



**MEDUSA**

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**ANNOUNCEMENT**

22 October 2019

**INVESTOR PRESENTATION**

(ASX: MML)

Please find attached an updated Investor Presentation for October 2019.

Outlined below are Competent Persons' Consents in relation to resource and reserve information that 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 (Assam) and a Chartered Professional in Geology of the Assam.

Mr Llorca is General Manager, Geology and Resources and is a full-time employee of Medusa Mining Limited. Mr Llorca 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 (JORC)." 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.

# Building on a strong base

October 2019

## Medusa Mining Limited

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



**MEDUSA**

ASX: MML



# Important notice



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## **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

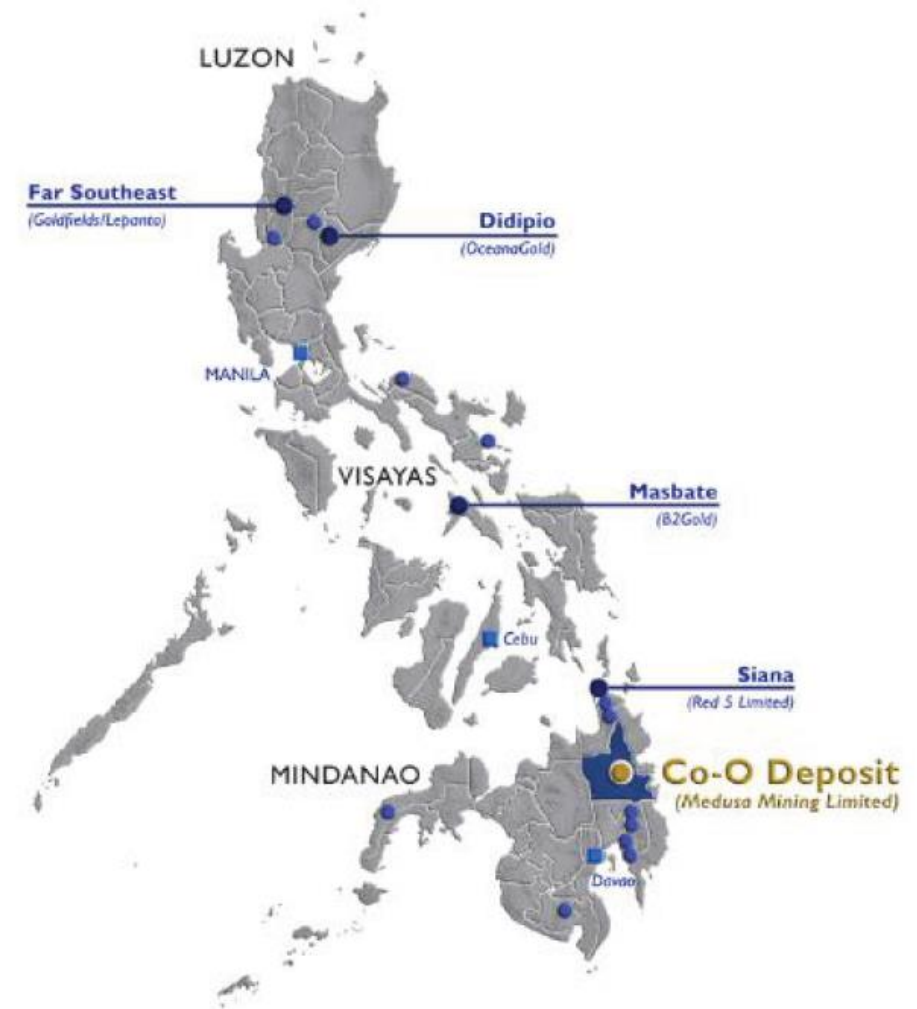
- Unhedged, high grade gold producer
- Consistent production with ~900koz produced in the past decade
- FY20 guidance: 95 – 105koz at AISC of US\$1,025 – US\$1,125/oz
- Supportive community and local workforce with low turnover

## Sharp focus on improving operating performance

- Optimisation of additional hoisting capacity installed in 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



