

**MEDUSA MINING LIMITED**

ABN: 60 099 377 849

Unit 10, 100 ill Point Road  
South Perth WA 6151PO Box 221  
South Perth WA 6951Telephone: 618-9474 1330  
Facsimile: 618-9474 1342Email: [admin@medusamining.com.au](mailto:admin@medusamining.com.au)  
Internet: [www.medusamining.com.au](http://www.medusamining.com.au)**ANNOUNCEMENT**

13 November 2017

**AGM PRESENTATION**

(ASX: MML)

Please find attached a Powerpoint Presentation which the Company will present at its Annual General Meeting on Tuesday 14 November 2017.

Outlined below are Competent Persons' Consents in relation to resource and reserve information which appears in the Investor Presentation.

**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.

**Carras Mining Pty Ltd**

The Information in this report relating to **Ore Reserves** is based on information compiled by Dr Spero Carras of Carras Mining Pty Ltd. Dr Carras is a Fellow of the Australasian Institute of Mining & Metallurgy and has 30 years of experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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". Dr Carras consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# MEDUSA MINING LIMITED

“Gold producer focused on organic growth in the Philippines”



MEDUSA

## AGM PRESENTATION

14 NOVEMBER 2017

Delivering the Strategic Plan



# Important Notice



This presentation contains only a brief overview of Medusa Mining Limited and its associated entities ("Medusa") and their respective activities and operations. The contents of this presentation (including matters relating to the geology of Medusa's projects), may rely on various assumptions and subjective interpretations which are not possible to detail in this presentation and which have not been subject to any independent verification.

This presentation contains a number of forward-looking statements, including the statements relating to anticipated production tonnages, grades and future drilling results. Such forward-looking statements are necessarily based upon a number of estimates and assumptions that, whilst considered reasonable by Medusa, may be subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Except to the extent required by applicable law, Medusa disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise. The words "believe", "expect", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and other similar expressions identify forward-looking statements. All forward-looking statements made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Medusa does not warrant the accuracy, currency or completeness of the information with respect to forward-looking statements contained in this presentation, nor the future performance of Medusa.

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The information contained in this presentation is not a substitute for detailed investigation or analysis of any particular issue and has been prepared without consideration of your objectives and needs and financial position. Current and potential investors and shareholders should seek independent advice before making any investment decision in regard to Medusa or its activities.

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

Information in this report relating to **Exploration Results** is based on, and fairly represents, information and supporting documentation reviewed by Mr James Llorca and compiled by Philsaga Mining Corporation's Co-O mine site technical personnel. Mr James Llorca is a member of The Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Llorca is an full-time employee of Medusa Mining Ltd 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.

The Information in this report relating to **Ore Reserves** is based on, and fairly represents, information and supporting documentation compiled by Dr Spero Carras of Carras Mining Pty Ltd. Dr Carras is a Fellow of the Australasian Institute of Mining & Metallurgy and has 30 years of experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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". Dr Carras consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



## ❑ Share Capital

- Ordinary shares: 207,794,301
- Unlisted options: 3,740,500
- Market capitalisation (at 9 Nov 2017): ~ **US\$68M**

## ❑ Balance Sheet / Financial Growth

- Cash and cash equivalent (at 30 Sep 2017): **US\$16.8M**
- Unhedged, No Senior Debt.

## ❑ Substantial Shareholders (at 30 Sep 2017)

- Ruffer LLP Group 13.07%
- Arbiter Partners Capital Management LLC 11.41%

**51%** of shares institutionally held

# Investment Highlights



## ❑ Proven developer/operator

- Co-O Mine
- +10 year history; 727,000 ounces produced
- #2 primary gold producer in the Philippines

## ❑ Significant mineral inventory (Co-O Mine)

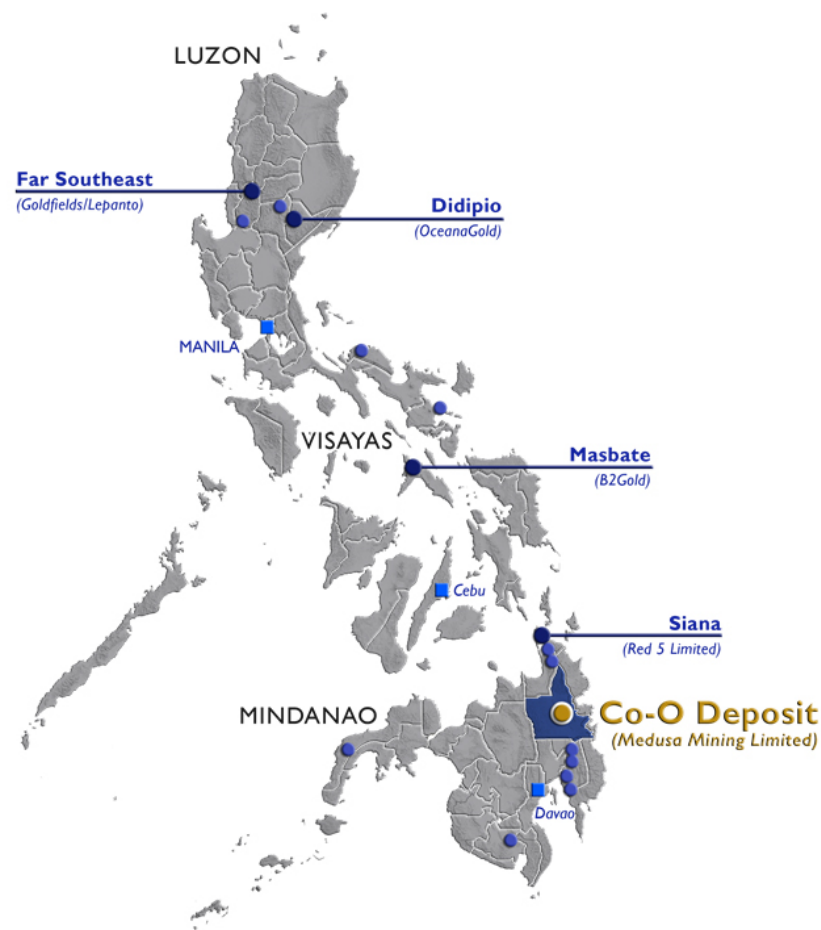
- 859Koz Resources
- 345Koz Reserves (7 August 2017)

