

# MEDUSA MINING LIMITED

“Gold producer focused on organic growth in the Philippines”



MEDUSA

## INVESTOR PRESENTATION OCTOBER 2017

### Delivering the Strategic Plan

For personal use only

# 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 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 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.

For personal use only

# Corporate Metrics



## ❑ Share Capital

- Ordinary shares: 207,794,301
- Unlisted options: 3,740,500
- Market capitalisation (at 25 Oct 2017): ~ **US\$62M**

## ❑ 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)

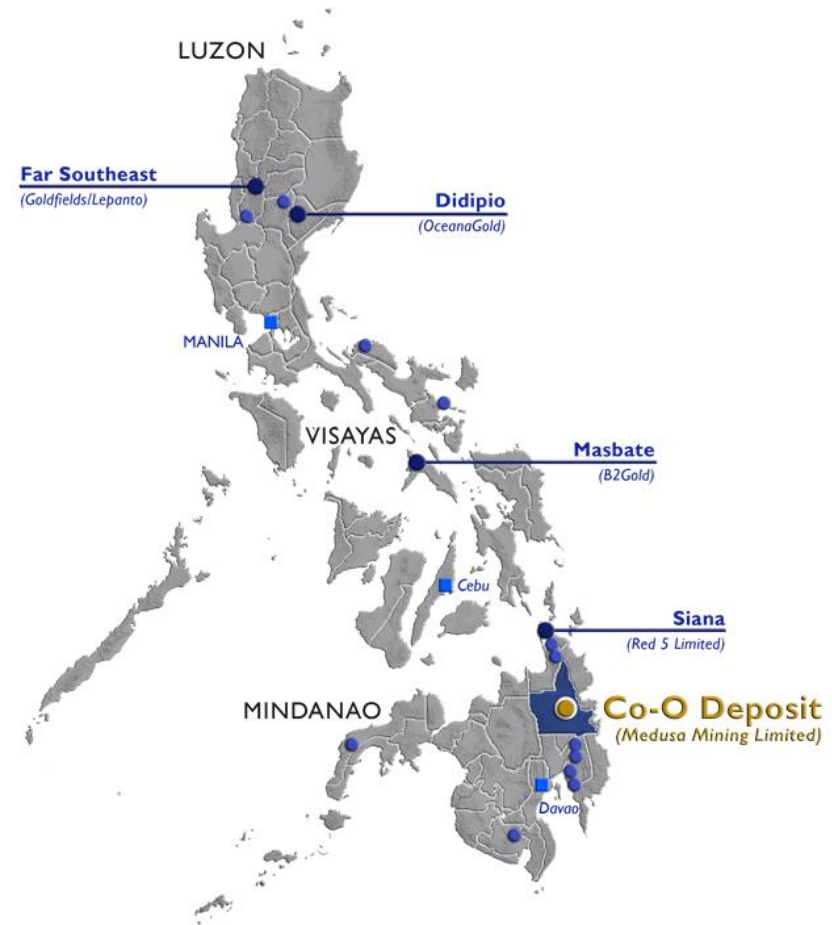
- 859Koz Resources
- 345Koz Reserves (30 April 2017)

## 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



For personal use only

# Strategic Plan from July 2016



For personal use only

- ❑ 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 <sup>(*)</sup>	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 JunQ and SepQ results for 2017

