

Building on a strong base

May 2019

Medusa Mining Limited

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



MEDUSA

ASX: MML



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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

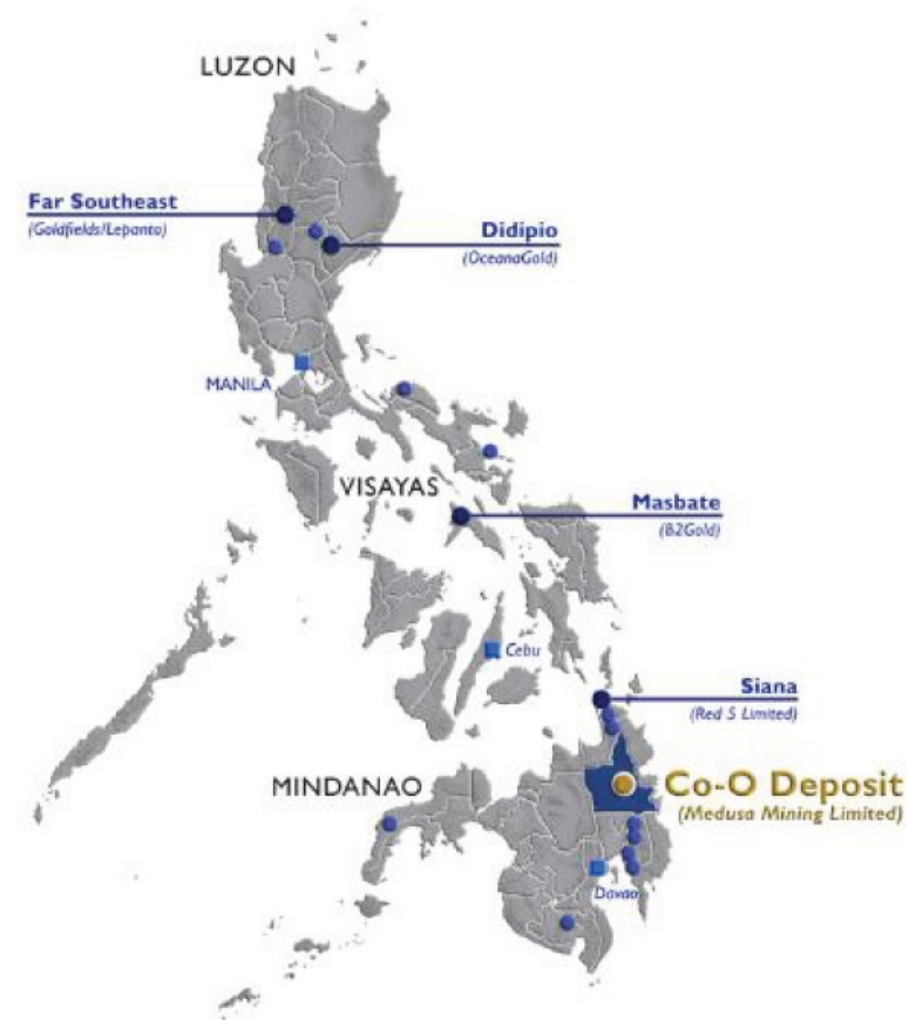
- Consistent production with ~900koz produced in the past decade
- FY19 guidance: 98 – 105koz at an AISC of US\$1,050 – US\$1,150/oz
- Supportive community with local workforce and low turnover

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 extensions from regional targets and Co-O at depth

Asset diversification for the right opportunity

- Potential to leverage expertise in the exploration of epithermal gold deposits, underground narrow vein mining and operating in Asia
- First drilling of early stage exploration projects in Queensland in June quarter 2019



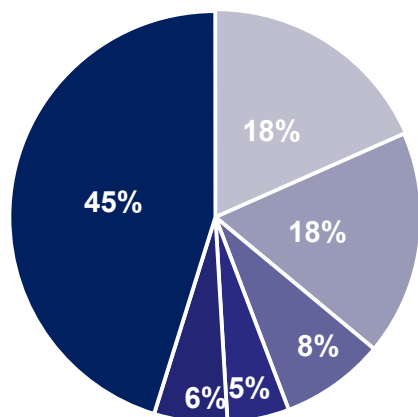
Corporate snapshot



Corporate overview

Shares on issue	207.8m
Share price (at 10 May)	A\$0.37
Market capitalisation	A\$76.9m
Cash and bullion (at 31 Mar)	US\$19.7m
Short term debt (at 31 Mar)	US\$7.4m
Enterprise value	A\$59.3m
Hedging	Nil