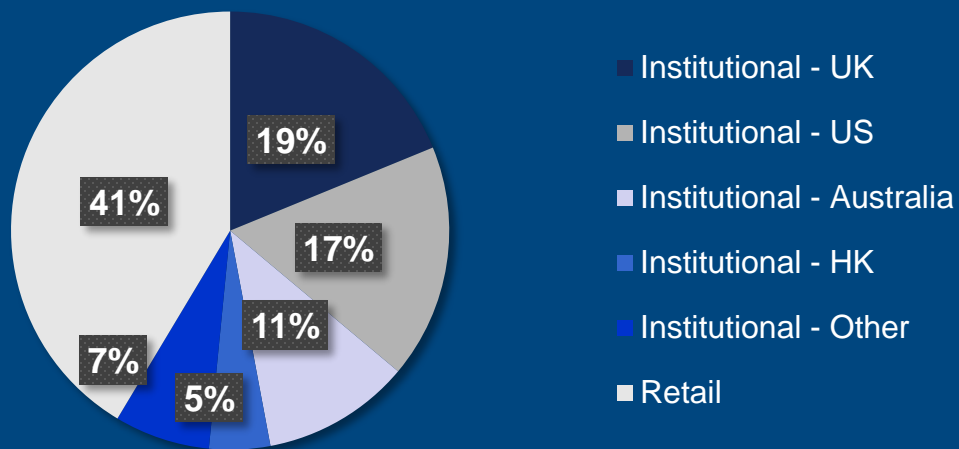
# Corporate snapshot



## 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 18 Oct)	A\$0.715
Market capitalisation	A\$148.6M
Cash and bullion (at 30 Sep)	US\$31.1M
Short term debt (at 30 Sep)	US\$7.0M
Enterprise value	A\$113.3M
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

# 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

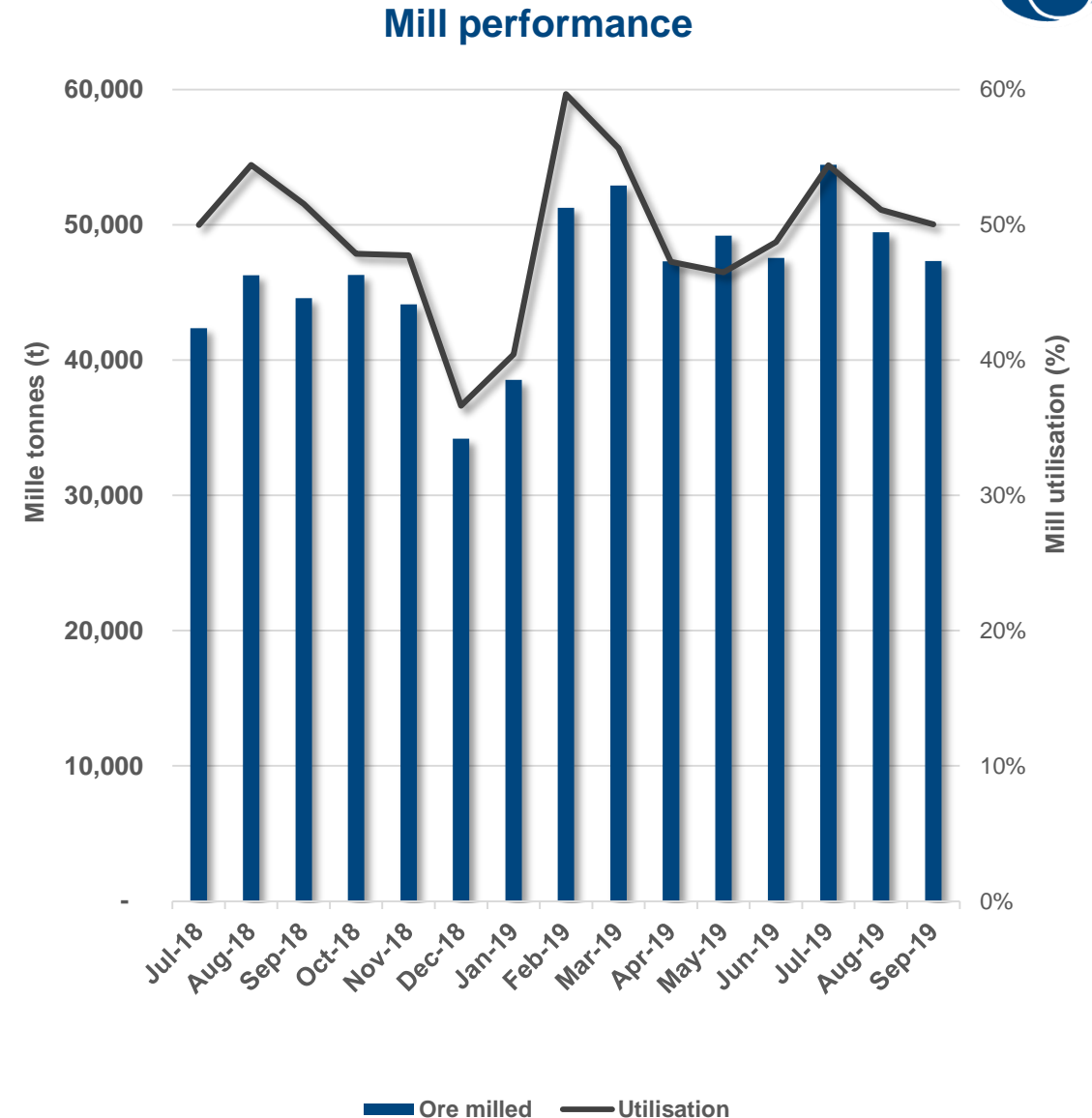
- Averaged 95.2% recovery in September quarter 2019 and 94.8% across FY19