## ❑ Strong growth potential

- Co-O mine hoisting capability expansion
- Maintaining +6,000m Qtr-on-Qtr development

## ❑ Licence to Operate

- ISO 14001 Certified
- DENR engagement
- CSR and Environmental Stewardship



# Strategic Plan from July 2016



- ❑ Upgrade/expand Co-O Mine Infrastructure (Ventilation, dewatering)
- ❑ Drill off a more robust Ore Reserve and Resource
- ❑ Self fund the expansion work
- ❑ Improve Ounce Production Profile
- ❑ Grow the Cash Position
- ❑ Un-constrain mine with E15 Shaft



# Production: Quarter on Quarter



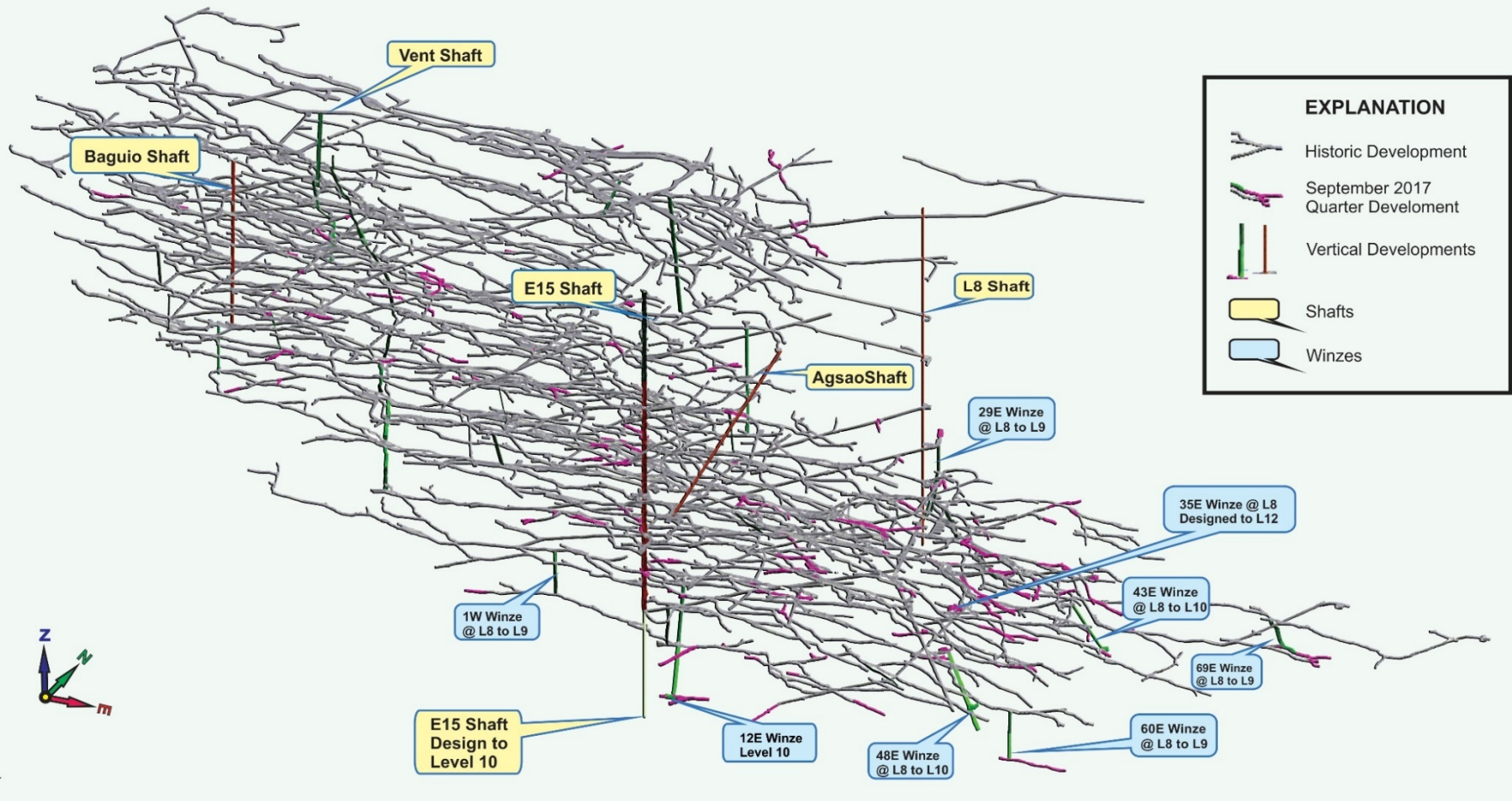
| Description                 | Unit    | Sep 2016 Quarter | Dec 2016 Quarter | Mar 2017 Quarter | Jun 2017 Quarter | Sep 2017 Quarter |
|-----------------------------|---------|------------------|------------------|------------------|------------------|------------------|
| Ore mined                   | WMT     | 149,394          | 134,740          | 140,865          | 139,967          | 143,317          |
| Ore milled                  | DMT     | 132,371          | 120,731          | 122,960          | 123,670          | 121,616          |
| Head grade                  | g/t     | 5.26             | 4.75             | 4.93             | 6.38             | 6.59             |
| Recovery                    | %       | 94.5%            | 94.2%            | 94.3%            | 94.4%            | 94.6%            |
| Gold produced               | ounces  | 21,157           | 17,350           | 18,390           | 23,846           | 24,896           |
| Gold sold                   | ounces  | 21,152           | 17,909           | 17,837           | 22,296           | 27,602           |
| U/G development             | metres  | 4,960            | 5,758            | 6,004            | 5,671            | 6,371            |
| Cash costs (*)              | US\$/oz | \$592            | \$625            | \$644            | \$539            | \$565            |
| All-In-Sustaining-Costs     | US\$/oz | \$1,334          | \$1,498          | \$1,555          | \$1,180          | 973              |
| Average gold price received | US\$/oz | \$1,315          | \$1,219          | \$1,229          | \$1,252          | 1,274            |
| Cash & cash equivalent      | US\$M   | \$19.6M          | \$12.9M          | \$10.6M          | \$11.5M          | \$16.8M          |