Ownership



- Institutional - UK
- Institutional - US
- Institutional - Australia
- Institutional - HK
- Institutional - Other
- Retail

Key metrics

Co-O Location	Philippines
FY18 Production	95.7koz
FY18 AISC	US\$1,083/oz
FY19 Production Guidance	98-105koz
FY19 AISC Guidance	US\$1,050-1,150/oz
Resources (Co-O)	890koz @ 10.4g/t
Reserves	350koz @ 6.9g/t

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
Patrick Chang	Corporate Development Officer

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 10.41 g/t Au for 890koz

Ore Reserve ▲

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

Operational and financial improvements

- Final commissioning of E15 service shaft completed late November 2018
- Ore / waste hoisting capacity improved on L8 and lower levels
- Cash build of US\$5.1m during March Quarter 2019

Near mine exploration

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

CEO appointment

- David McGowan (previously Medusa COO) appointed as CEO 1 March 2019

Operational performance



Gold production statistics

Description	Unit	Mar 2018 Quarter	Jun 2018 Quarter	Sep 2018 Quarter	Dec 2018 Quarter	Mar 2019 Quarter
Ore mined	WMT	134,707	142,752	145,761	137,982	160,651
Ore milled	DMT	118,495	129,962	133,209	124,623	142,703
Head grade	g/t	6.36	5.74	5.97	6.11	6.98
Recovery	%	94.8%	94.5%	94.5%	94.5%	94.7%
Gold produced	ounces	22,918	22,835	24,177	23,120	29,858
Gold sold	ounces	20,468	22,435	23,818	24,160	28,600
U/G development	metres	6,242	7,566	7,898	6,920	7,293
Cash costs (*)	US\$/ounce	\$568	\$595	\$549	\$567	\$510
All-In-Sustaining-Costs (“AISC”)	US\$/ounce	\$1,073	\$1,278	\$1,126	\$1,156	\$939
Average gold price received	US\$/ounce	\$1,335	\$1,293	\$1,206	\$1,231	\$1,303
Cash & cash equivalent	US\$M	\$18.1M	\$15.1M	\$11.8M	\$14.6M	\$19.7M

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

Mill performance



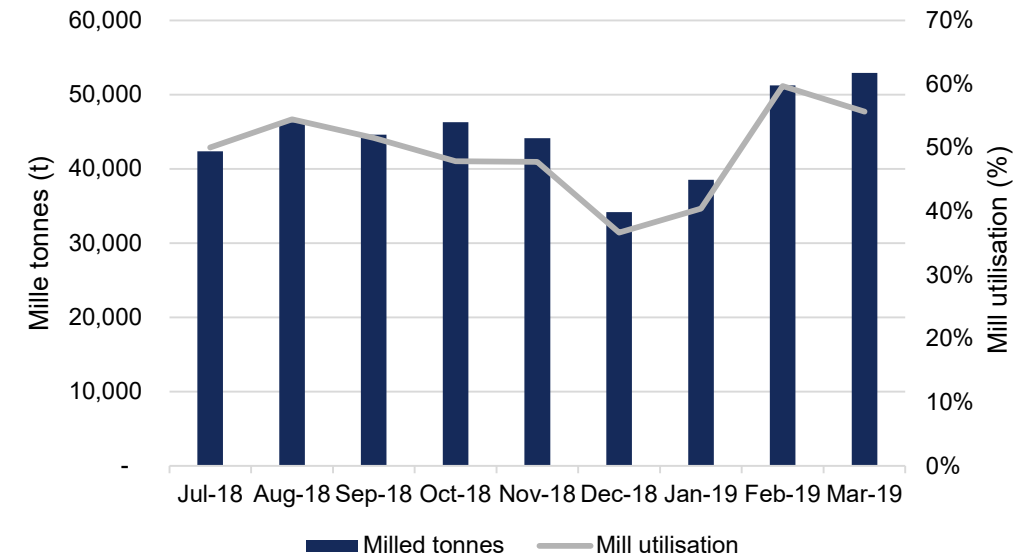
Higher throughput since E15 Shaft completion