## 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)

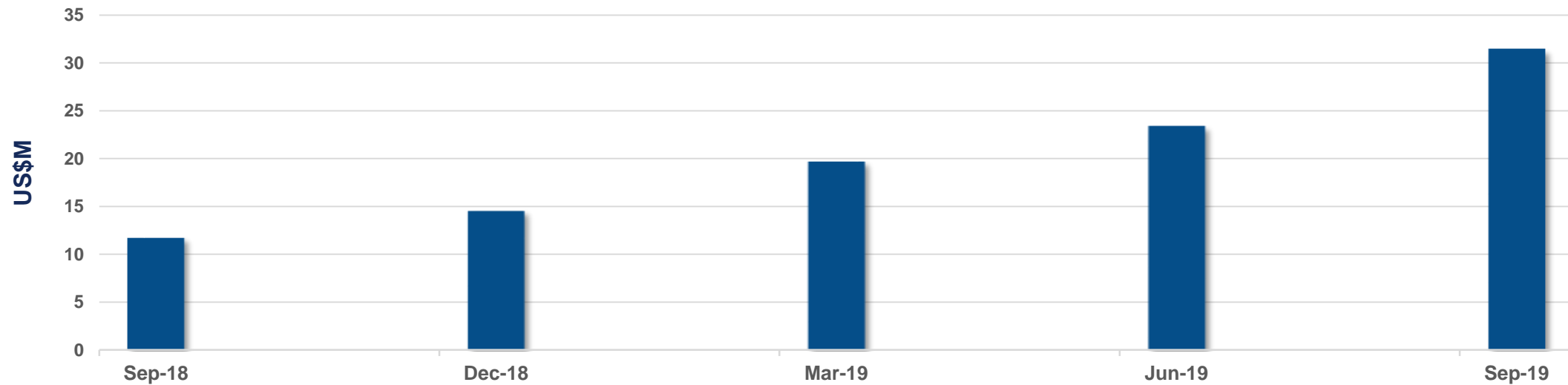


# Improving financial position



- ✓ 