



MEDUSA MINING LIMITED

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ANNOUNCEMENT

28 October 2020

INVESTOR PRESENTATION

(ASX: MML)

Please find attached the Investor Presentation that the Company will present at its Annual General Meeting, to be held at Quest South Perth Foreshore, 22 Harper Terrace, South Perth, Western Australia on Thursday, 29 October 2020.

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

29 October 2020

Medusa Mining Limited

*Gold producer focused on growth in the
Philippines and 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.

To the maximum extent permitted by law, Medusa and its officers, employees and advisers are not liable for any loss or damage (including, without limitation, any direct, indirect or consequential loss or damage) suffered by any person directly or indirectly as a result of relying on this presentation or otherwise in connection with it.

This presentation is not intended to be an offer for subscription, invitation, solicitation or recommendation with respect to securities in Medusa in any jurisdiction including the United States. No securities in Medusa have been nor will be registered under the US Securities Act of 1933,(USA) as amended. This presentation does not constitute an advertisement for an offer or proposed offer of securities under Australian law, US law or any other law and is for general information purposes only.

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 Fellow member of The Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Llorca is a full-time employee who is entitled to participate in the incentive scheme 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.

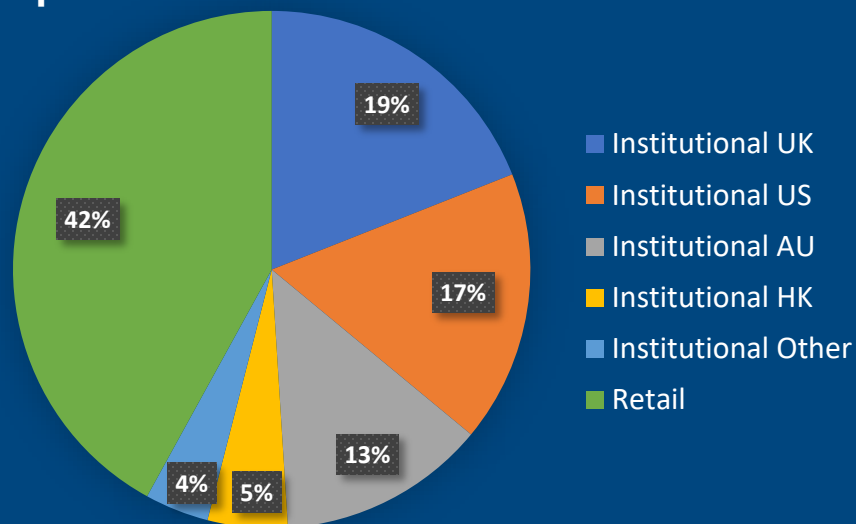
Corporate snapshot



Board and Management

Andrew Teo	Chairman & Interim CEO
Raul Villanueva	Executive Director
Roy Daniel	Non-Executive Director
Simon Mottram	Non-Executive Director
Patrick Warr	Chief Financial Officer
Peter Alphonso	Company Secretary
James P. Llorca	GM Geology and Resources

Ownership



Capital structure

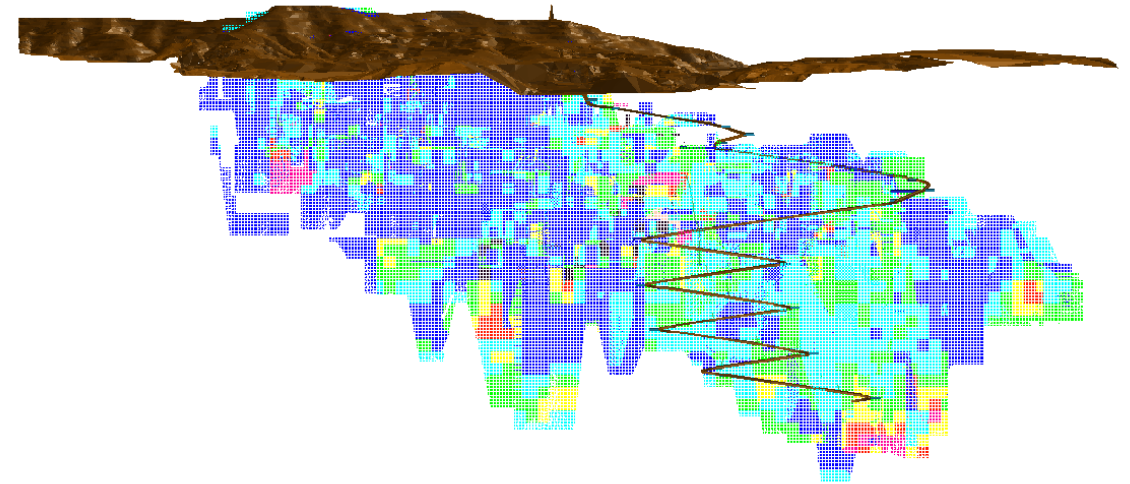
Shares on issue	207.8M
Share price (at 30 Sept)	A\$0.820
Market capitalisation	A\$170.4M
Cash and bullion (at 30 Sept)	US\$64.7M
Short term debt (at 30 Sept)	US\$2.9
Enterprise value	A\$265.7M
Hedging	Nil