- Final commissioning completed late November 2018
- Ore / waste hoisting capacity improved on L8

Significant upside from underutilised mill

- Mine remains bottleneck
- Continued improvement in mill throughput achieved
- Established surface infrastructure offers significant upside
- Potential for incorporating satellite feed should near mine exploration be successful
- Likely cost savings when fully utilised due to high fixed costs and inefficiencies

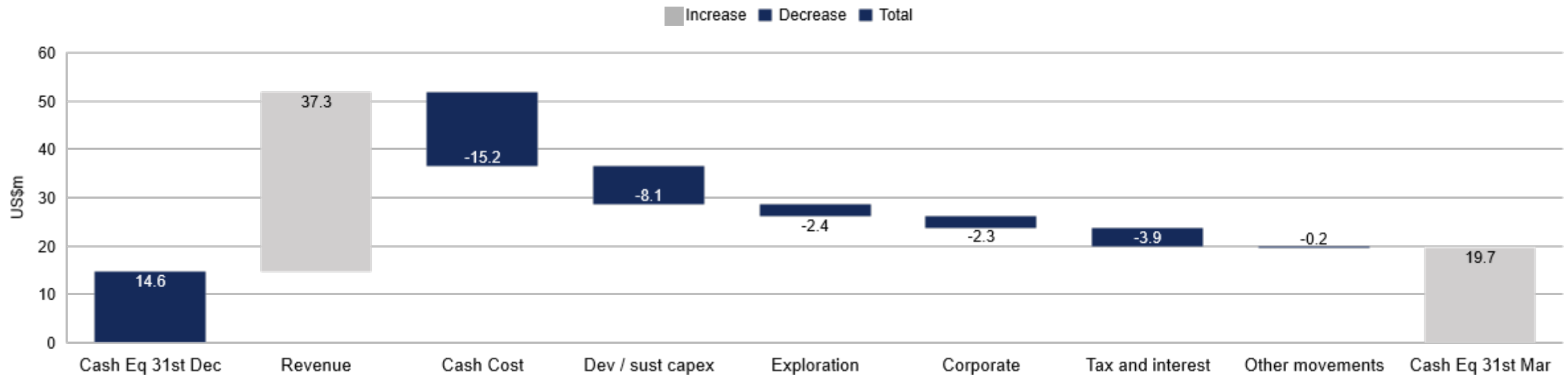
Co-O monthly mill throughput



Financial position



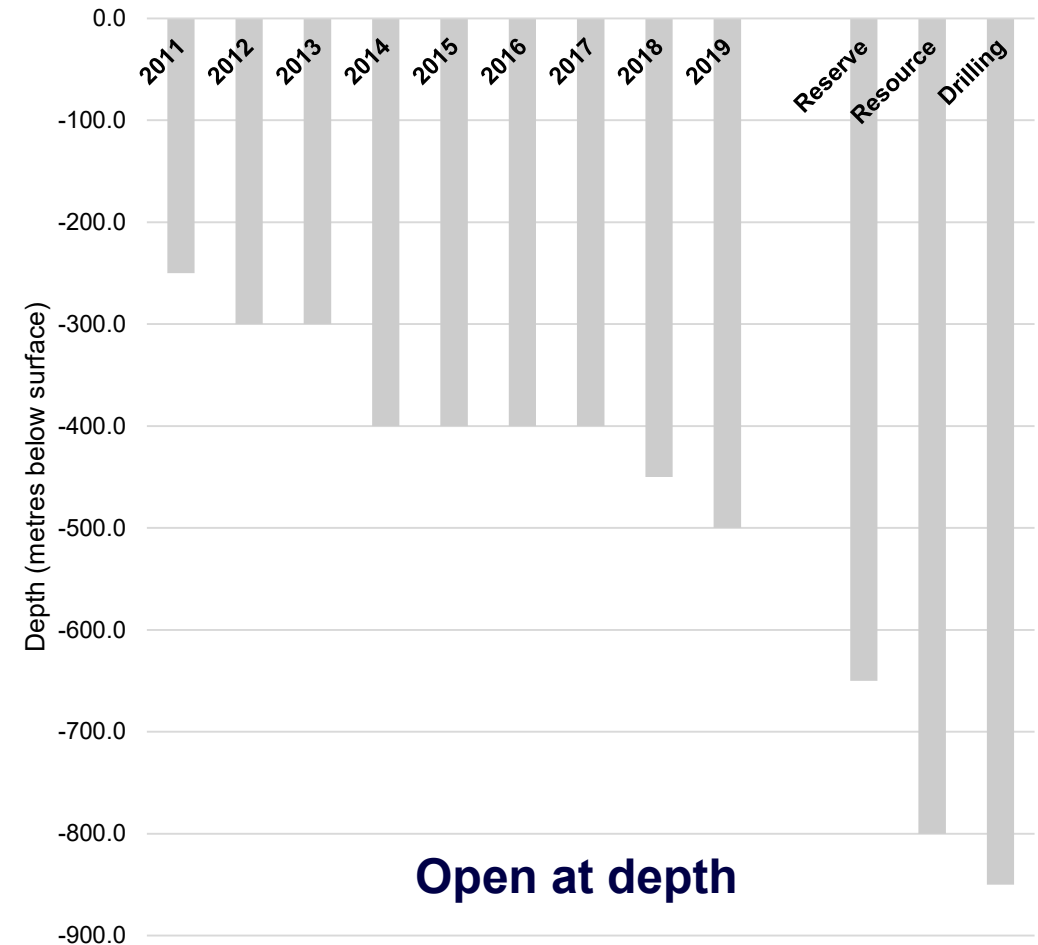
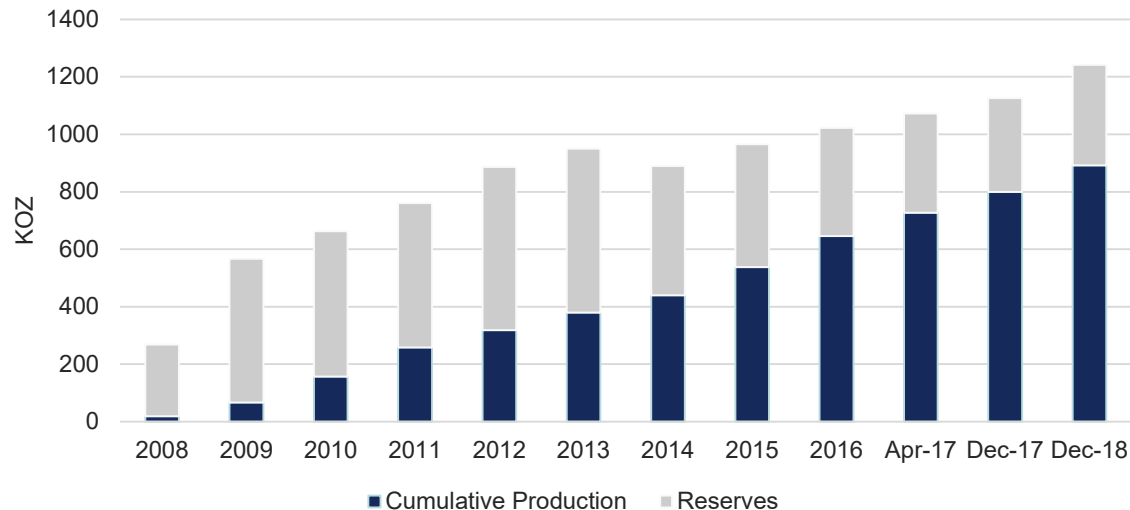
- ✓ Cash and gold increased by US\$5.1m during Mar Quarter 2019
- ✓ US\$19.7m cash and gold (as at 31 Mar 2019)
- ✓ US\$7.4m borrowing (as at 31 Mar 2019)