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

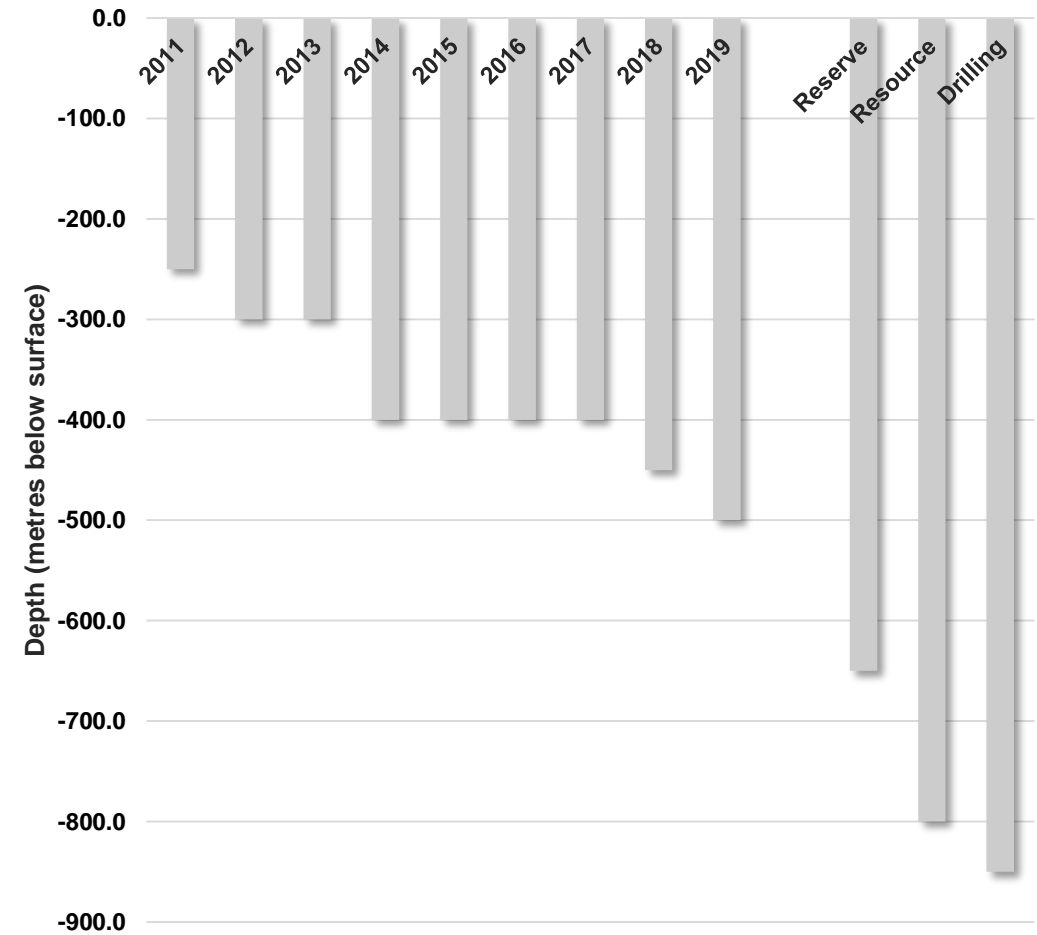
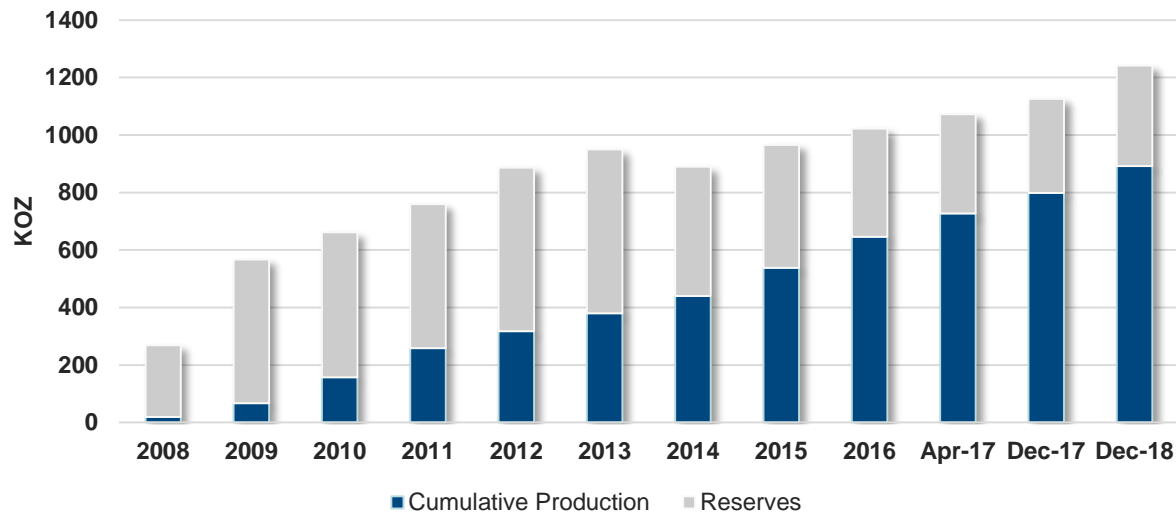
## Cash and gold