 Co-O Location	Philippines
 FY20 Production	95.1koz
 FY20 AISC	US\$1,132/oz
 FY21 Production Guidance	90-95koz
 FY21 AISC Guidance	US\$1,200-1,250/oz
 Mineral Resources (Co-O)	784koz @ 9.85g/mt Au
 Ore Reserves	332koz @ 6.27g/mt Au

The next phase of the Co-O mine



- Comprehensive study completed on future infrastructure options at the Co-O Mine to access the orebody below the limitations of existing shaft infrastructure
- Study concludes the establishment of a decline is the best option to access ore below Level 12, underpin longevity and enhance operational flexibility at Co-O
- Current 332koz Ore Reserve extends to Level 12 with high-grade mineralisation intersected in drilling below Level 16 and remaining open at depth, constrained only by the limits of drilling
- Decline construction expected to take 36 months with gold production to continue at previously planned levels throughout this period – however COVID-19 restrictions to travel has delayed the project significantly.
- Estimated capital cost of US\$48m to be majority funded from existing cash reserves and future operational cash flow
- Final planning and engagement with underground mining contractors underway with the project expected to commence immediately when COVID-19 restrictions are lifted.



Long section of the proposed decline and current resource model

The long-term benefits and opportunities



Benefits



A long-term, extendable infrastructure solution: replaces the need for future hoisting and service shafts at Co-O in the foreseeable future



Exploration optionality: ability to establish more optimal drill drive positions and drill drive excavation to no longer limit production



Potential production upside: removal of the hoisting system as the constraint on production and ability to increase plant utilisation (currently ~60%) with exploration success



Improved health and safety: greater productivity from enhanced working conditions and increased ventilation to deeper areas of the mine.

Opportunities



Majority of current Ore Reserves located between Levels 8 – 11 (~280koz)