## ❑ Consistent Jun and Sep Quarterly results for 2017

- 48,742 ounces gold for last 2 quarters
- Sept 2017 Qtr grade of 6.59 g/t (reserve grade of 6.54 g/t)
- Exceeded mine development over past 12 months



# Development Investment



## ❑ FY16-17 Mine Development

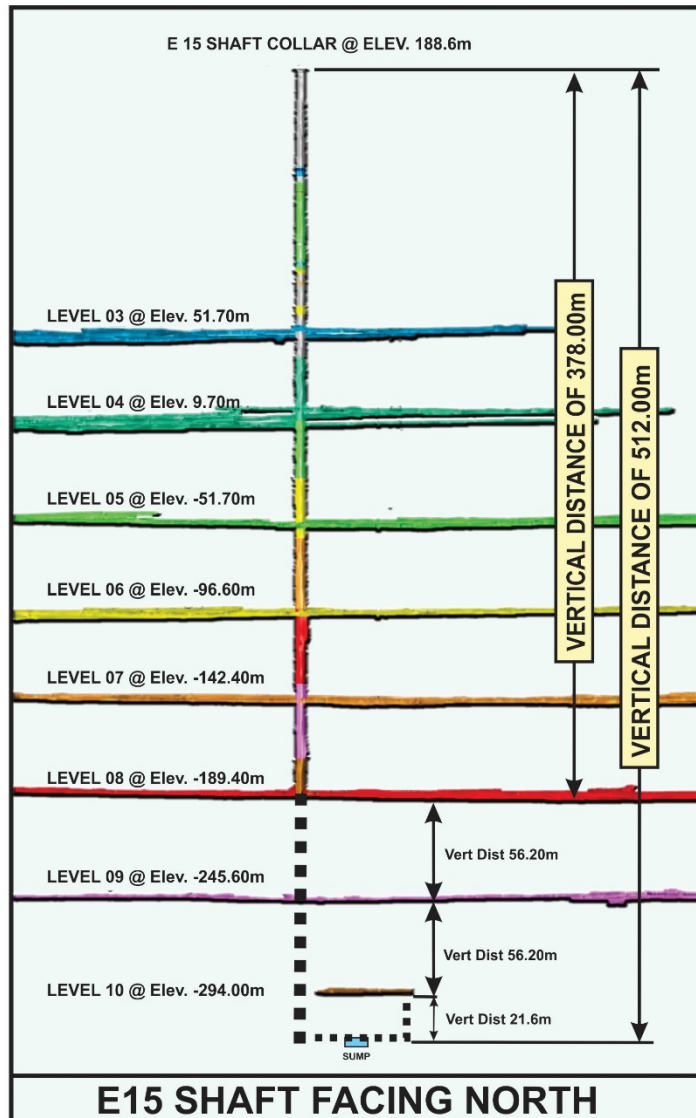
- 22,400 metres development; 55,400 metres resource drilling

## ❑ Sept 2017 Quarter

- 6,371 metres development; 3,994 metres resource drilling; Winze: 12E, 29E, 43E, 48E & 35E



# E 15 Service Shaft



## Completion Schedule

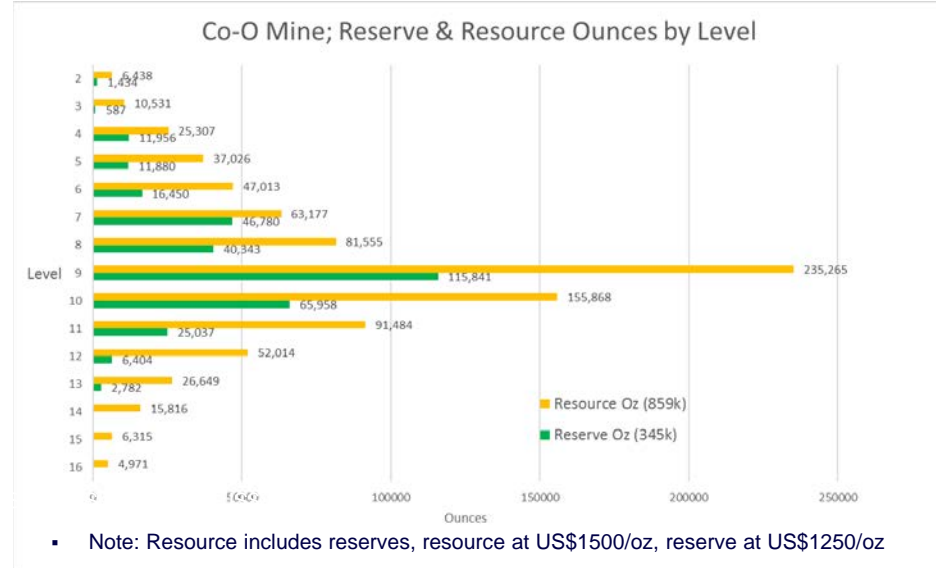
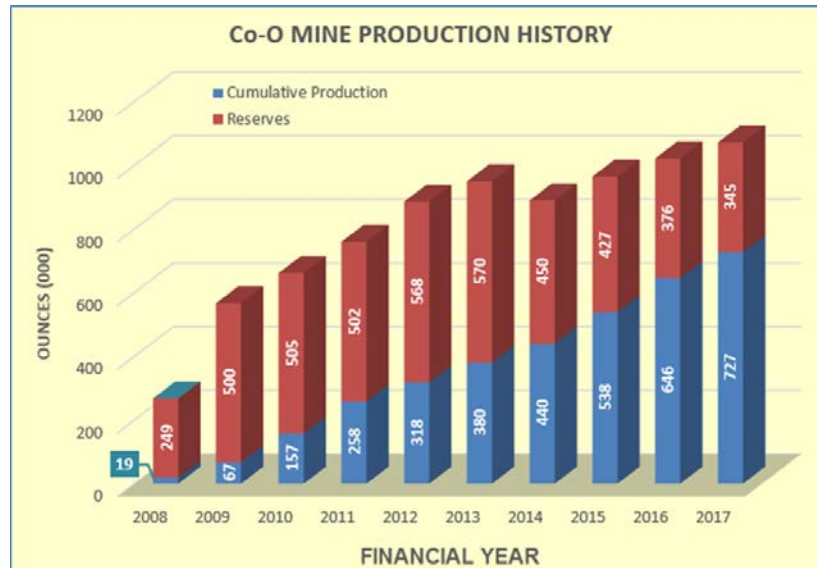
- Restart Sinking Nov 16
- Level 6 30 Jun 17
- Level 8 30 Sep 17
- Level 10 ~ Jan 18
- Guides, Shaft Steel ~ Mar Qtr 18
- Commission ~ Apr 18

