



**MEDUSA**

**MEDUSA MINING LIMITED**

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**ANNOUNCEMENT**

07 November 2019

**INVESTOR PRESENTATION**

(ASX: MML)

Please find attached an updated Investor Presentation that the Company will present at Medusa's Annual General Meeting at Quest South Perth Foreshore, 22 Harper Terrace, South Perth, Perth, WA, 6151 on Thursday, 07 November 2019 at 9.15am.

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.

# Annual General Meeting

Building on a strong base

November 2019

**Medusa Mining Limited**

*Gold producer focused on growth in the Asia  
Pacific Region*



**MEDUSA**

ASX: MML



# 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 a 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 Llorca 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.

# Company overview



## Operator of the high-grade Co-O Gold Mine

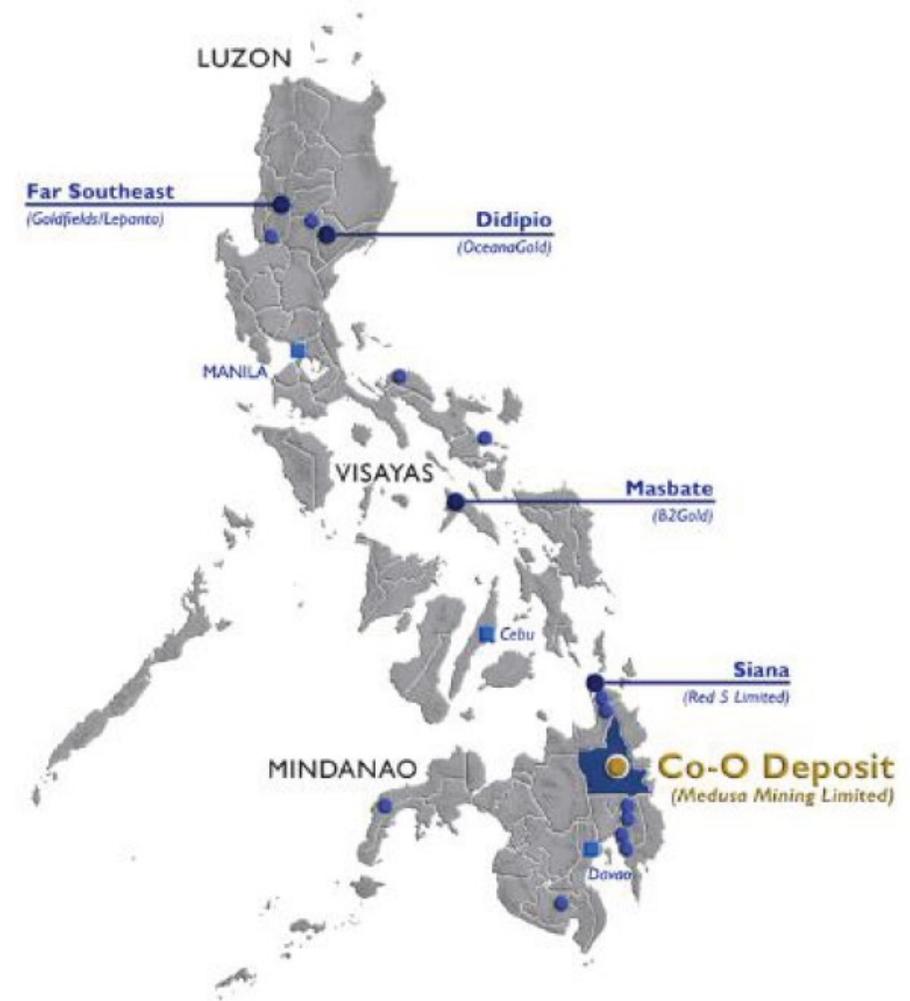
- Unhedged, high grade gold producer
- Consistent production with ~900koz produced in the past decade
- FY20 guidance: 95 – 105koz at AISC of US\$1,025 – US\$1,125/oz
- Supportive community and local workforce with low turnover

## Sharp focus on improving operating performance

- Optimisation of additional hoisting capacity following completion of E15 Shaft late 2018
- Mill operating at <60% of utilisation provides significant scope for processing satellite feed to lower unit costs and improve returns
- Potential mine life expansion from regional targets and further extensions of the high-grade Co-O system at depth

## Asset diversification for the right opportunity

- Seeking to leverage expertise in exploring epithermal gold deposits, underground narrow vein mining and operating in the Asia Pacific



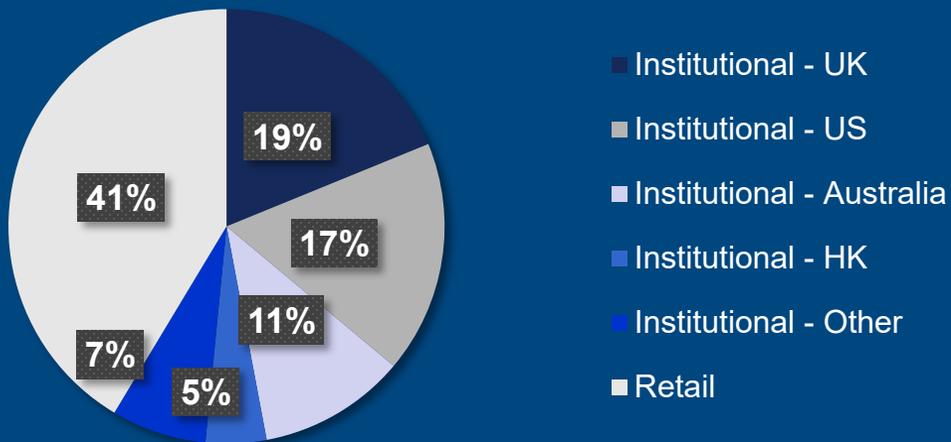
# Corporate snapshot



## Board and Management

Andrew Teo	Chairman
Raul Villanueva	Executive Director
Roy Daniel	Non-Executive Director
David McGowan	Chief Executive Officer
Peter Alphonso	CFO/Company Secretary
James P. Llorca	GM Geology and Resources
Stuart Ellison	GM Operations and Projects
Patrick Chang	Corporate Development Officer

