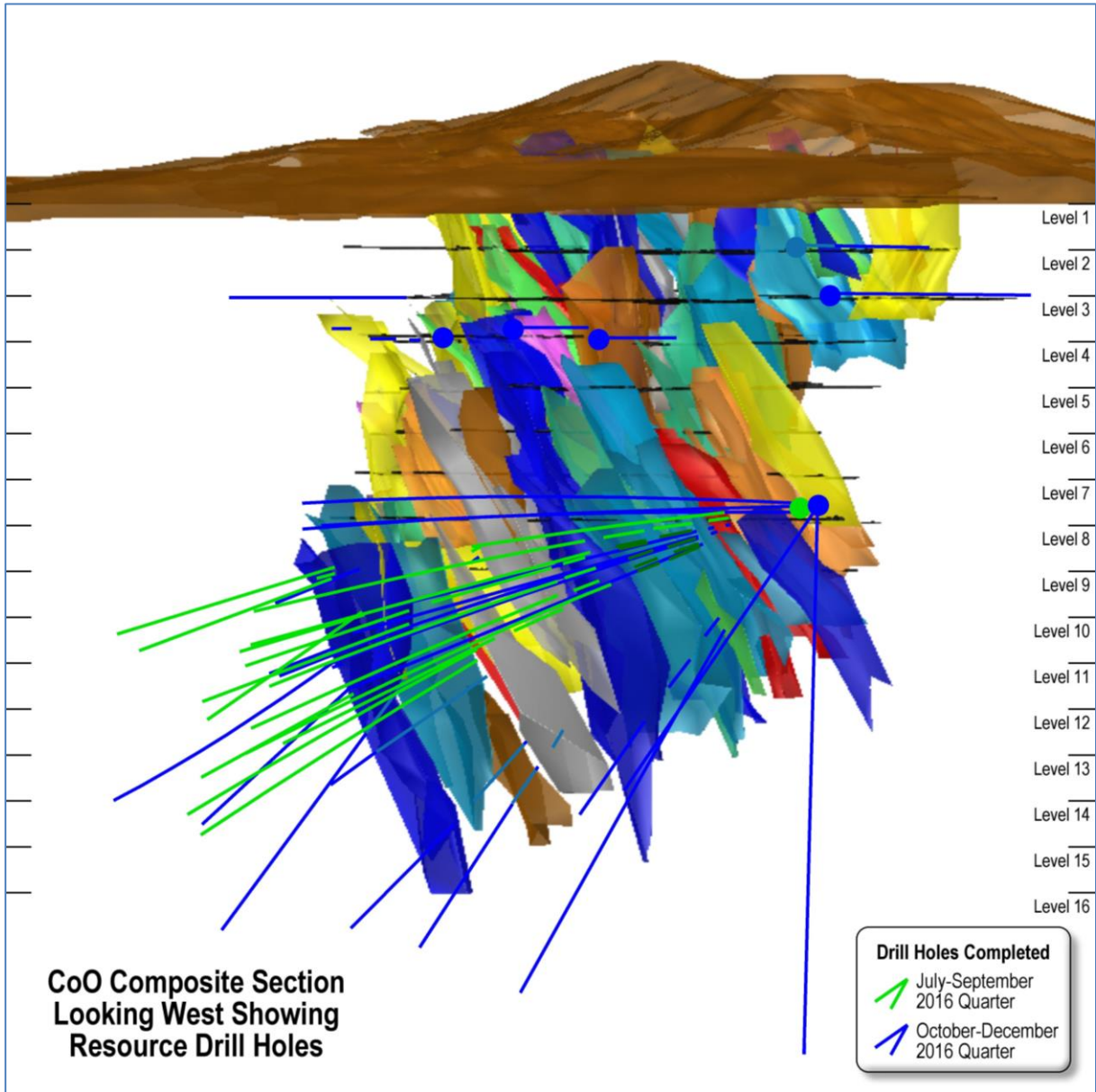


Figure 4. Composite cross-section looking West showing the Co'O vein system and resource drill holes completed for the previous and current quarters.