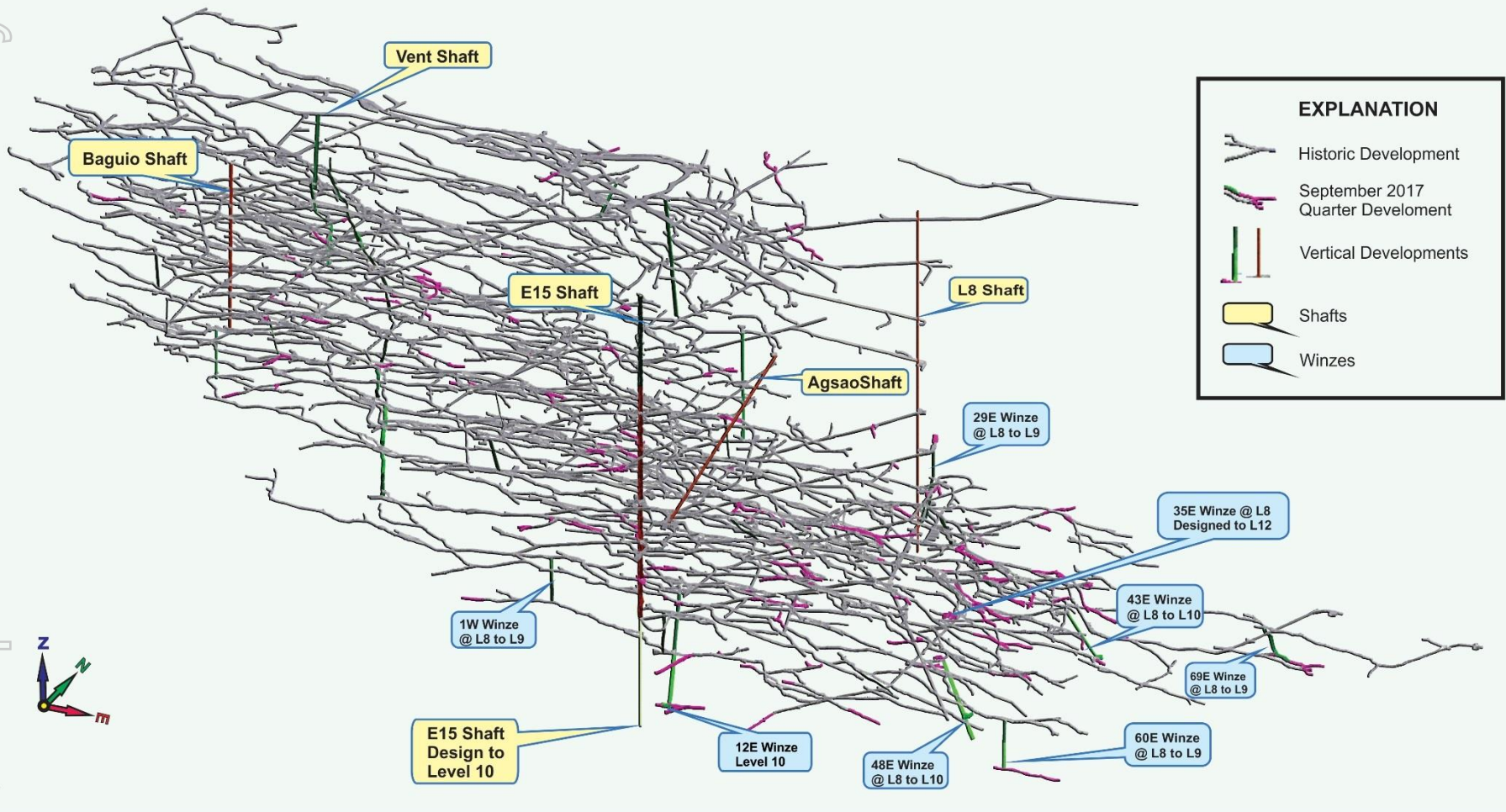
- 48,742 ounces gold for last 2 quarters
- SepQ grade of 6.59 g/t (reserve grade of 6.54)
- Exceeded mine development over past 12 months