# Resource Reserve additions (after 93koz mine depletion)

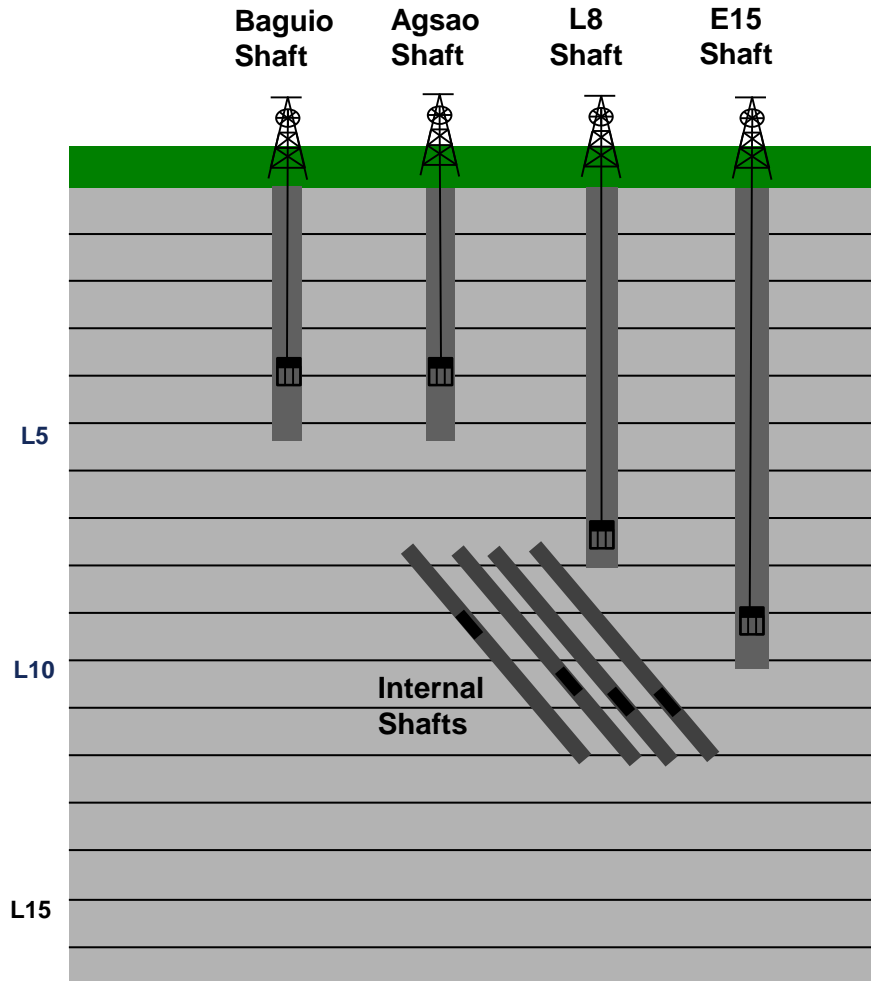


	Tonnes (Mt)	Au (g/t)	Au (koz)
December 2017 Resource	2.53	10.65	865
<b>December 2018 Resource</b>	<b>2.66</b>	<b>10.41</b>	<b>890</b>
Variance	+5.1%	-2.3%	+2.8%
December 2017 Reserve	1.52	6.69	327
<b>December 2018 Reserve</b>	<b>1.585</b>	<b>6.86</b>	<b>350</b>
Variance	+4.2%	+2.5%	+7.0%