## **Co-O SURFACE EXPLORATION**

### **Near Mine Exploration (MinEX)**

#### **Reconnaissance Programs**

Prospects proximal to the Co-O Mine are continuously being evaluated by detailed mapping, trenching and rock sampling to identify drillable targets. Current focus is in the West Co-O, Calavera, Gamuton and Tandawan prospects that are all within two kilometres of the Co-O Mine and Mill sites (See Figure 1).

## **TAMBIS REGION**

The Tambis Project, comprising the Bananghilig B1 Gold Deposit and the B2 Mineralisation, 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.

#### **Bananghilig (B1) Gold Deposit**

Exploration activities - detailed mapping, trenching and sampling, focused on the Malinao and Tagabaca prospects north of the Bananghilig 1 (B1) deposit to evaluate potential extension of the B1 mineralisation in these areas. Core re-logging of the Bananghilig 2 (B2) drill holes is ongoing similarly to re-evaluate the continuity of the B1 deposit into the B2 area.

## **COAL EXPLORATION**

All data for the completion of the Scoping Study were received during the Quarter. The coal type within our COC grounds is lignitic to sub-bituminous with low to medium sulphur and medium to high ash content.

A technical presentation was given to the Department of Energy (DOE) last December 2, 2016 covering the results of the company’s coal exploration program. The final report will be submitted to DOE by mid-January 2017 for their technical evaluation.

## **CORPORATE**

Mr Boyd Timler, Medusa’s CEO was appointed Managing Director on 9 January 2017.

## **FINANCIALS**

As at 31 December 2016, the Company had total cash and cash equivalent in gold on metal account of approximately US\$12.9 million (30 Sep 2016: US\$19.6 million).

The Company sold 17,909 ounces of gold at an average price of US\$1,219 per ounce in the December 2016 quarter (Sep 2016 quarter: 21,152 ounces an average price of US\$1,315 per ounce; YTD: 39,061 ounces at average price of US\$1,271 per ounce).

During the Dec 2016 quarter, the Company incurred;

- exploration expenditure (inclusive of underground exploration) of US\$2.7M (Sep 2016 quarter: US\$2.2M; YTD: US\$4.9M);
- US\$4.2M on capital works (inclusive of new Service Shaft) and associated sustaining capital at the mine and mill (Sep 2016 quarter: US\$4.0M; YTD: US\$8.2M);
- US\$6.2M on continued mine development (Sep 2016 quarter: US\$7.4M; YTD: US\$13.6M); and
- corporate overheads of US\$1.6M (Sep 2016 quarter: US\$2.1M; YTD: US\$3.7M).

In addition to the expenses highlighted above, which form part of AISC of US\$1,498 per ounce for the Dec 2016 quarter (Sep 2016 quarter: AISC of US\$1,334 per ounce; YTD: AISC of US\$1,408 per ounce), the Company also in the December 2016 quarter paid around US\$2.2 million (YTD: \$4.2 million) in indirect Value Added Tax (“VAT”), refundable in the form of tax credits.

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

### **Medusa Mining Limited**

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

Mr Llorca is Manager of Geology and Resources, and is a full-time employee of Medusa Mining Ltd, and has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activities for which he is undertaking to qualify as a “Competent Person” as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.” Mr Llorca consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### **DISCLAIMER**