Level 7 – 11 have averaged gold endowment between 100 – 200koz per level

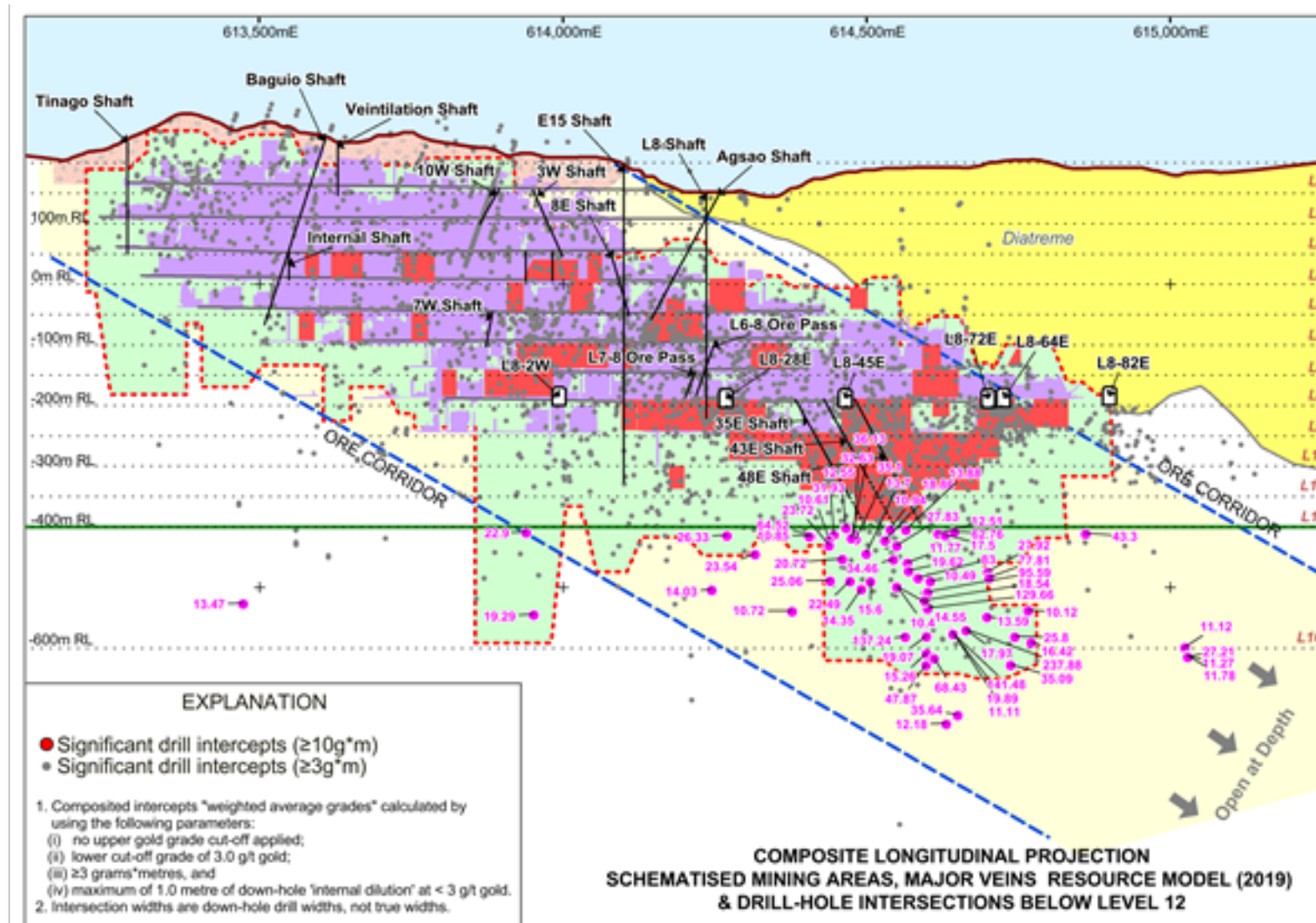


Strong belief this trend will continue at Level 12 and below with further exploration

Immediate resource extension potential



- Current Reserve extends to Level 12 and is only constrained by drilling
- Typical challenges associated with drilling a narrow-vein, steeply dipping orebody from underground limits current Resource
- Drill testing at depth has intersected high-grade mineralisation at Level 16 and remains open down dip
- Significant potential to extend inventory below Level 12 based on current understanding of the geology and drilling results
- A decline will offer more optimal positions for in-mine and near-mine drilling which was previously unattainable:
 - Enable the testing of potential of the mineralisation to the north (e.g. potential northern off shoot)