## Milestones

- L8: 74% of rock work completed



# Resources & Reserves (at 30 April 2017)



## Resources (Co-O Mine)

- 2.18M tonnes @ 12.29 g/t for 859,000 ounces gold
- 76% of Indicated converts to Probable Reserve

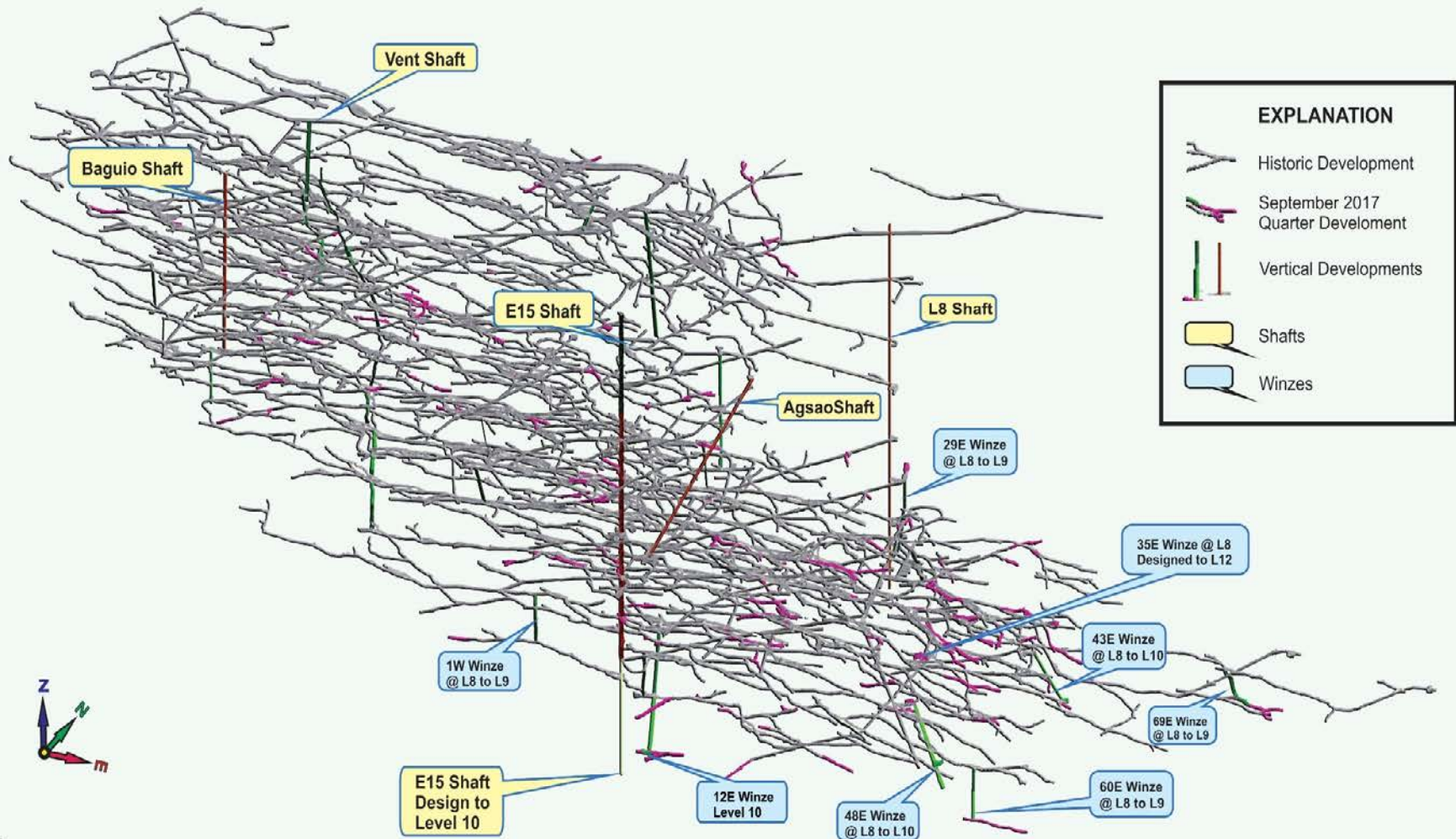
## Reserve (Co-O Mine)