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

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

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

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

# APPENDIX A: Co-O Mine – JORC Code 2012 – 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 specialized industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handled XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</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 mineralization that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverized to produce a 30g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>Diamond (DD) core and stope face channel samples are the two main sample types.</li> <li>Diamond (DD) core samples: Half core samples for DD core sizes LTK60, NQ and HQ, and whole core samples for DD core sizes TT46. Stope and Development samples: 1.5 to 3m stope face channel samples are submitted for analytical analysis.</li> <li>DD drilling is carried out to industry standard to obtain drill core samples, which are split longitudinally in half along the core axis using a diamond saw, except for TT46 core. Half core or whole core samples are then taken at 1m intervals or at lithological boundary contacts (if &gt;20cm), whichever is least. The sample is crushed with a 1kg split taken for pulverization to obtain four (4) 250g pulp samples. A 30g charge is taken from one of the 250g pulp packets for fire assay gold analysis. The remaining pulp samples are retained in a secure storage for future reference.</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>For underground drilling, larger rigs including LM-55 and Diamec U6, collar holes using HQ/HQ3 drill bits (core diameter 61mm/63mm) until ground conditions require casing off, then reduce to NQ/NQ3 drill bits (core diameter 45mm/47mm). For the smaller portable rigs, drill holes are collared using TT46 drill bits (core diameter 35mm) or LTK60 drill bits (core diameter 44mm).</li> <li>For surface holes, drillholes are collared using PQ3 drill bits (core diameter 83mm) until competent bedrock. The holes are then completed using either HQ3 or NQ3 drill bits depending on ground conditions.</li> <li>Drill core orientation is measured using the Ezy-Mark™ front-end core orientation tool.</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>Measure taken to maximize 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 drilled length. Recovery averaged better than 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). Core sample integrity is maintained using triple tube coring system.</li> <li>No known relationship has been observed to date between sample recovery and grade. Core recovery is high being &gt;95%. No sampling bias has been observed.</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> </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 and metallurgical studies. Lithology, mineralisation, alteration, oxidation, sulphide mineralogy, RQD, fracture density, core recovery are recorded by geologists, then entered into a digital database and validated.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<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>	<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 in mineralised zones. Since July 2010, all drill core has been photographed. The drill core obtained prior to July 2010 has a limited photographic record.</li> </ul>
<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 call 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 maximize 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>• Except for TT46 drill core, all drill core is sawn longitudinally in half along the core axis using a diamond saw to predetermined intervals for sampling. Cutting is carried out using a diamond saw with the core resting in a specifically designed cradle to ensure straight and accurate cutting.</li> <li>• No non-core drill hole sampling has been carried out for the purposes of this report.</li> <li>• Development and stope samples are taken as rock chips by channel sampling of the mining face according to geological boundaries.</li> <li>• The sample preparation techniques are to industry standard.</li> <li>• The sample preparation procedure employed follows volume and grain size reduction protocols (-200 mesh) to ensure that a representative aliquot sample is taken for analysis. Grain-size checks for crushing and pulverizing are undertaken routinely.</li> <li>• For PQ/PQ3, HQ/HQ3, NQ/NQ3 and LTK60 core, the remaining half core is retained for reference. The TT46 drill core is whole core sampled.</li> <li>• Core sample submission sizes vary between 2-5kg depending on core size, sampling interval, and recovery. The assay sample sizes are considered to be appropriate for the style of mineralisation.</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 raw samples from the mine are submitted to Philsaga Mining Corporation's (PMC) Assay Laboratory, located at the mill site. Samples are prepared and assayed in the laboratory. Gold is assayed by the fire assay method, an industry standard commonly employed for gold deposits. It is a total-extraction method and of ore-grade category. Two assay variants are used based on gold content: the FA30-AAS for Au grades &lt; 5g/t, and FA30-GRAV for Au grades &gt; 5g/t. Both sample preparation and analytical procedures are of industry standards applicable to gold deposits.</li> <li>• A QAQC system has been put in place in the PMC Assay Laboratory since 2006. It has been maintained and continually improved up to the present. The quality control system essentially, utilises certified reference materials (CRMs) for accuracy determination at a frequency of 1:60 to 1:25. For precision, duplicate assays are undertaken at 1:20 to 1:10 frequency. Blanks are determined at 1:50 or 1 per batch. Samples assayed with lead button weights outside the accepted range of &gt;25 to &lt;35 grams, are re-assayed after adjustment of the flux.</li> <li>• Inter-laboratory check assays with an independent accredited commercial laboratory (Intertek Philippines, Manila) are undertaken at a frequency of 1 per quarter. Compatibility of assay methods with the external laboratory is ensured to minimize variances due to method differences.</li> <li>• The QAQC assessment showed that the great number of the mine samples assayed had accuracy within the acceptable tolerance of 2 z-score, and 10% Absolute Relative Difference (ARD). Precisions from duplicate assays generally showed <math>\pm 10</math> -20% MPRD for 2013 onwards. For replicate assays, the precision at 95% confidence level, is within &lt; 10 % which is within acceptable limits for gold. Intermittent analytical biases were shown but were well within the accepted tolerance 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> <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>Visual inspections to validate mineralisation with assay results have occurred on a regular basis. Independent and alternative company personnel on a regular basis verify significant mineralised intersections.</li> <li>All drilling is diamond drilling and no twinning of holes has been undertaken. The majority of drilling is proximal to mine development and intersections are continually being validated by the advancing mine workings.</li> <li>Geological logging of drill core and drilling statistics are hand written and transferred to a digital database. Original logs are filed and stored in a secure office. Laboratory results are received as hardcopy and in digital form. Hardcopies are kept onsite. Digital data is imported into dedicated mining software programs and validated. The digital database is backed up on a regular basis with copies kept onsite.</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> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>Suitably qualified surveyors and/or experienced personnel, using total station survey equipment locate all drillhole collars. Coordinates are located with respect to Survey Control Stations (SCS) established within the project area and underground.</li> <li>A local mine grid system is used which has been adapted from the Philippine Reference System of 1992 (PRS92).</li> <li>Topographic and underground survey control is maintained using located SCS, which are located relative to the national network of geodetic control points within 10km of the project area. The Company's SCS have been recently audited by independent licensed surveyors (Land Surveys of Perth, Western Australia) in April 2015 and they found no gross errors with the survey data. Accuracy is considered to be appropriate for the purposes of mine control.</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> <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> <li><i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>Surface exploration drillholes were located initially on a 50m and 100m grid spacing. For resource definition drilling the sectional spacing is at least 50m with 25m sectional spacing for underground holes.</li> <li>Sufficient drilling and underground face sampling has been completed to support Mineral Resource and Ore Reserve estimation procedures.</li> <li>Sample compositing has not been applied to exploration data.</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> <li><i>If the relationship between the drilling orientation and the orientation of key mineralized structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>Mineralisation is hosted within narrow, typically &lt;2m wide quartz veins. Orientations of the veins are typically E-W, with variations from NE-SW to NW-SE, with dips varying from flat-lying to steep dipping to the NW-NE quadrant. Surface drillholes are generally drilled towards the S and vary in dip (-45° to -60°). Underground drill holes are orientated in various directions and dips, depending on rig access to intersect the various mineralised veins at different locations within the mining area.</li> <li>Due to the nature of this style of mineralisation and the limited underground access for drilling, drilling may not always intersect the mineralisation or structures at an optimum angle, however this is not considered to be material. A good understanding of the deposit geometry has been developed through mining such that it is considered that any sampling bias is recognised and accounted for in the interpretation.</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 geologically logged, photographed and sampled. Samples are collected in</li> </ul>