## Ownership



## Capital structure

Shares on issue	207.8M
Share price (at 1 <sup>st</sup> Nov)	A\$0.76
Market capitalisation	A\$157.9M
Cash and bullion (at 30 Sep)	US\$31.1M
Short term debt (at 30 Sep)	US\$7.0M
Enterprise value	A\$123.0M
Hedging	Nil

 Co-O Location	Philippines
 FY19 Production	103.3koz
 FY19 AISC	US\$1,045/oz
 FY20 Production Guidance	95-105koz
 FY20 AISC Guidance	US\$1,025-1,125/oz
 Mineral Resources (Co-O)	890koz @ 10.4g/t Au
 Ore Reserves	350koz @ 6.9g/t Au

# FY2019 Financial Results



**US\$129.6M**

Revenue

**US\$36.5M**

NPAT

**US\$0.176**

Earnings per share

**US\$51.4M**

EBITDA

**US\$23.4M**

Cash and Gold

**US\$1,259/oz**

Average gold price  
achieved from the sale of 102,500  
ounces of gold for FY19

# Other recent developments



## Mineral Resource and Ore Reserve upgrade (as at 31 Dec 2018)

**Mineral  
Resource  
and Ore  
Reserve** ▲

increased after  
93koz of mine  
depletion

**Mineral  
Resource** ▲

2.66Mt at a grade  
of 10.41g/t Au for  
890koz

**Ore  
Reserve** ▲

1.58Mt at a grade  
of 6.86g/t Au for  
350koz

## Operational and financial improvements

- Outperformed original FY19 cost and production guidance
- Final commissioning of E15 service shaft late November 2018
- Ore / waste hoisting capacity improved on L8
- Cash build of US\$16.5M in the nine months to September 2019

## Near mine exploration

- Maiden Mineral Resource declared on Royal Crowne Vein
- Excellent potential for further growth
- Follow up program being planned

## Leadership changes

- David McGowan (previously COO) appointed CEO in Mar 2019
- Stuart Ellison (ex-Sandfire) appointed GM Operations and Projects in August 2019

# Production: Year On Year



Description	Unit	2018-19	2017-18		Sep 2019 Quarter
Ore mined	WMT	606,675	550,400	↑	167,767
Ore milled	DMT	544,601	494,989	↑	151,224
Head grade	g/t	6.28	6.33	↓	5.93
Recovery	%	94.7%	94.7%	↑	95.2%
Gold produced	ounces	103,307	95,705	↑	27,515
Gold sold	ounces	99,013	96,056	↑	26,689
U/G development	metres	29,890	25,944	↑	9,517
Cash costs <sup>(*)</sup>	US\$/oz	\$546	\$562	↓	\$613
All-In-Sustaining-Costs	US\$/oz	\$1,045	\$1,083	↓	\$997
Average gold price received	US\$/oz	\$1,264	\$1,293	↓	\$1,484
Cash & cash equivalent	US\$M	23.4	15.1	↑	31.1

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

- ❑ **More consistent operational performance.**
- ❑ **Improved tonnes.**
- ❑ **Continued good processing performance.**

# Strong operational and share price performance



## Gold production statistics

Description	Unit	Sep 2018 Quarter	Dec 2018 Quarter	Mar 2019 Quarter	Jun 2019 Quarter	Sep 2019 Quarter
Ore mined	WMT	145,761	137,982	160,651	162,282	<b>167,767</b>
Ore milled	DMT	133,209	124,623	142,703	144,066	<b>151,224</b>
Head grade	g/t	5.97	6.11	6.98	6.04	<b>5.93</b>
Recovery	%	94.5%	94.5%	94.7%	95.3%	<b>95.2%</b>
Gold produced	ounces	24,177	23,120	29,858	26,151	<b>27,515</b>
Gold sold	ounces	23,818	24,160	28,600	26,627	<b>26,685</b>
U/G development	metres	7,898	6,920	7,293	7,778	<b>9,517</b>
Cash costs (*)	US\$/ounce	\$549	\$567	\$510	\$566	<b>\$613</b>
All-In Sustaining Costs	US\$/ounce	\$1,126	\$1,156	\$939	\$995	<b>\$997</b>
Average gold price received	US\$/ounce	\$1,206	\$1,231	\$1,303	\$1,305	<b>\$1,491</b>
Cash & cash equivalent	US\$M	\$11.8M	\$14.6M	\$19.7M	\$23.4M	<b>\$31.1M</b>