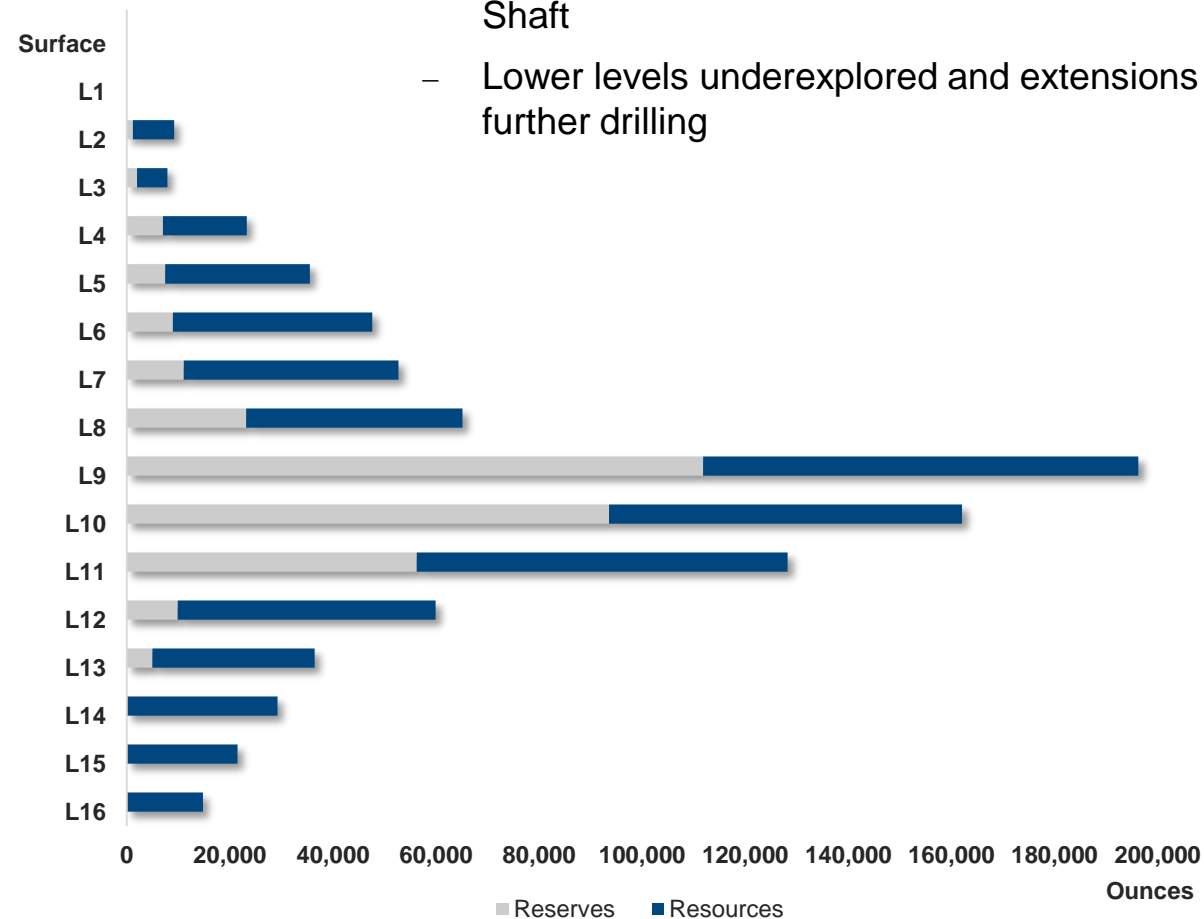
Open at depth

# Co-O Resource/Reserve distribution and infrastructure



## Increasing mine productivity