Criteria	JORC Code explanation	Commentary
		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.
<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>Dr Rudy Obial from R.C. Obial &amp; Associates routinely undertakes site visit reviews and provides independent consulting advice for the onsite laboratory upgrades and QA/QC. These regular reviews form part of the continual improvement for the site laboratory.</li> <li>In August 2015, Dr Obial reported on an independent review of available QA/QC data and concluded that the accuracy of the gold determinations were predominantly within the tolerance limits for both PMC laboratory and the independent checking laboratory. The precision of assay is better for the independent laboratory and as such, where diamond drilling assays exist for both laboratories, results from the independent laboratory have been used, in preference to PMC assays, for Mineral Resource estimation.</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 license 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> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li><i>Acknowledgement 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 PMC in 2000. PMC recommissioned the Co-O mine and began small-scale mining operations.</li> <li>Medusa Mining Ltd ("MML") listed on the ASX in December 2003, and in December 2006, completed the acquisition of all of PMC's interests in the Co-O mine and other assets including the mill and numerous tenements and joint ventures. MML, through PMC, has since been actively exploring the Co-O tenements.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style 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></li> <li><i>Easting and northing of the drill hole collar</i></li> </ul>	<ul style="list-style-type: none"> <li>Easting, northing and RL of the drillhole collars are located in both the local mine grid, PRS92 and UTM WGS84 Zone 51 coordinates.</li> <li>Dip is the inclination of the hole from the horizontal. For example, a vertically down drilled hole from the surface is -90°. Azimuth is reported</li> </ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>Elevation or RL (<i>Reduced Level – elevation above sea level in metres</i>) 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 distract 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>in magnetic degrees, as the direction toward which the hole is drilled. Magnetic North &lt;-1° west of True North.</li> <li>Down hole length is the distance from the surface to the end of the hole, as measured along the drill trace. Interception depth is the distance down the hole as measured along the drill trace. Intersection width is the downhole distance of a mineralised intersection as measured along the drill trace.</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 result, the procedure used for 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 assays was done for the reporting of exploration results.</li> <li>Short lengths of high-grade (<math>\geq 300</math> g/t Au) assays included within composited intercepts are also individually reported.</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 (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Wherever possible, drilling is oriented approximately orthogonal to the known orientation of mineralization. However due to access limitations, drillholes are often orientated at varying angles up to 30° from orthogonal. Intersection length is measured down the hole and may not be the true width.</li> <li>The orientation of the veins is typically E-W, with variations from NE-SW to NW-SE with dips varying from flat-lying to steep to the NW-NE quadrant. Surface drillholes are generally orientated towards the S and vary in dip (-45° to -60°). Underground drill holes are orientated in various directions and dips, depending on rig access to intersect the various mineralised veins at different locations within the mining area.</li> <li>All drill results are downhole intervals due to the variable orientation of the mineralisation.</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 limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>A longitudinal section is included in this announcement showing significant assay results locations (Figure 3). Tabulated significant intercepts are included in this announcement in Table III.</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>Significant intercepts have previously been reported for all drillholes that form the basis of Mineral Resource estimates. Less significant intercepts have not been reported since the drilling is carried within the mine environs.</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>No other substantive exploration data has been acquired or considered meaningful and material to this announcement.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (eg tests for lateral extensions of depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling area, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Mineralisation is still open to the east, 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>