- 1.64M tonnes @ 6.54 g/t for 345,000 ounces gold

Historic replacement of reserves: 4-fold

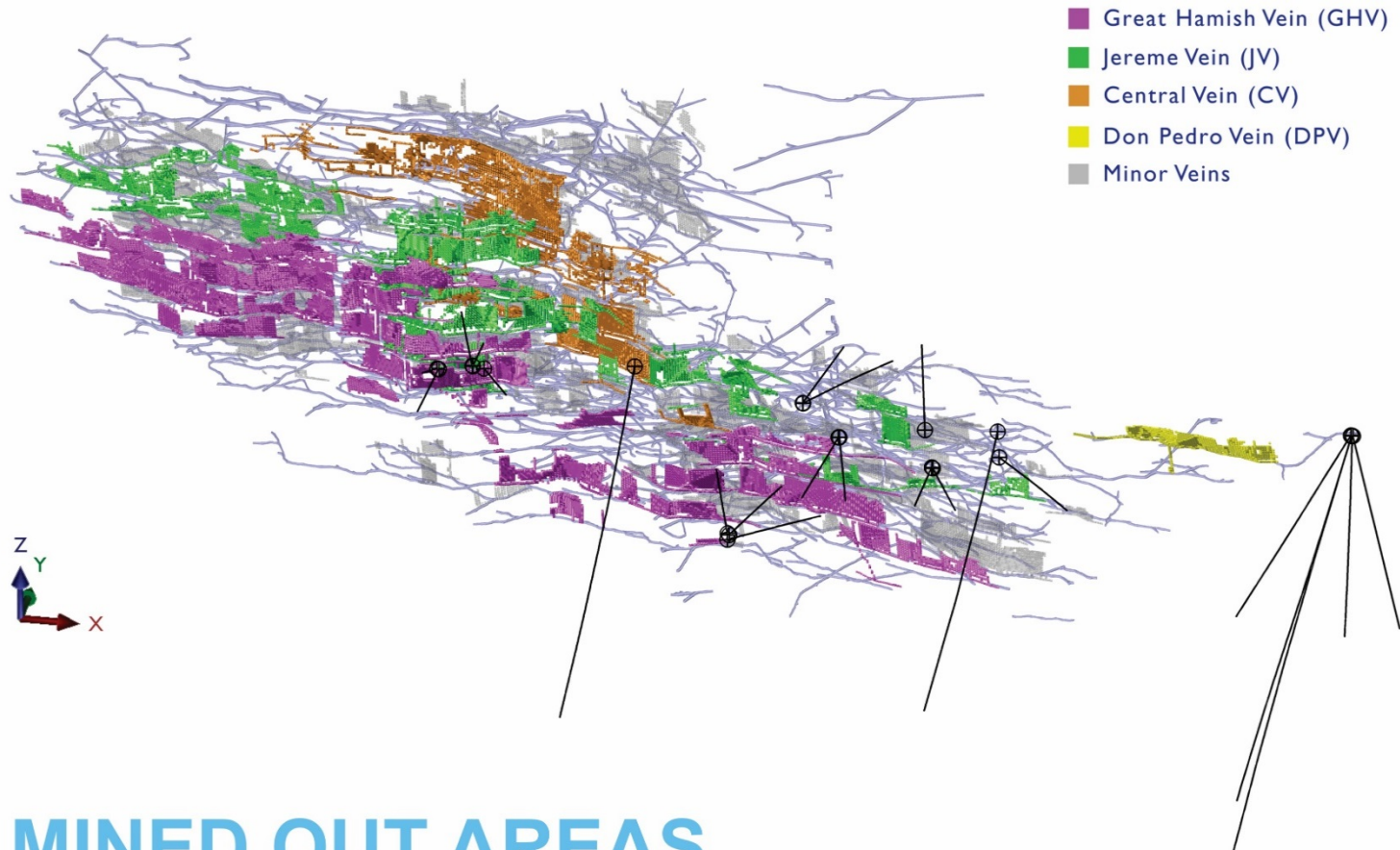
71% Reserve L9 and above, 88% Resource L11 and above