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

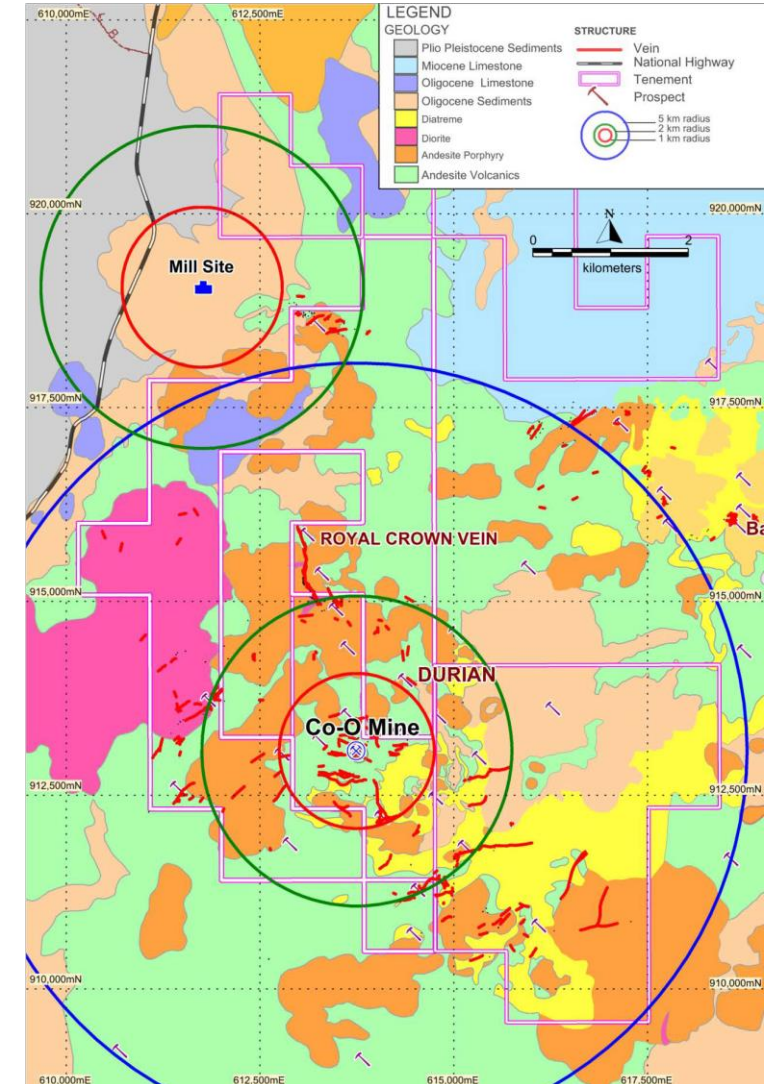
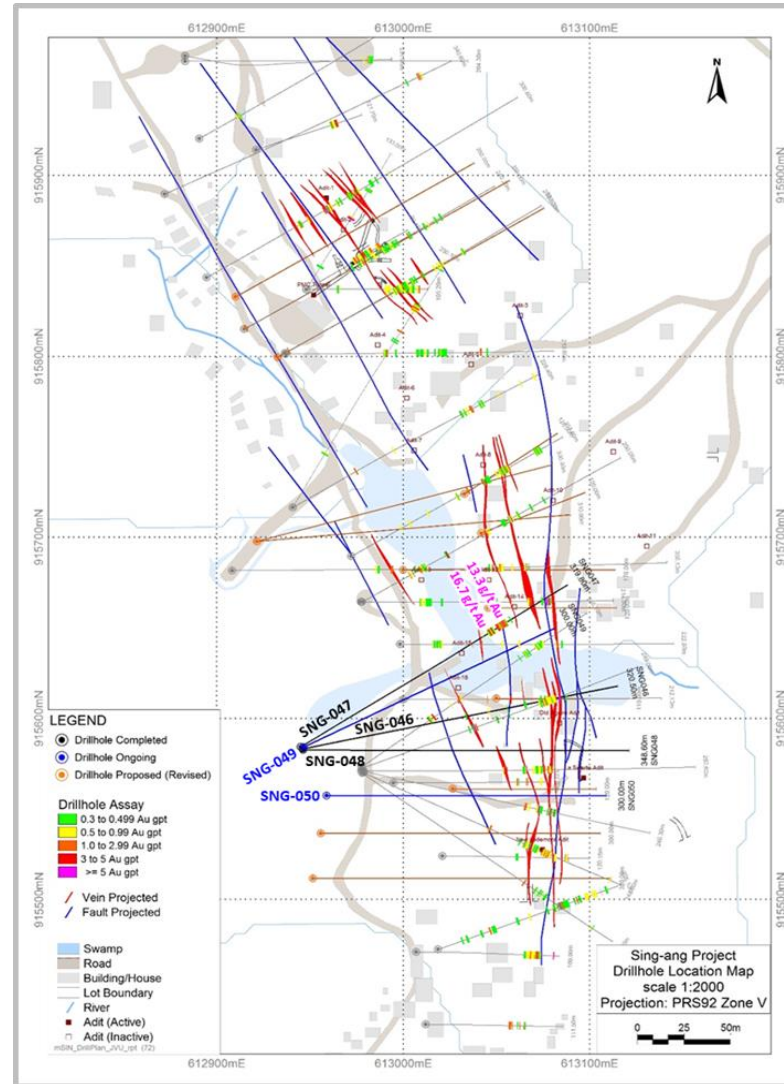