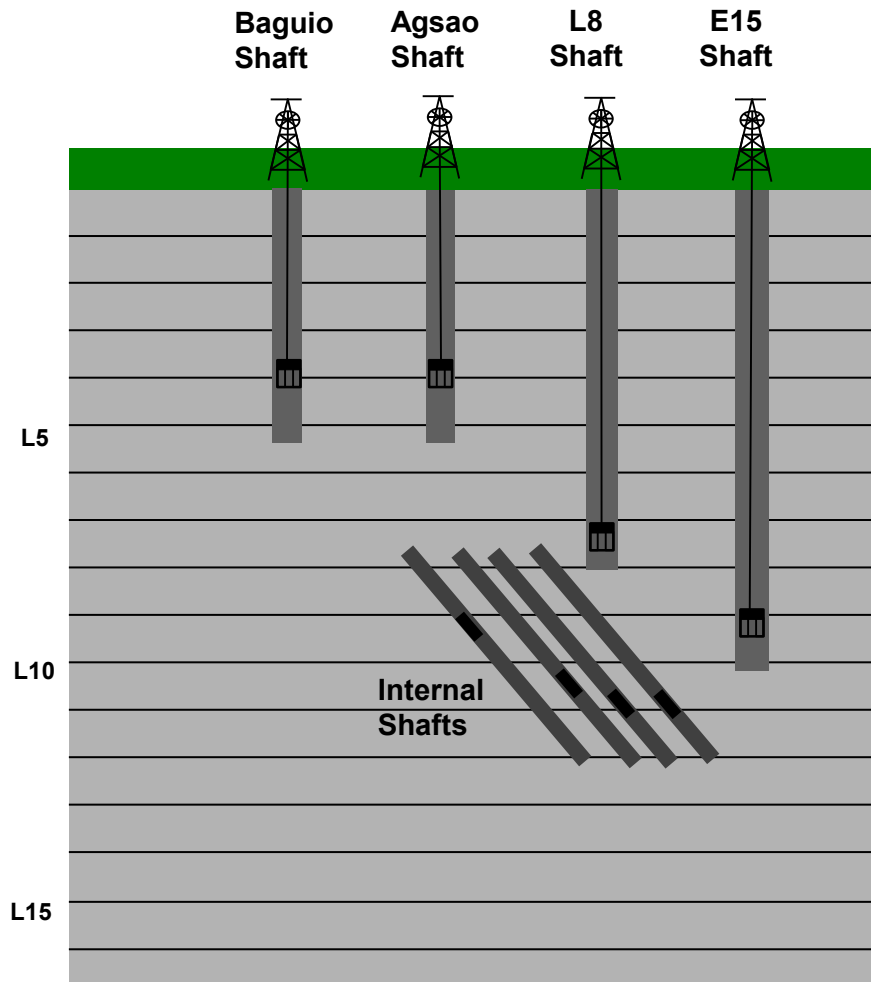
Resource Reserve additions (after 93koz mine depletion)