For personal use only

# Development Investment



For personal use only



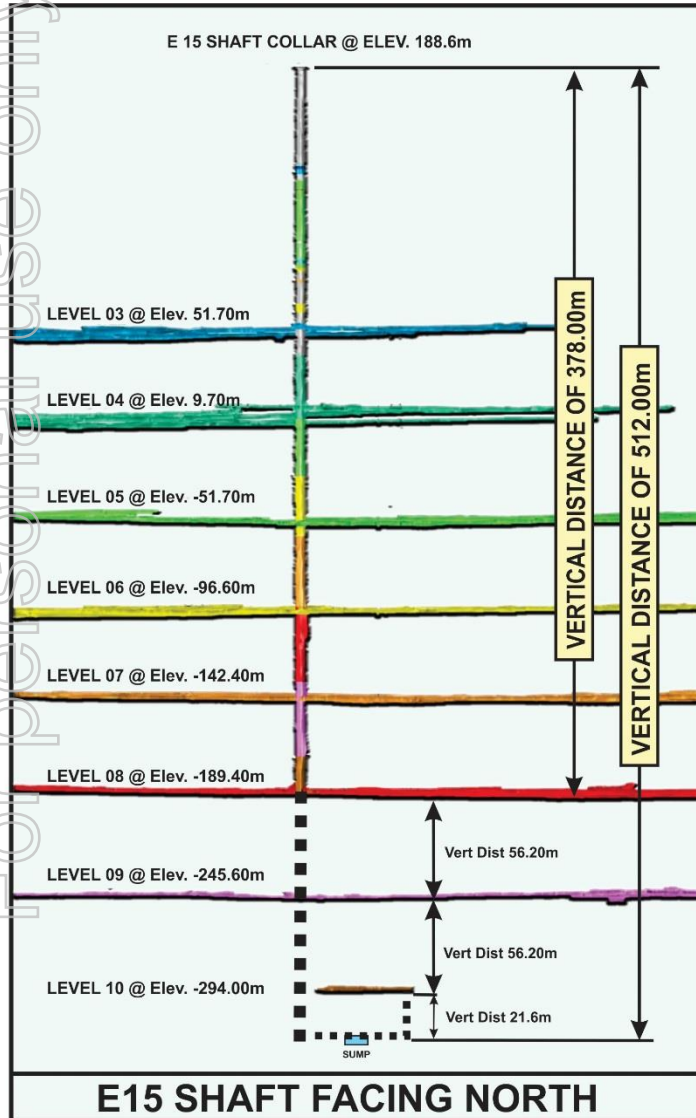
## □ FY16-17 Mine Development

- 22,400m development      55,400m resource drilling

## □ SepQ17

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

# E 15 Service Shaft

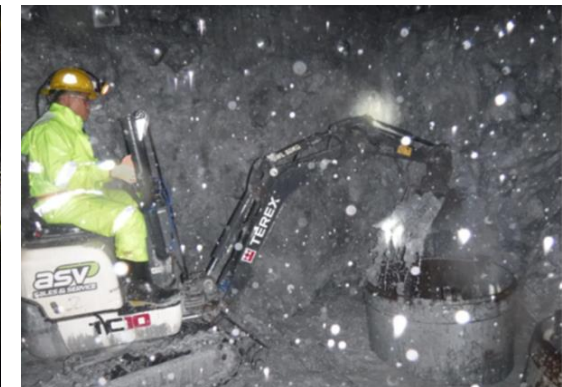


## Completion Schedule

- Restart Sinking Nov16
- Level 6 30 June 17
- Level 8 30 Sept 17
- Level 10 ~January 18
- Guides, Shaft Steel ~MarQ 18
- Commission ~April 18

## Milestones

- L8; 74% of rock work completed

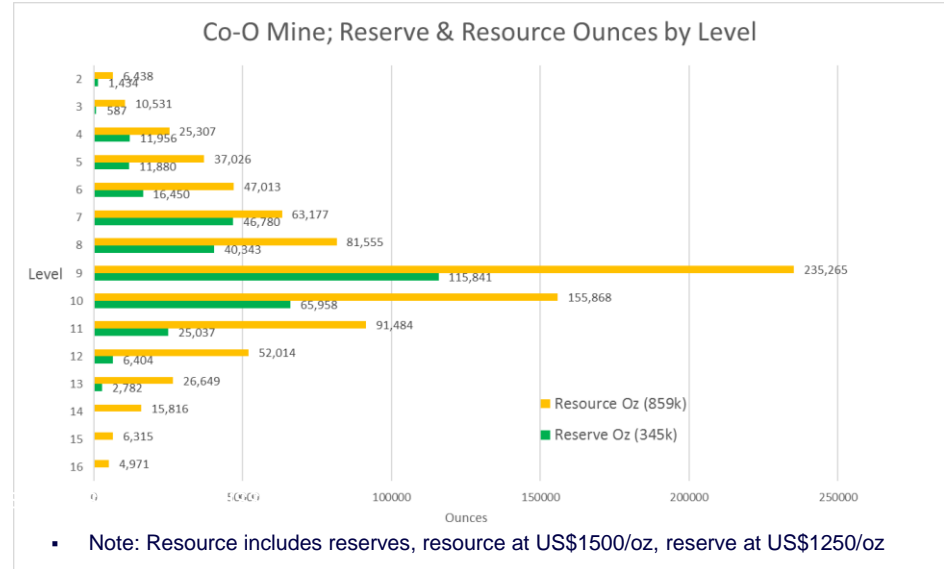
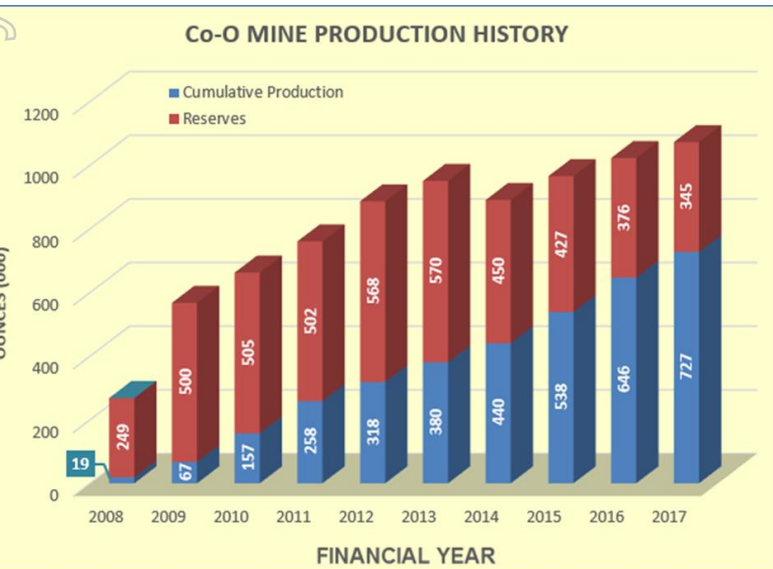