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

# Consistent mill performance



## Consistently high gold recoveries

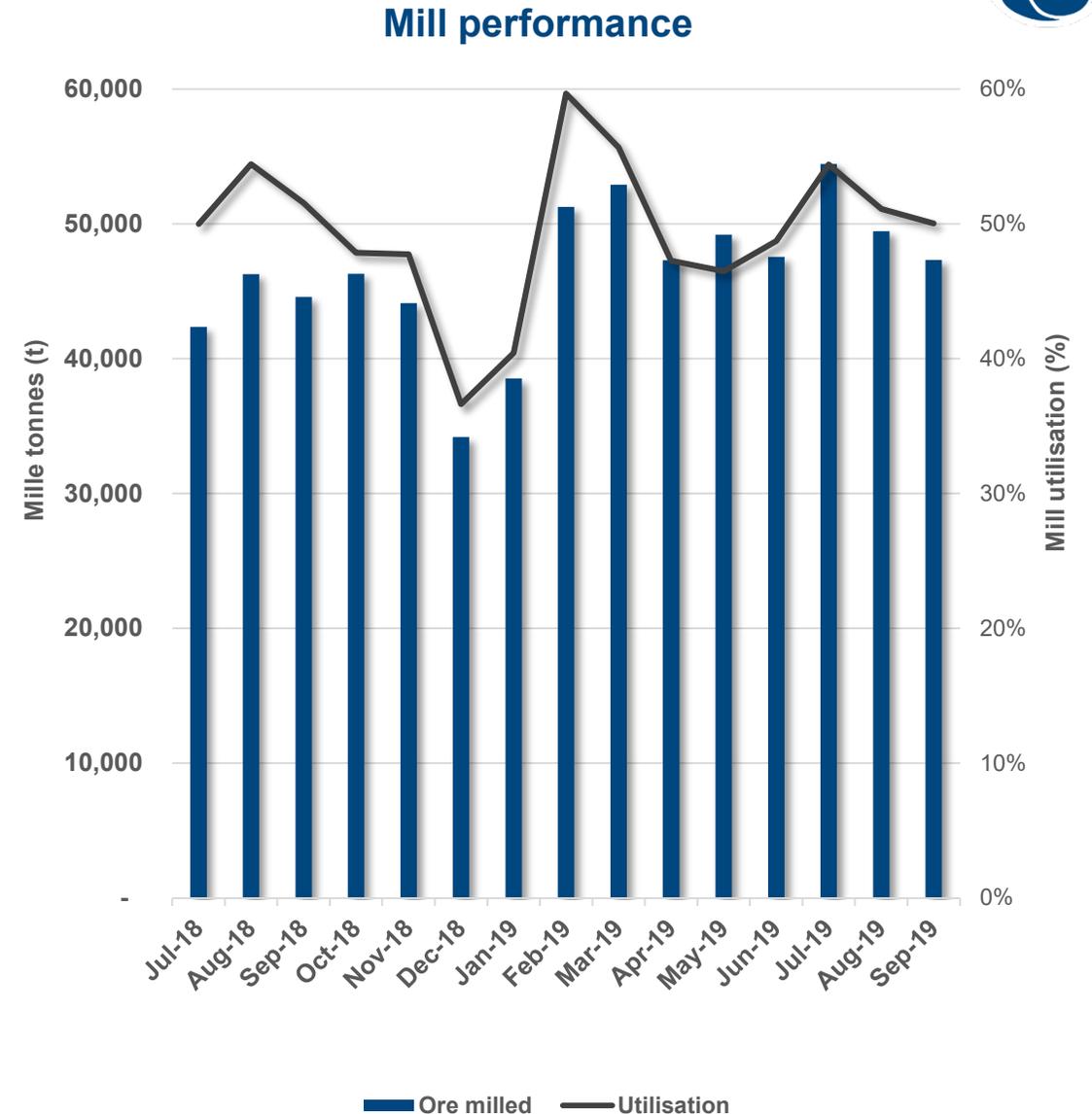
- Averaged 95.2% recovery in September quarter 2019 and 94.7% across FY19

## Mill constrained by mine productivity

- Mill operating at <60% of utilisation provides significant scope for processing additional feed to lower unit costs and improve returns
- Ongoing optimisation of additional hoisting capacity installed in late 2018 has resulted in improvement in milled tonnes

## Investing in potential satellite deposits

- Additional potential satellite ore sources being actively explored (e.g. Royal Crowne Vein)

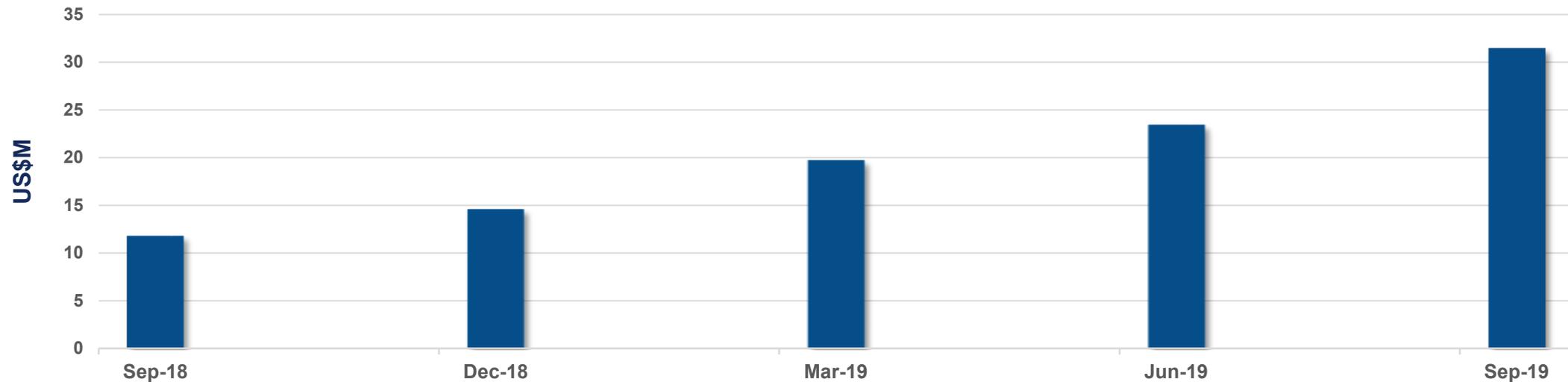


# Improving financial position



- ✓ **Revenues of US\$129.6M** compared to US\$124.6M for the previous year – an **increase of 4%**
- ✓ **US\$31.1M cash and cash equivalent in gold** at 30 September 2019
- ✓ **EBITDA of US\$51.4M** compared to EBITDA of (US\$25.3M) for FY19 which included asset impairment losses of US\$81.1M