# Royal Crowne Vein discovery



## 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



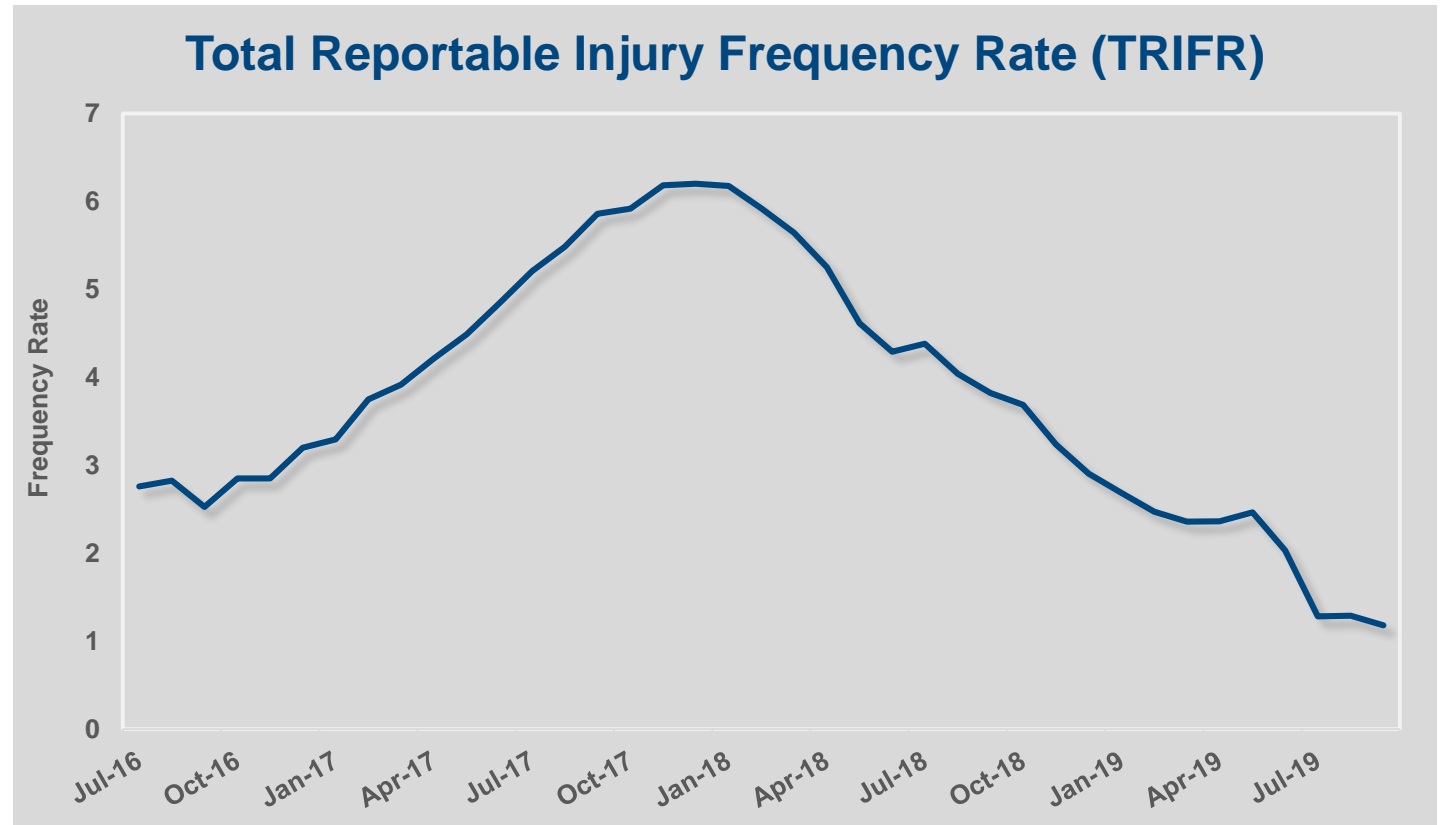
Enhancing employee safety awareness and promoting a safety conscious culture



**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
  - 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 spot

## ✓ Excellent organic growth opportunities

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





# Contact

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