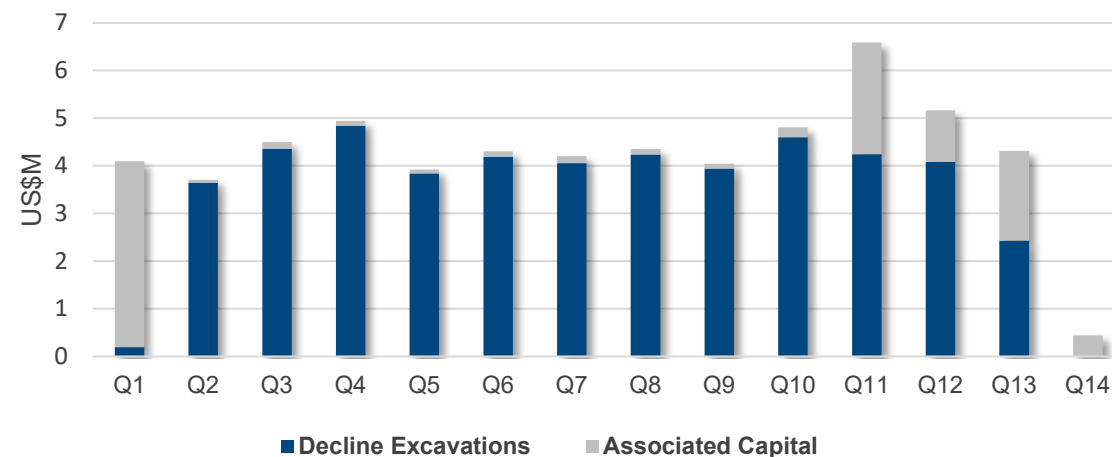


Capital cost and funding

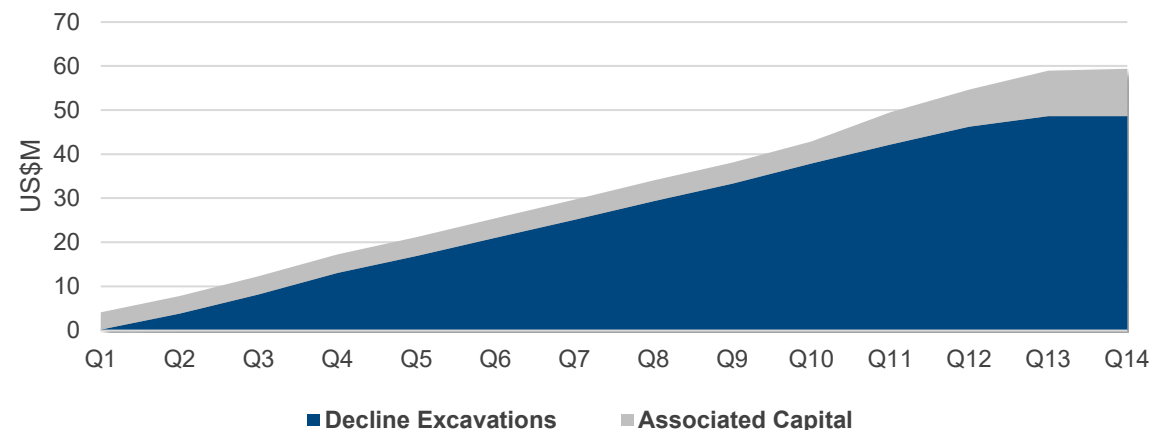


- Estimated US\$48.6m cost over three years for excavation and underground development
- Additional US\$11m for additional associated infrastructure and mobile equipment
- Medusa expects the majority of this requirement to be internally funded from existing cash (~US\$25m) and future cash flow
- As a contingency, the Company is also examining external funding options, including the establishment of a debt facility
- External funding unlikely required in the near term