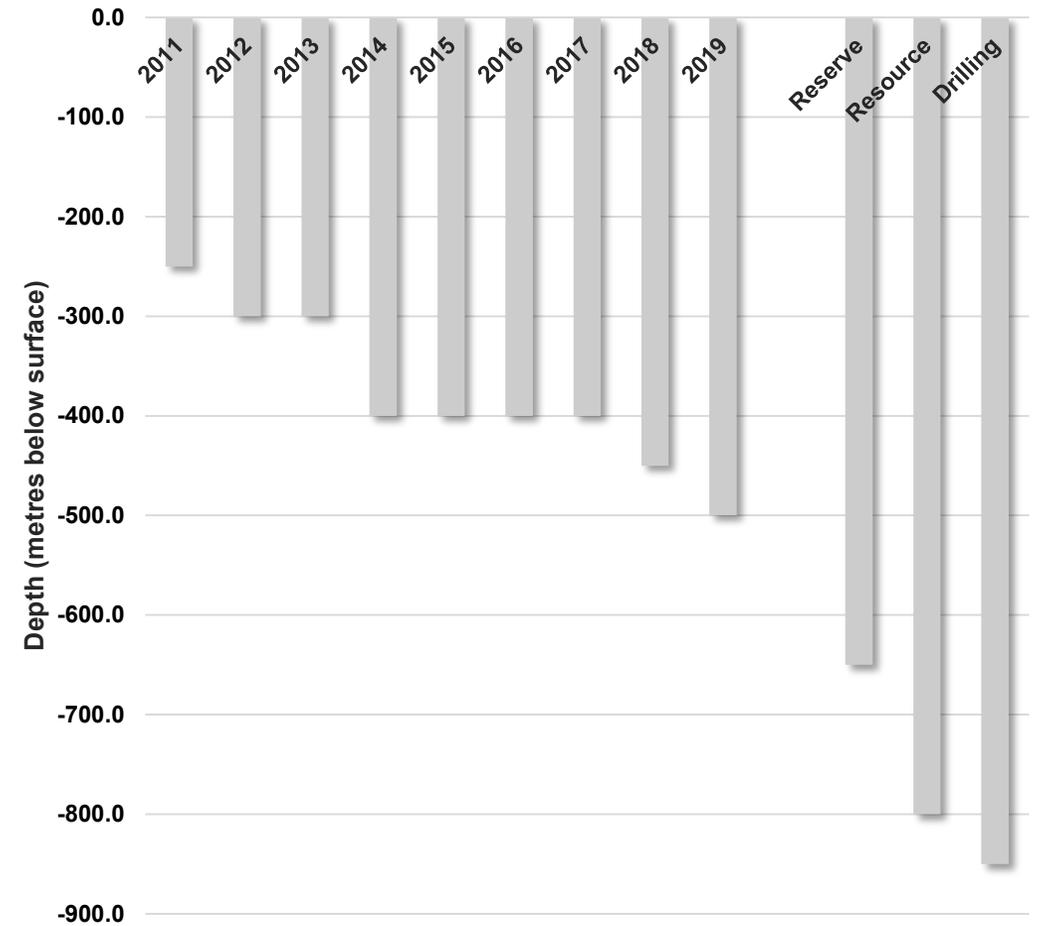
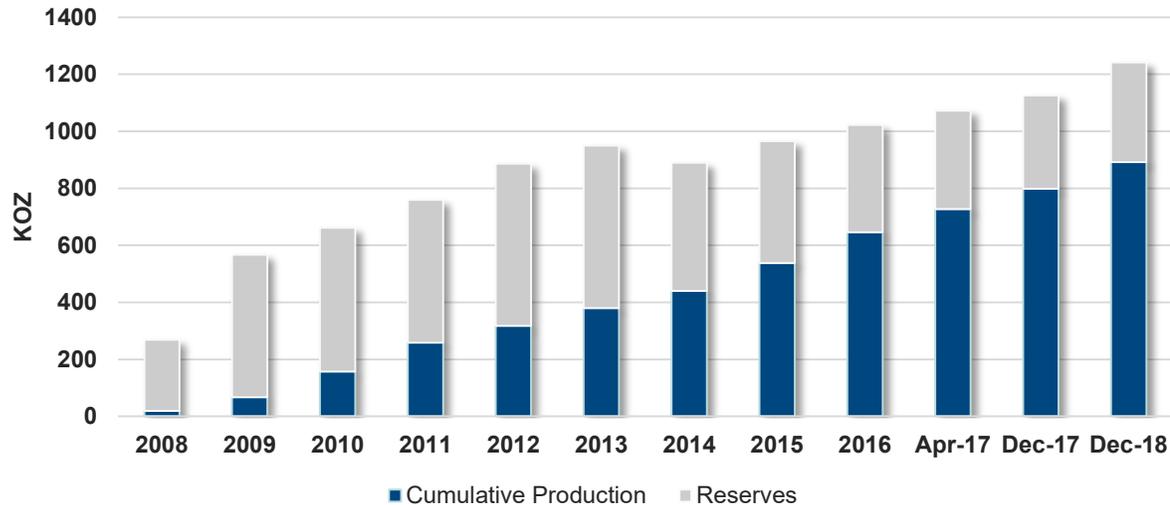
## Cash and gold