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

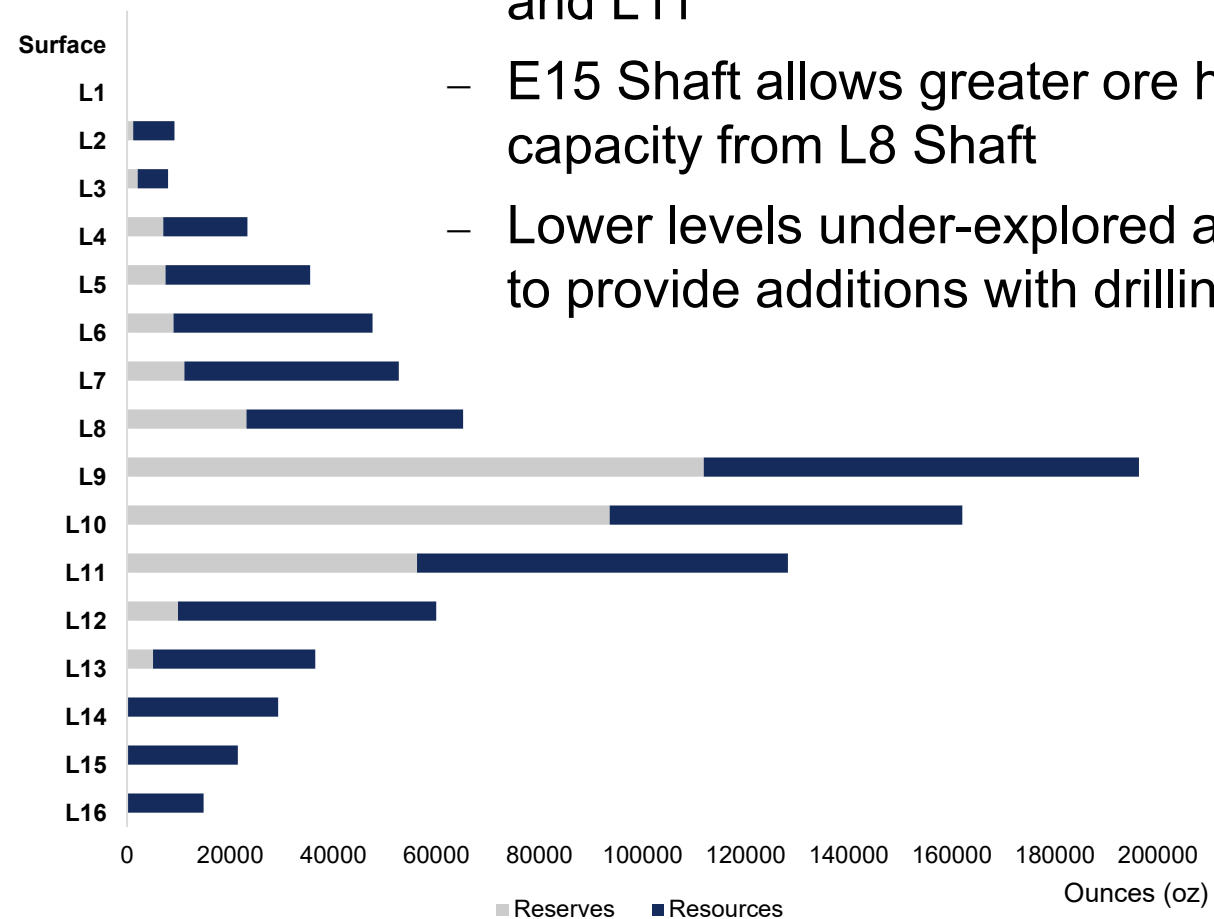


Co-O Resource/Reserve distribution and infrastructure



Increasing mine productivity

- Majority of Reserves located between L8 and L11
- E15 Shaft allows greater ore hoisting capacity from L8 Shaft
- Lower levels under-explored and expected to provide additions with drilling