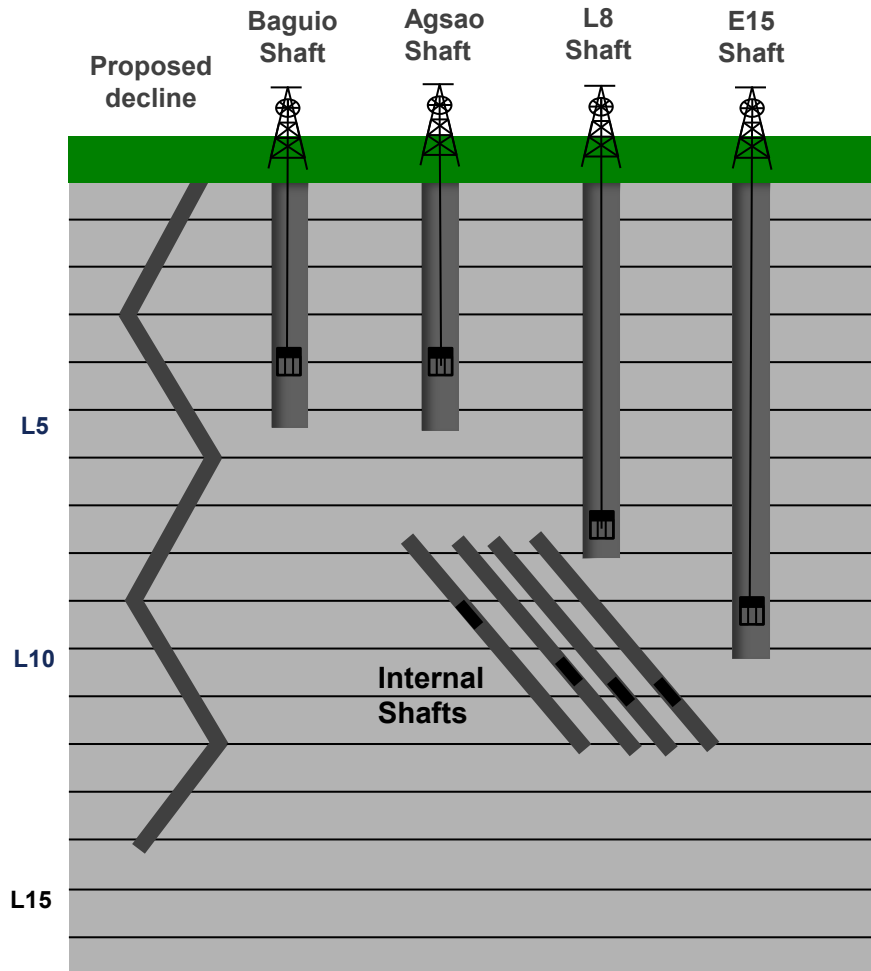
Decline Project Expenditure - Quarterly



Decline Project Expenditure – Cumulative Over Time

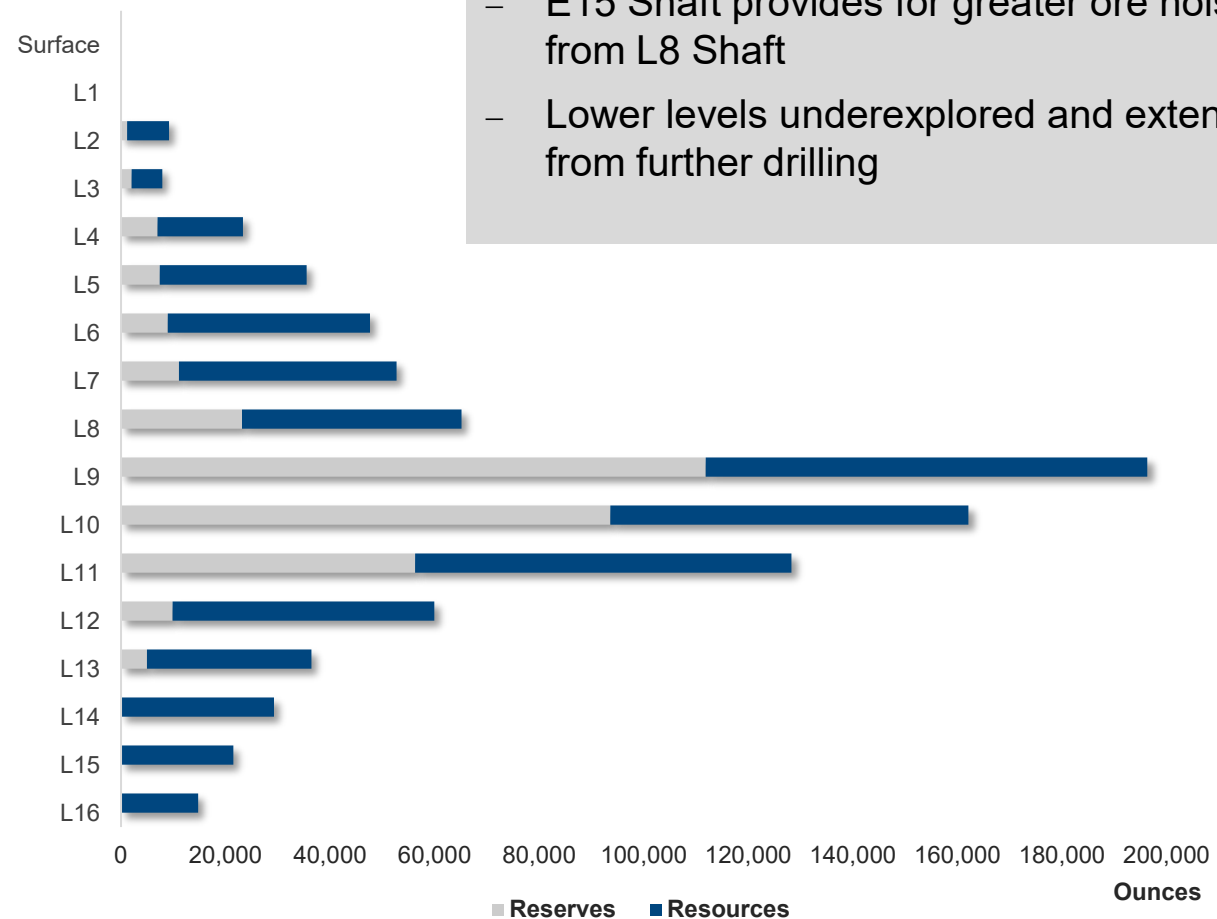


Co-O Resource/Reserve distribution and infrastructure



Increasing mine productivity

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