# Resource Reserve additions (after mine depletion)

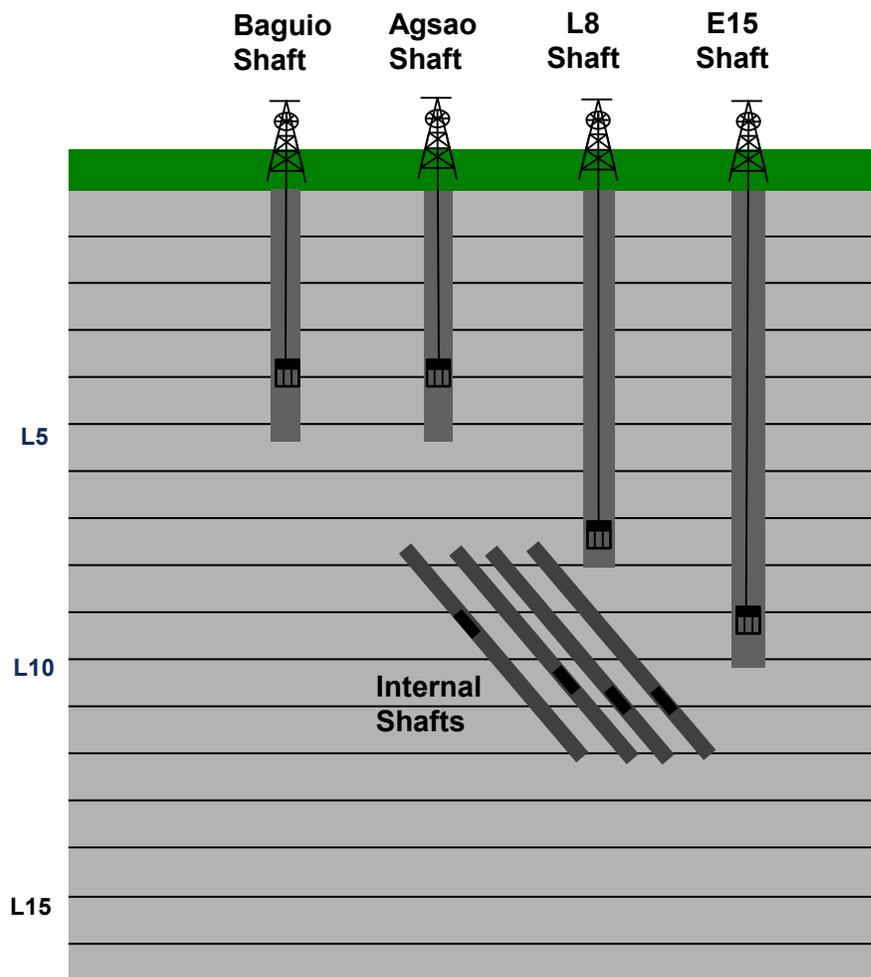


	Tonnes (Mt)	Au (g/t)	Au (koz)
December 2017 Resource	2.53	10.65	865
<b>December 2018 Resource</b>	<b>2.66</b>	<b>10.41</b>	<b>890</b>
Variance	+5.1%	-2.3%	+2.8%
December 2017 Reserve	1.52	6.69	327
<b>December 2018 Reserve</b>	<b>1.58</b>	<b>6.86</b>	<b>350</b>
Variance	+4.2%	+2.5%	+7.0%