# Development Investment





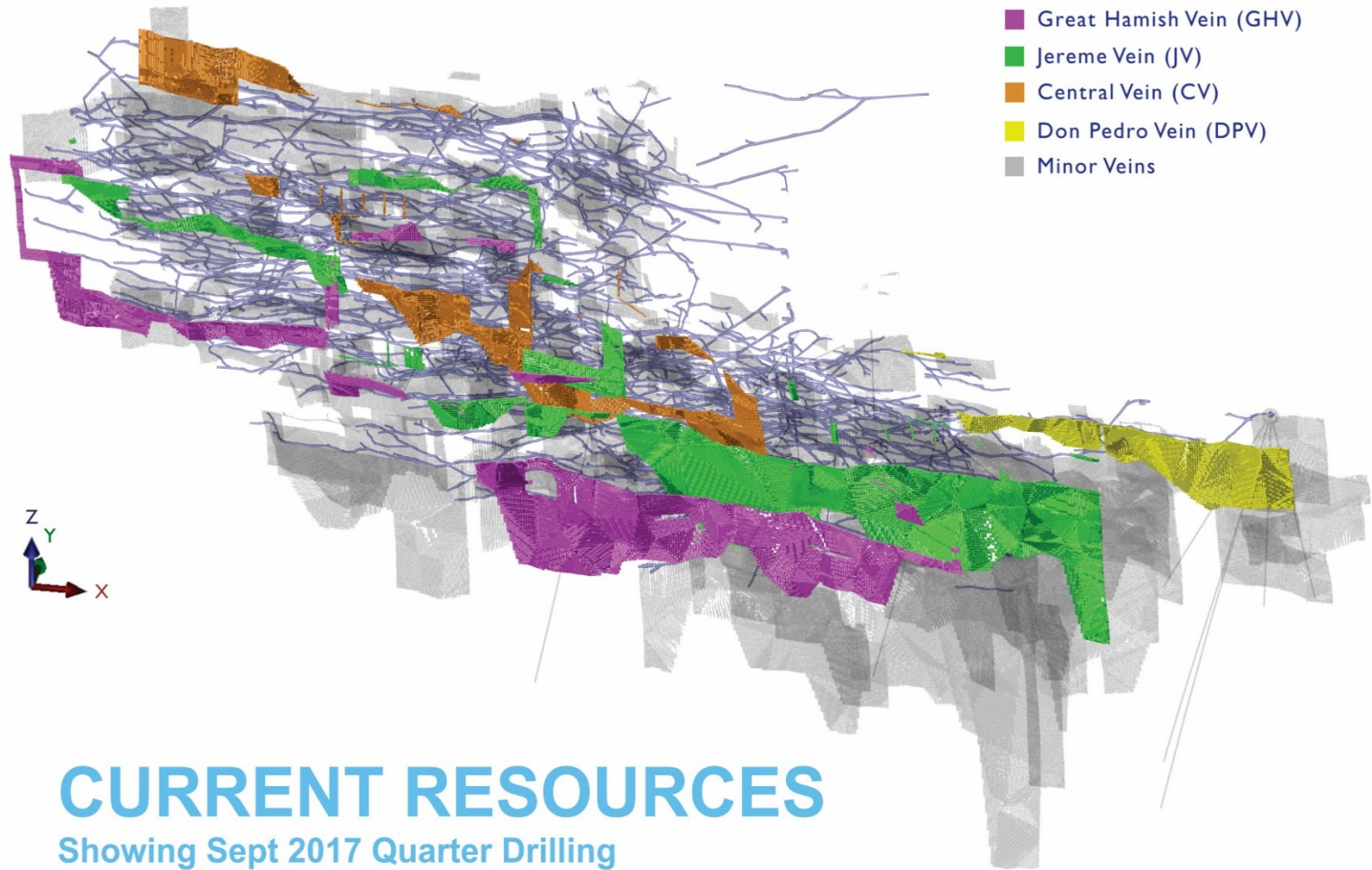
# Development Investment



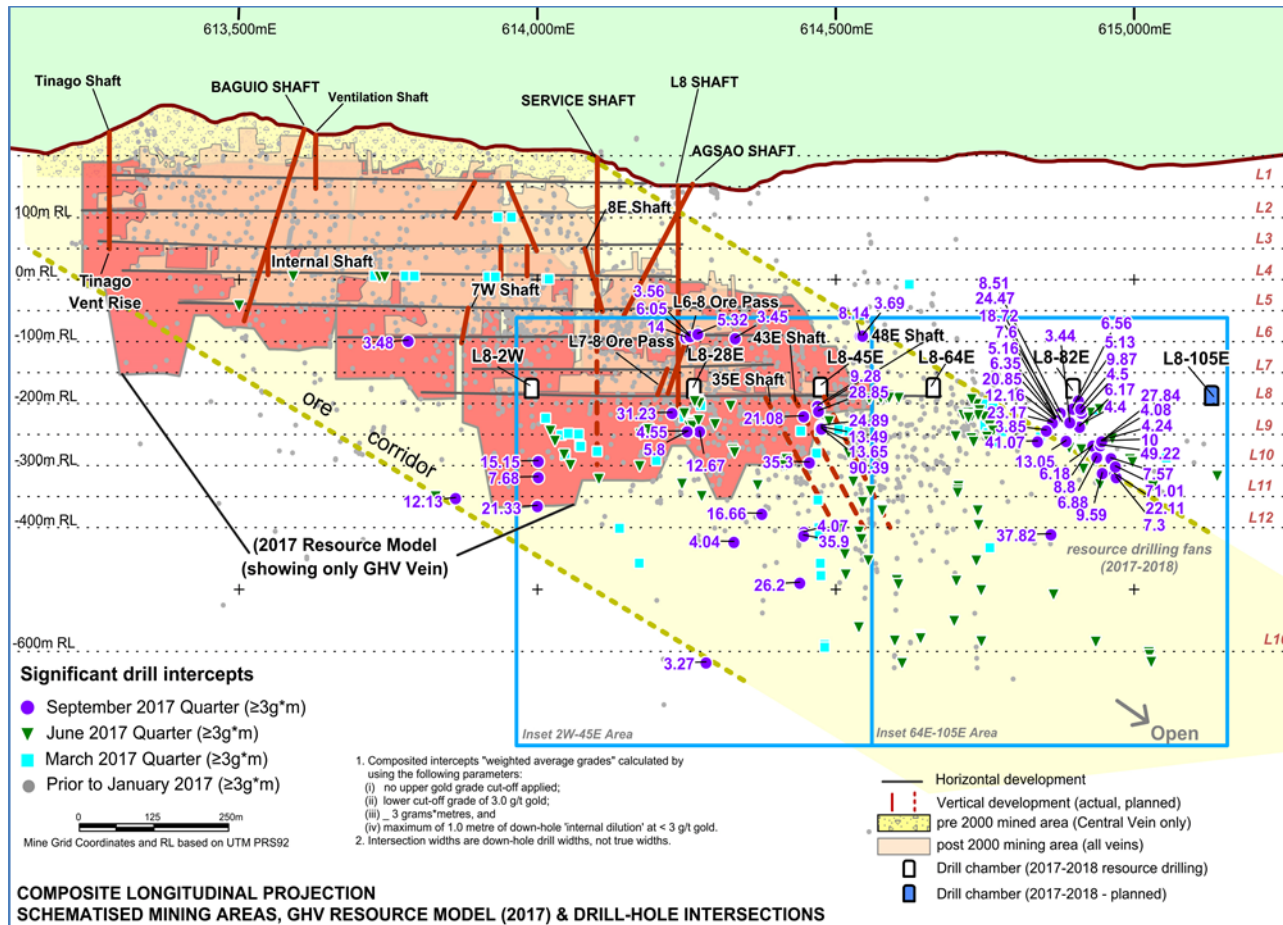
## MINED OUT AREAS

Showing Sept 2017 Quarter Drilling

# Development Investment



# Co-O Mine (long-section view)

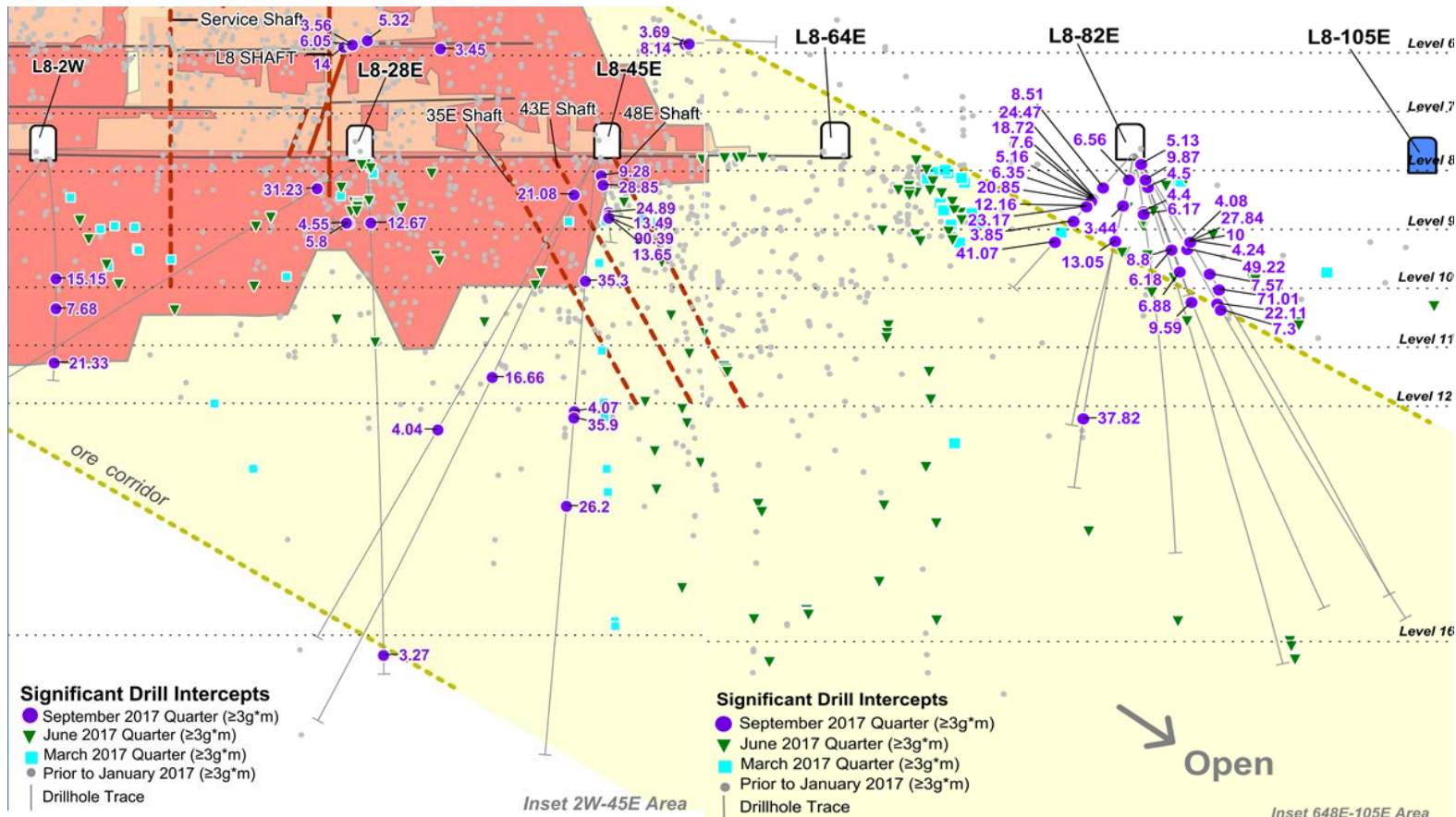


- ❑ ~1,000m W-E length per level
- ❑ Production to Level 9
- ❑ Developing L7 & L10
- ❑ Reserves to L12
- ❑ Resources to L16
- ❑ Ore body plunges to the east, stepping north