## APPENDIX B: TENEMENT SCHEDULE (as at 31 December 2016)

Name	Tenement ID	Registered Holder	Company's Interest <sup>1</sup> at		Royalty <sup>2</sup>	Area (hectares) at	
			30 Sep 2016	31 Dec 2016		30 Sep 2016	31 Dec 2016
Co-O Mine	MPSA 262-2008-XIII	PMC	100%	100%	-	2,539	2,539
	MPSA 299-2009-XIII	PMC	100%	100%	-	2,200	2,200
Co-O	APSA 00012-XIII	BMMRC	100%	100%	-	340	340
	APSA 00088-XIII	Phsamed	100%	100%	-	4,742	4,742
	APSA 00098-XIII	Philcord	100%	100%	1% NPI	507	507
	APSA 00099-XIII	Philcord	100%	100%	1% NPI	592	592
Saugon	EP 017-XIII	PMC	100%	100%	-	3,132	3,132
	EP 031-XIII <sup>3</sup>	PMC	100%	100%	-	2,456	2,456
	EP 032-XIII	PMC	100%	100%	-	3,048	3,048
	EPA 00066-XIII	PMC	100%	100%	-	6,769	6,769
	EPA 00069-XIII <sup>3</sup>	Phsamed	100%	100%	-	2,519	2,519
	EPA 00087-XIII <sup>3</sup>	PMC	100%	100%	-	87	87
Tambis	MPSA 344-2010-XIII	Philex	100%	100%	7% NSR	6,208	6,208
Das-Agan	MPSA 343-2010-XIII	Das-Agan	100%	100%	3% GSR	3,810	3,810
Apical	APSA 00028-XIII	Apmedoro	Earning 70% (JV)		-	1,235	1,235
Corplex	APSA 00054-XIII	Corplex	100%	100%	3% NSR	2,118	2,118
	APSA 00056-XIII	Corplex	100%	100%	-	162	162
	APSA 00077-XIII	Corplex	100%	100%	4% GSR	810	810
	EPA 00186-XIII <sup>3</sup>	Corplex	100%	100%	3% NSR	7,111	7,111
Sinug-ang	EPA 00114-XIII	Salcedo / PMC	100%	100%	-	190	190
Coal Project	COC Area 6	PMC	100%	100%	-	4,000	4,000
	COC Area 7	PMC	100%	100%	-	5,000	5,000

### Notes:

1. There have been no material changes to the Company's interest since 30 September 2016.
2. Royalties payable to registered holders, aside from the prescribed royalties payable to the Philippine government and the Indigenous People.
3. Awaiting for approval and confirmation by MGB of area reduction.

### ABBREVIATIONS:

#### Tenement Types

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

#### Registered Holders

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

#### Royalty

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