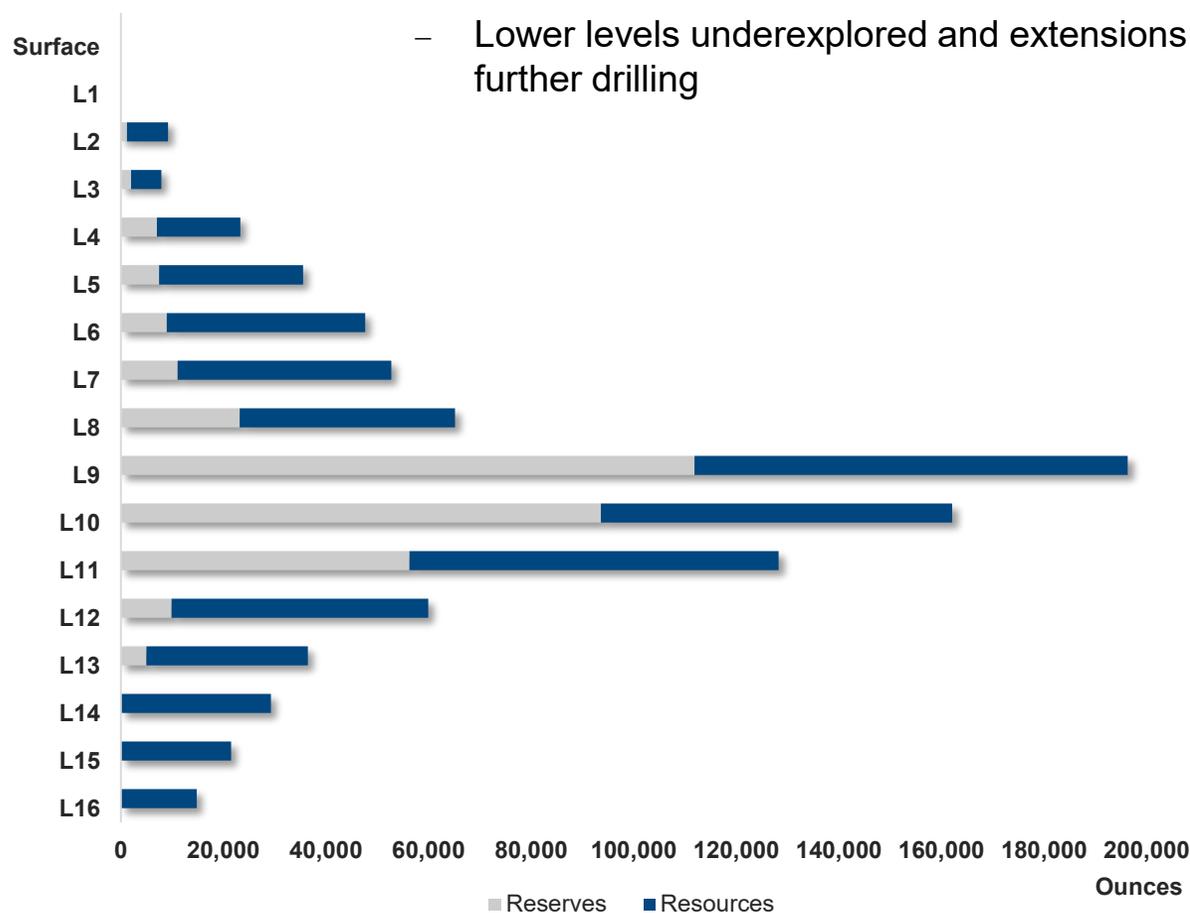
Open at depth

# Co-O Resource/Reserve distribution and infrastructure

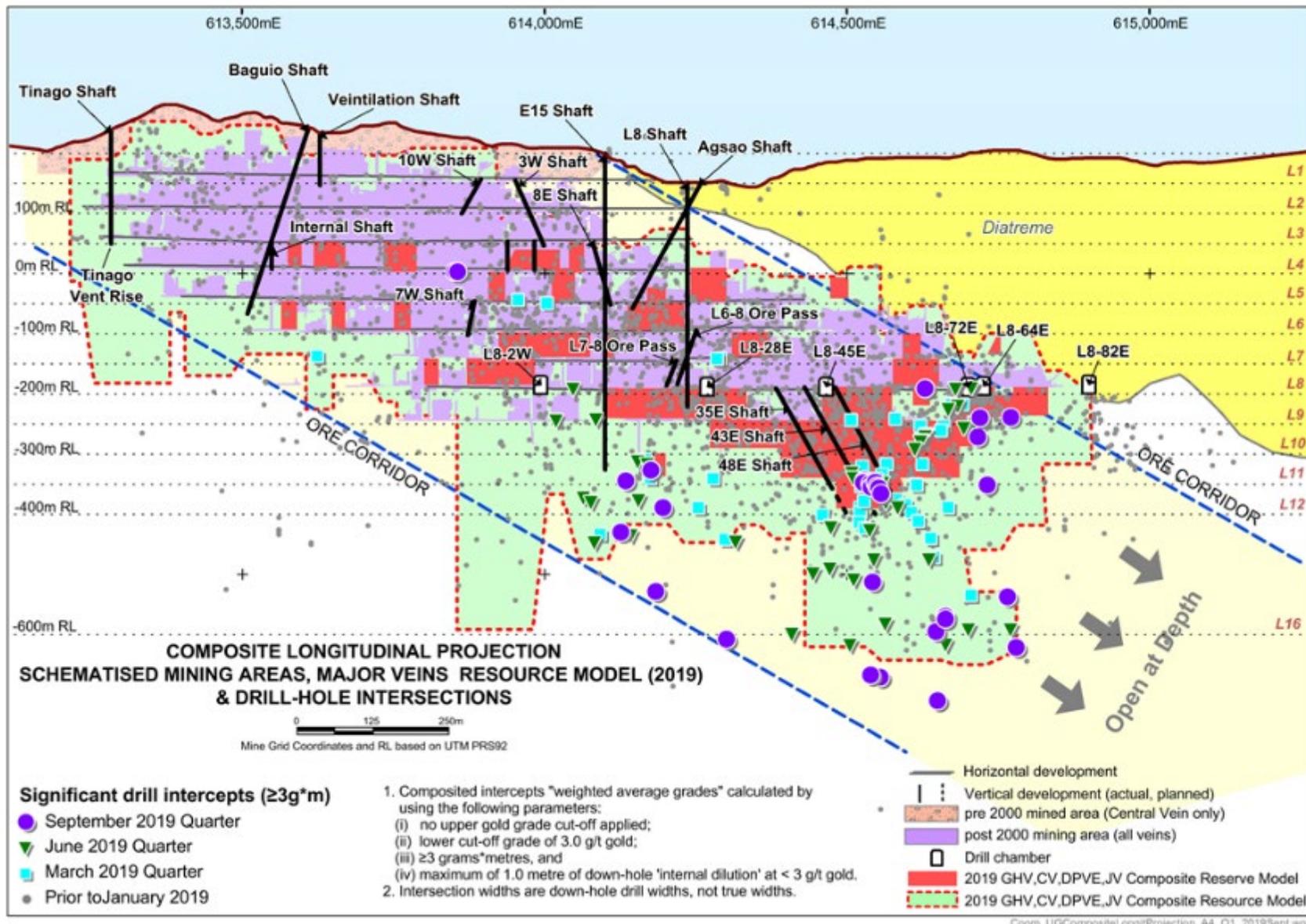


## Increasing mine productivity

- Majority of Ore Reserves located between L8 and L11
- E15 Shaft allows greater ore hoisting capacity from L8 Shaft
- Lower levels underexplored and extensions expected from further drilling