Consistent Mill Performance



Consistently high gold recoveries

- Averaged 95.9% recovery in September quarter 2020 and 95.3% across FY19-20

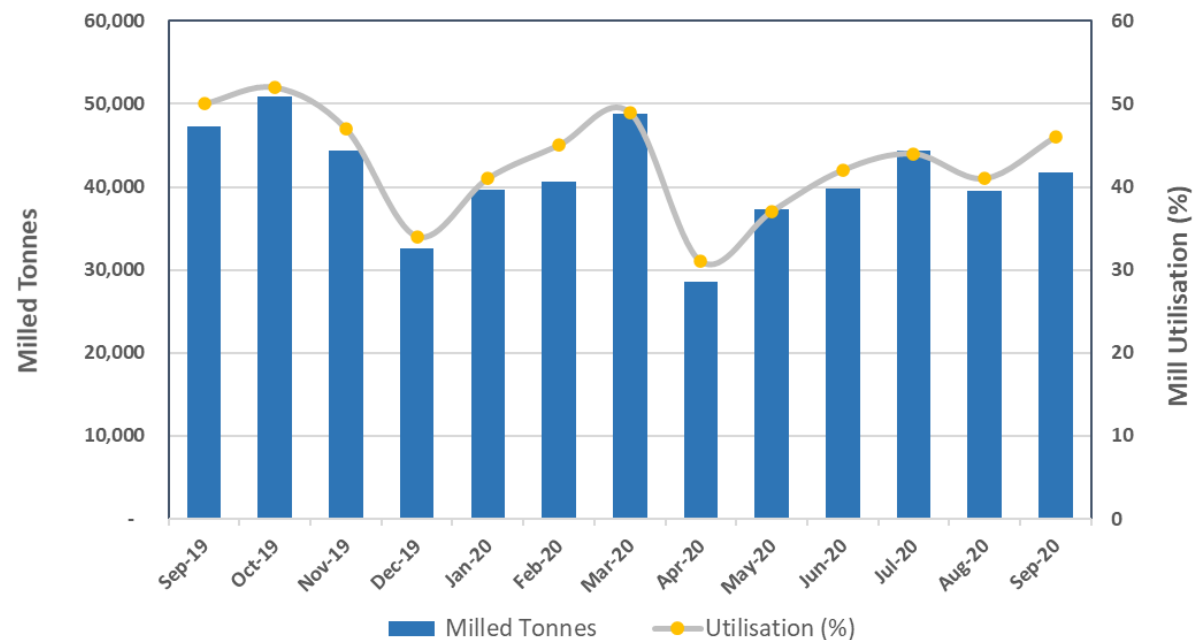
Mill constrained by mine productivity

- Mill operating at <55% 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)