**Sept 2017 Qtr results are  $> 3.0\text{g}^*\text{m}$**

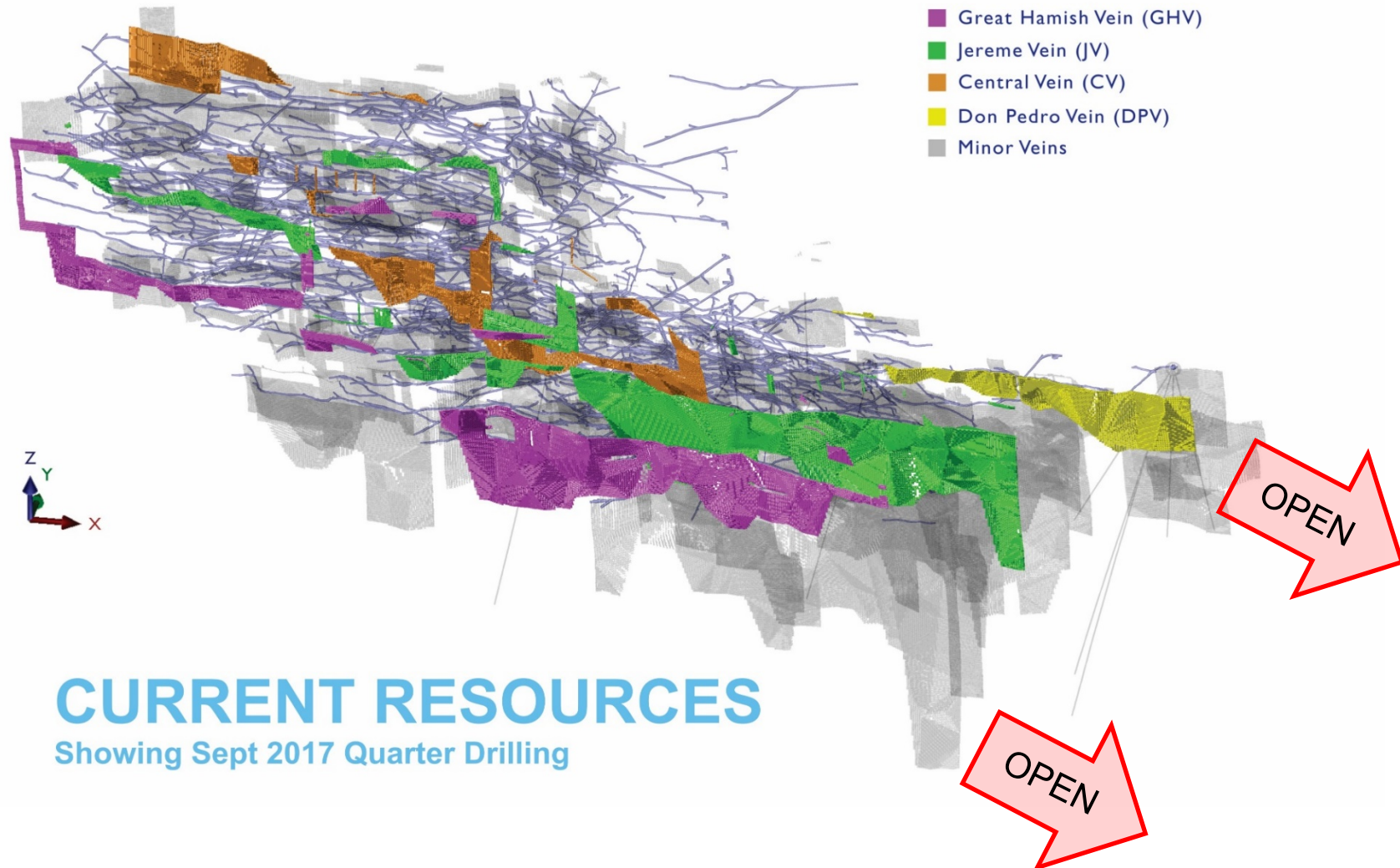


# Co-O Mine (long-section view)



- ❑ L8-28E; infill drilling on Main GHV
- ❑ L8-82E; step-out drilling on the Don Pedro and Jeremy veins
  - ❑ Sept 2017 Qtr results reflect drill station is close to the veins
  - ❑ Results reflecting numerous veins and veinlets for each main system

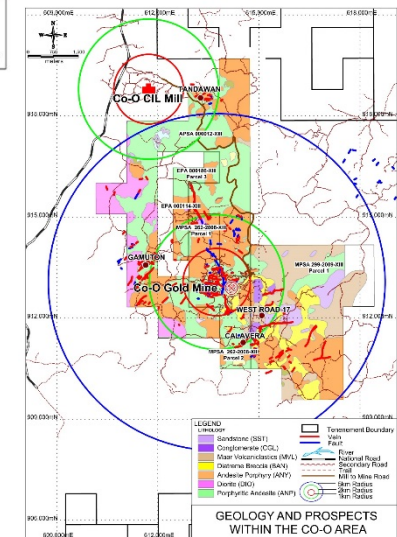
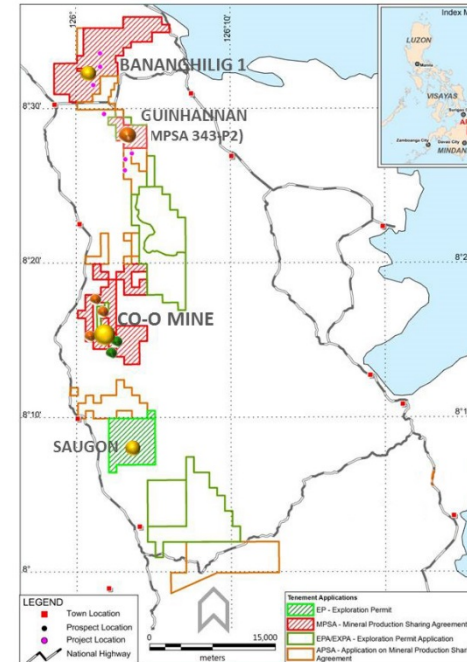
# Development Investment



# Exploration



- ❑ Strategic land holding along well-mineralised East Mindanao Cordillera (503 km<sup>2</sup> to 410km<sup>2</sup>)
- ❑ Regional
  - Bananghilig (B1)
    - Re-estimated resource (JORC 2012)
    - 7.78M tonnes @ 1.73 g/t for 435,000 oz gold
  - Rationalize tenements
    - B2, Lingig, Coal Project, EP's
- ❑ Generative
  - Leveraging Medusa's strengths
    - Philippines established company +10 years
    - Narrow vein, underground, high grade gold
    - Explorer, developer, operator
- ❑ Near Mine Exploration
  - FY17-18 focus is on targets within 15km of processing plant





# Social Responsibility - License to Operate



## ❑ Best in class community engagement

- Community health centers and Services
- Co-O Mine 16 bed hospital with doctors
- Construction of community buildings, water projects

## ❑ Education

- Scholarships and assistance
- Adopt-a-school programs in 23 schools
- +10,000 students benefitting

## ❑ Environmental Stewardship

- Adopt-a-creek
- Re-forestation programs with stakeholders
- National Green Program

## ❑ Government Affairs

- Engaged with 4 levels of government
  - Indigenous
  - Local / Municipal
  - Regional
  - National

## ❑ ISO 14001 Certification

- Certified June 2016
- Fully permitted
- Fully compliant

# Summary



- ❑ **Sept 2017 Quarter:**
  - 24,869 ounces, AISC US\$973/oz
  - Self funded expansion projects
  - Cash position of US\$16.8M
  - Robust 345K ounces in Reserve (76% conversion)
  - Mine expansion projects complete (vent, dewatering)
  - E15 Shaft - minor scope creep
- ❑ **New leadership team, operationally focussed**
- ❑ **Philsaga Mining Corporation licence to operate**
- ❑ **FY guidance unchanged; 80-90k ozs at US\$1,050-1,200/oz**

# Questions



**MEDUSA**

[www.medusamining.com.au](http://www.medusamining.com.au)

## **Board of Directors:**

Andrew Teo (Non-executive Chairman)

Boyd Timler (Managing Director)

Raul Villanueva (Executive Director)

Roy Daniel (Non-executive Director)

## **Management:**

Peter Alphonso (Company Secretary/CFO)

James Llorca (Manager Geology and Resources)

Dave McGowan (General Manager, Engineering)

## **Address and Contact Details:**

Suite 10, 100 Mill Point Road

South Perth, WA 6951

Australia

### Postal address:

PO Box 122

South Perth WA 6951

Australia

Telephone: +618 9474 1330

Facsimile: +618 9474 1342

Email: [admin@medusamining.com.au](mailto:admin@medusamining.com.au)