# Co-O Resource



## Continued Exploration

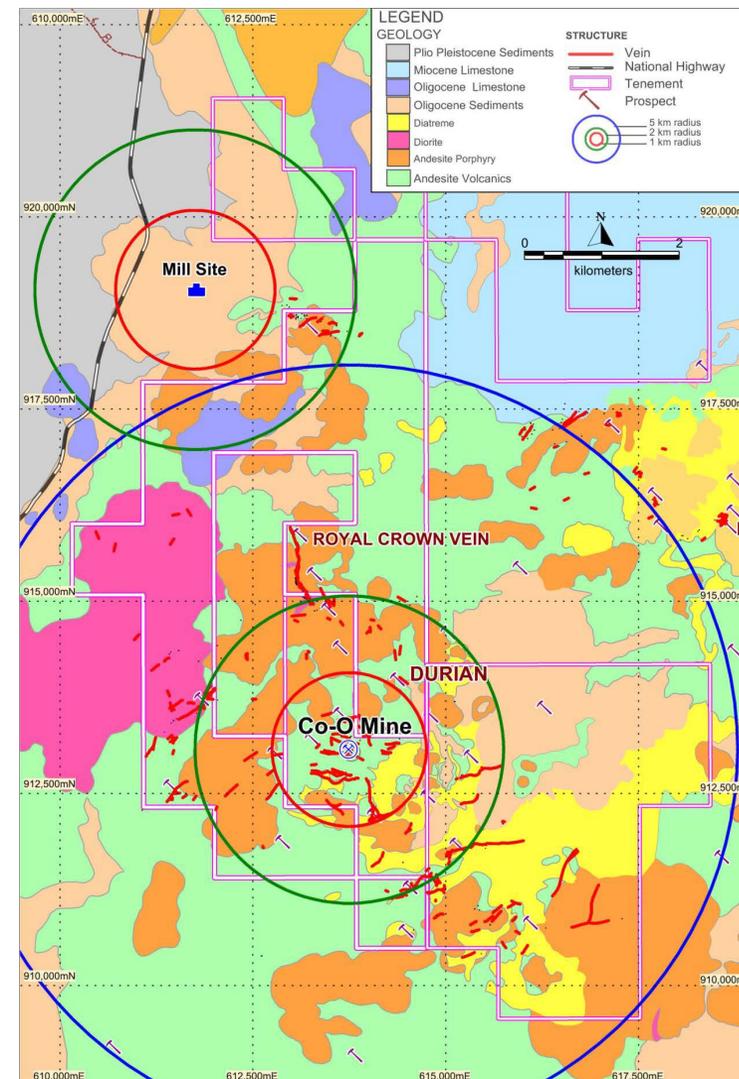
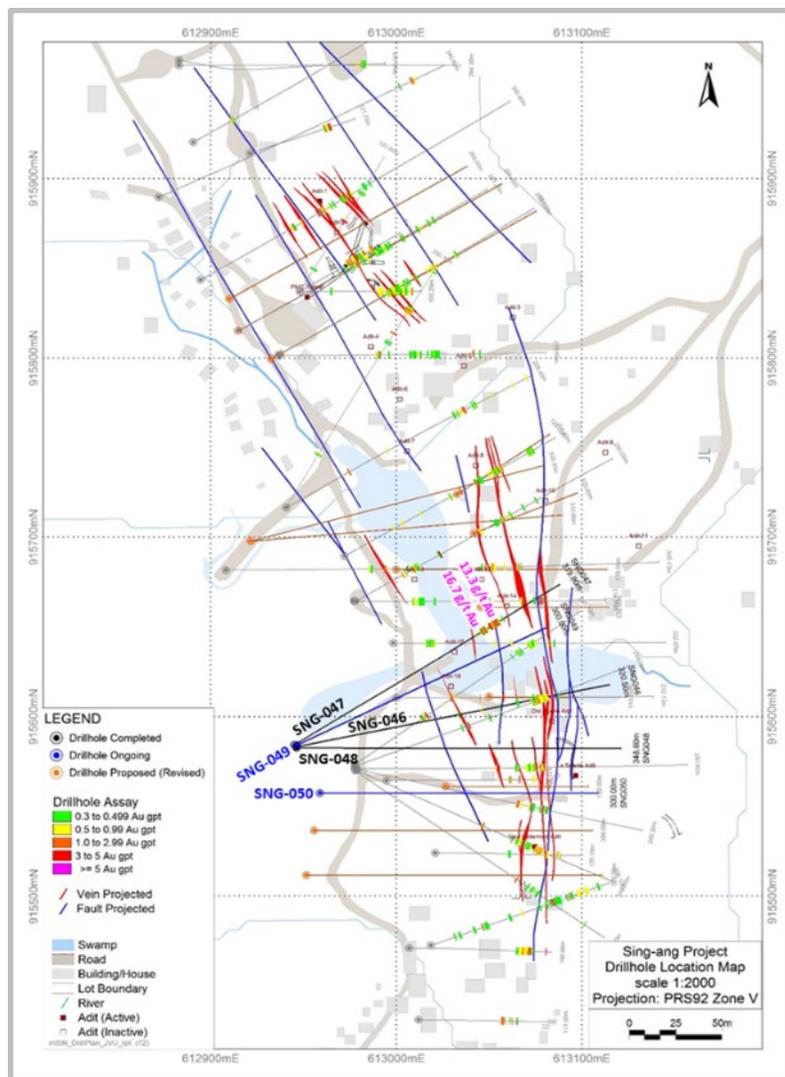
- Resource to level 16
- Drilling continues to intersect structures with grade at depth
- Lower levels underexplored and extensions expected from further drilling
- Potential still open down plunge