Mill Performance

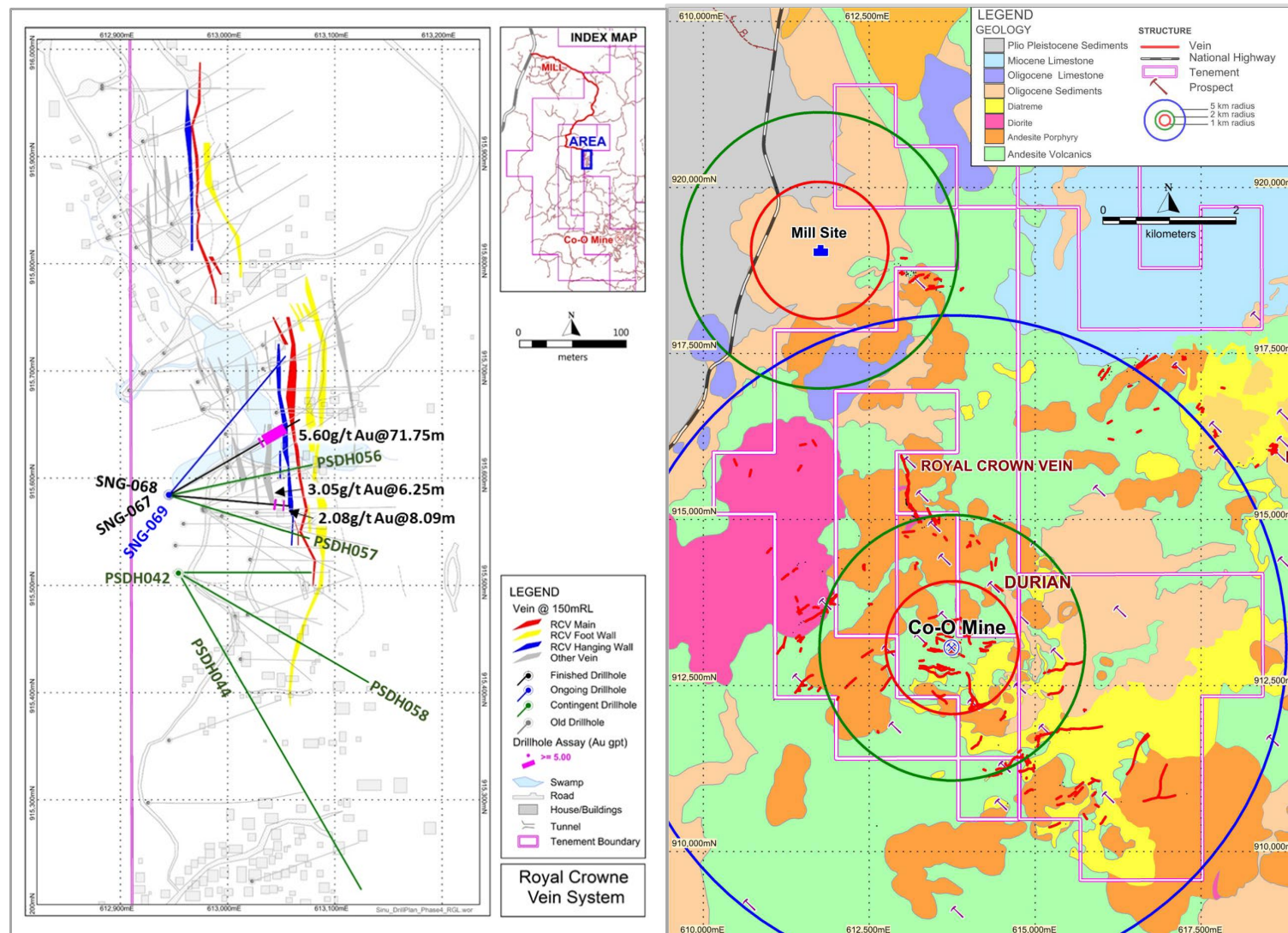


Royal Crowne Vein discovery



Potential satellite feed source

- Indicated Resource of 61.0kt @ 4.93g/mt Au for 10.0koz and Inferred Resource of 26.0kt @ 4.01g/mt Au declared in April 2020
- Located ~3km from Co-O mill
- Open at depth and down plunge
- As at mid-August 2020, the easing of the COVID-19 work/travel restrictions enabled drilling to resume and completing three drillholes totalling 1,074 metres
- Significant intercept is a zone of 67.15 metres (299.85 metres - 367.00 metres) @ 5.71 g/mt gold, including 30.30 metres @ 5.89 g/mt gold; and 22.35 metres @ 8.10 g/mt gold. (ASX – 30 September Quarterly report)



Strong operational and share price performance



Gold Production Statistics

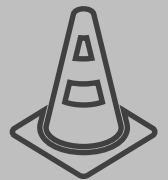
Description	Unit	Sep 2019 Quarter	Dec 2019 Quarter	Mar 2019 Quarter	Jun 2020 Quarter	Sep 2020 Quarter
Ore mined	WMT	167,767	142,368	145,802	116,728	142,802
Ore milled	DMT	151,224	127,924	129,107	105,690	125,659
Head grade	g/mt	5.93	5.32	6.25	6.59	7.56
Recovery	%	95.2	94.9	95.2	95.8	95.9
Gold produced	Ounces	27,515	20,792	24,802	21,947	28,363
Gold sold	Ounces	26,689	20,760	23,669	24,024	27,018
U/G development	Metres	9,517	7,767	8,420	8,087	8,887
Cash Costs *	US\$/oz	\$613	\$801	\$657	\$692	\$615
All-In Sustaining Costs	US\$/oz	\$997	\$1,346	\$1,118	\$1,116	\$1,079
Average gold price received	US\$/oz	\$1,484	\$1,485	\$1,601	\$1,745	\$1,927
Cash & cash equivalent	US\$M	\$31.1	\$25.0	\$32.5	\$47.1	\$64.7