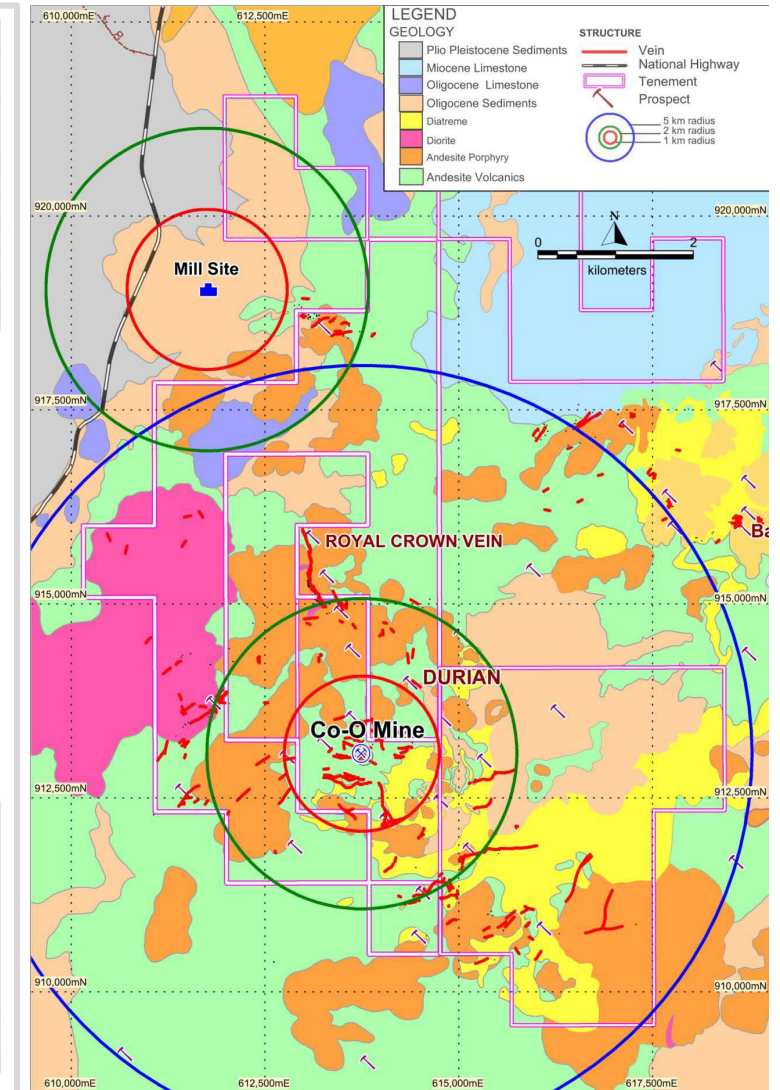
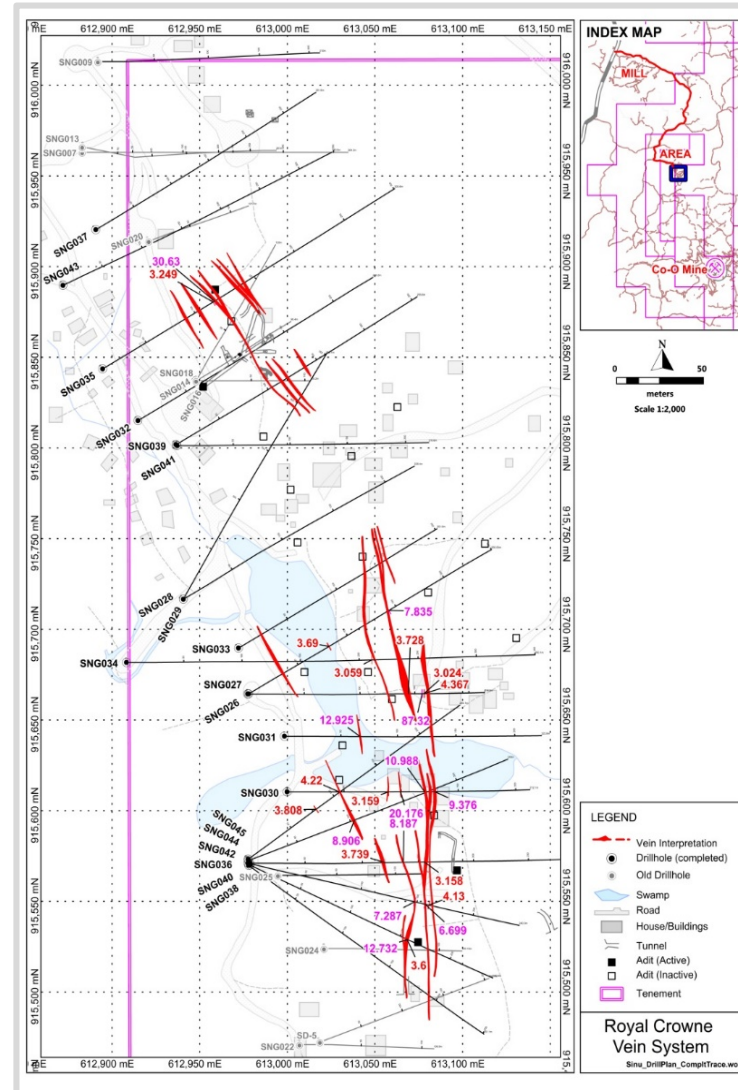


Royal Crowne Vein



Maiden Resource declared

- Inferred Resource of 50koz @ 5.0g/t Au
- Resource depth to ~150m below surface
- Open at depth and down plunge
- Follow up drilling being planned
- Located ~3km from Co-O mill



Investment proposition



✓ Attractive relative valuation metrics

✓ Solid foundation

- Production scale
 - FY19 guidance: 98koz – 105koz at an AISC of US\$1,050 – US\$1,150/oz
- High grade, potentially long life asset
- Positive cash flow, net cash position

✓ Excellent organic growth opportunities

- Underutilised processing facility
- Near mine targets
- Co-O depth extension



Contact

Suite 10, 100 Mill Point Road
South Perth, WA 6951
Australia

Telephone: +618 9474 1330

Facsimile: +618 9474 1342

Email: admin@medusamining.com.au

www.medusamining.com.au

ASX: MML



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