# Royal Crowne Vein discovery



## Potential satellite feed source

- Inferred Resource of 311kt @ 5.0g/t Au for 50.3koz declared in April 2019
- Located ~3km from Co-O mill
- Open at depth and down plunge
- High-grade deposit located within 150m of surface
- Phase three ~5,000m infill and extensional drill program underway, assay pending



# Improving safety on site



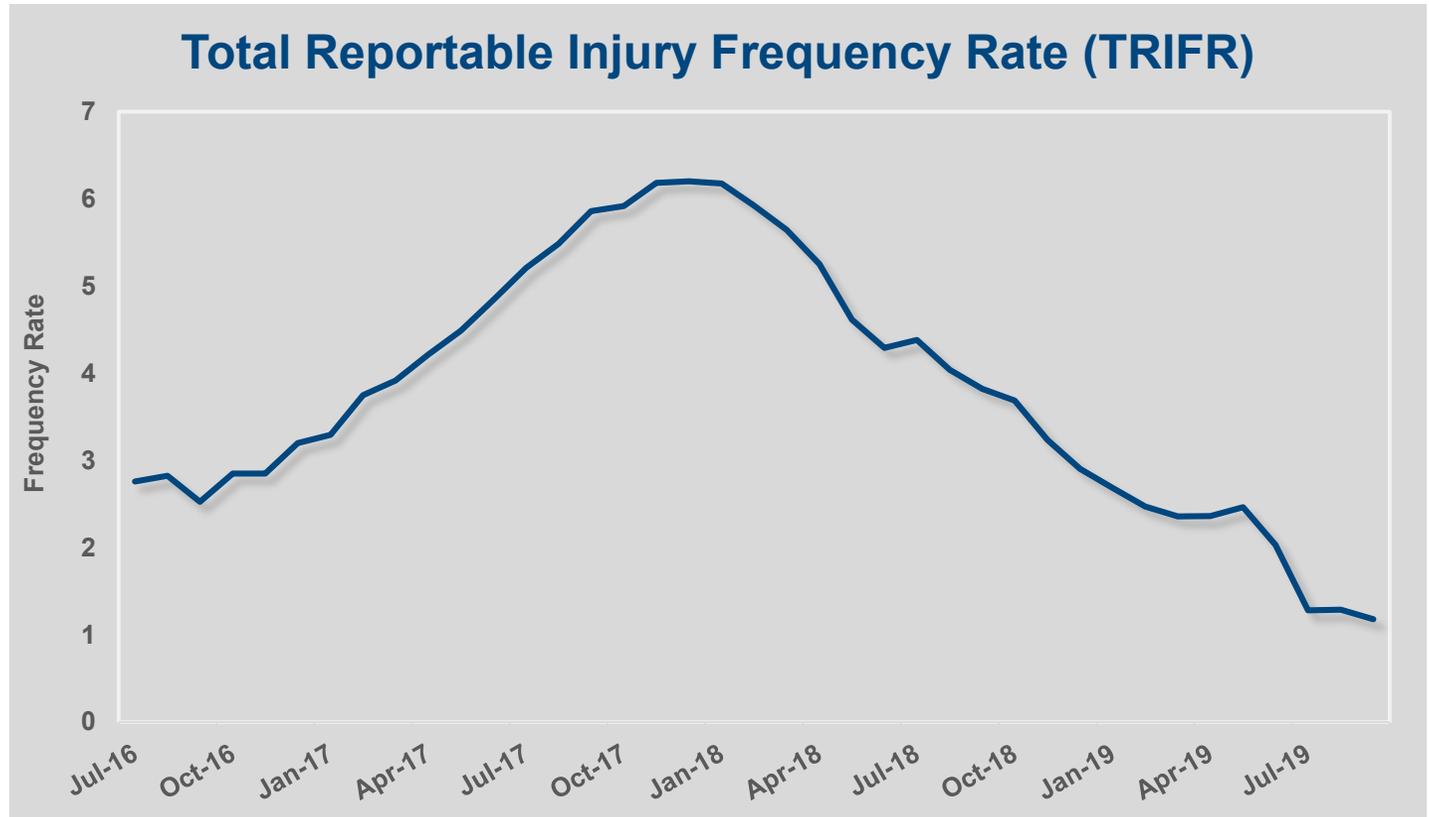
Enhancing employee safety awareness and promoting a safety conscious culture



**TRIFR gradually improving**



**2018 Safest Mineral Processing Award (Extraction Category)**



# Community Relations



## Comprehensive community relations programs

- Philsaga High School
  - ~1,400 students
  - 50 teachers and staff
- Philsaga Hospital
  - 15-bed capacity
  - Servicing ~80 patients per day
- Livelihood projects
  - Agricultural projects, bakery, fish farm
  - Business management training
  - Typically selected after consultation with local stakeholders
- Water filtration / supply / delivery
- Adopt-a-school programs
- Community infrastructure projects
- Scholarship programs
  - ~40 students



# Investment proposition



## ✓ **Solid operational foundation**

- Outperformed FY19 guidance
- FY20 guidance of 95koz-105koz at an AISC of US\$1,025 – US\$1,125/oz
- High grade, potentially long life asset

## ✓ **Improving financial performance**

- Cash build of US\$16.5M in the nine months to September 2019
- FY19 average achieved gold price of US\$1,259/oz is ~US\$250/oz below current spot

## ✓ **Excellent organic growth opportunities**

- Underutilised processing facility
- Advancing near mine regional targets
- Co-O depth extension



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