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

Improving safety on site



Enhancing employee safety awareness and promoting a safety conscious culture

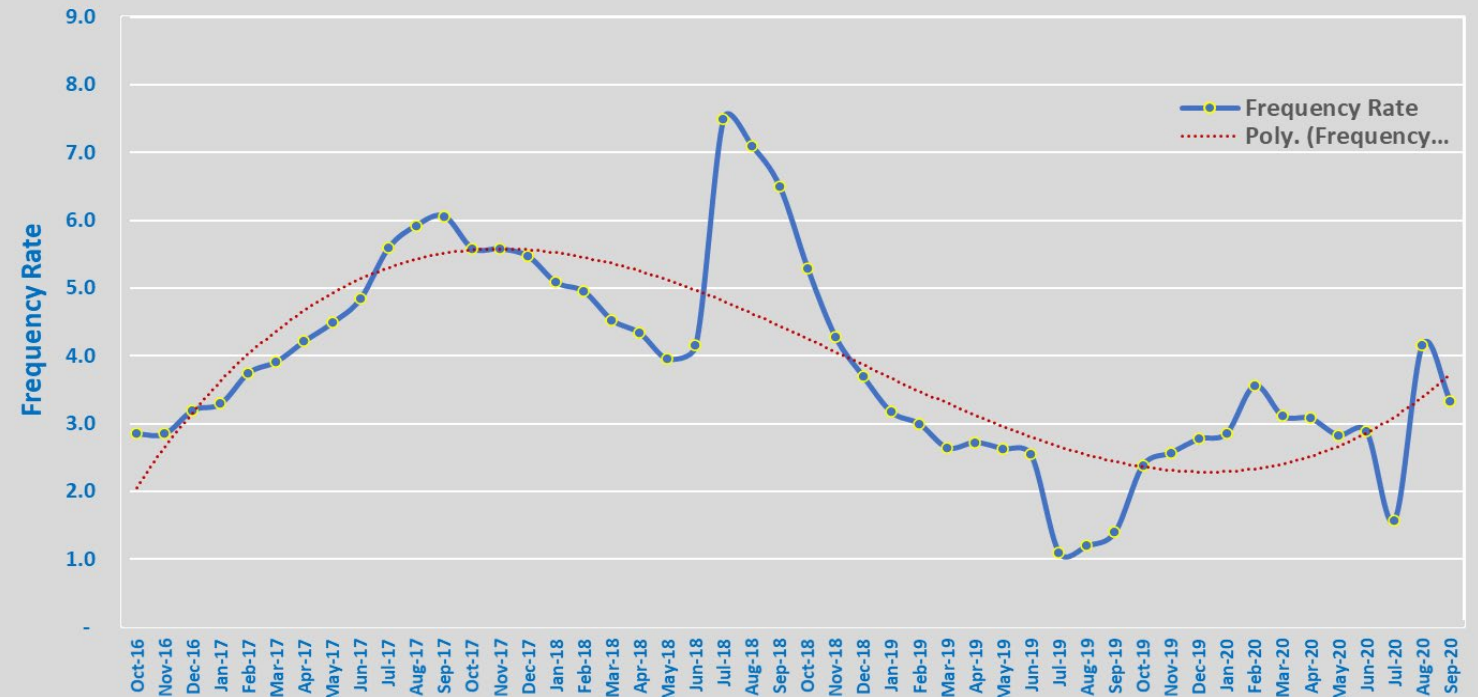


TRIFR gradually improving



2018 Safest Mineral Processing Award (Extraction Category)

Total Reportable Injury Frequency Rate (TRIFR)



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
 - Typically selected after consultation with local stakeholders
- Water filtration / supply / delivery
- Adopt-a-school programs
- Community infrastructure projects
- Scholarship programs
 - ~40 students



COVID-19 Pandemic site control & management



- Actively implemented strict COVID-19 prevention policy that includes, social distancing, wearing face masks/PPE, information campaign, testing of ALL employees, quarantine, among others.
- Involved local communities and other stakeholders in the preventive campaign
- The company is the biggest employer in the Caraga district and have only 6 confirmed COVID-19 positive individuals who were cleared after 14 days.
- The preventive measures enforced by the company had excellent control of the COVID-19 spread, that allowed continued mine operations with minimal disruptions.
- ***However, due to a small number of COVID-19 detection at the mine site, the company is temporary shutting down operations for 7 days until 3 November (ASX Announcement – 25 October 2020).***



Investment proposition



✓ Solid operational foundation

- FY21 guidance of 90koz-95koz at an AISC of US\$1,200 – US\$1,250/oz
- High grade, potentially long-life asset

✓ Improving financial performance

- Cash equivalent of US\$64.7M as of 31st December 2019
- Unhedged production profile offers leverage to buoyant gold price

✓ Excellent organic growth opportunities

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



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