# Resources & Reserves (at 30 April 2017)



For personal use only



## 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

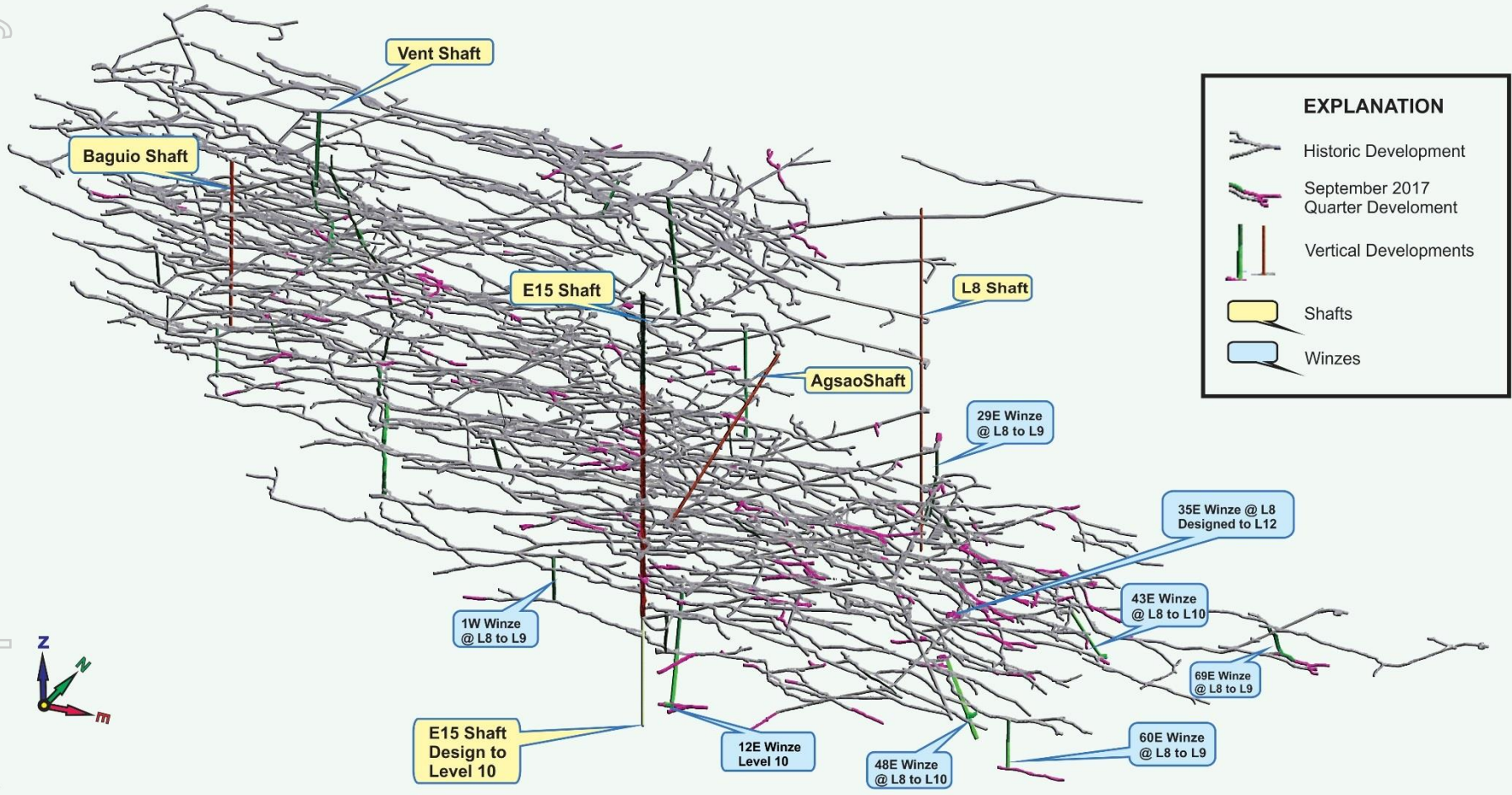
Historic replacement of reserves: 4-fold

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

# Development Investment



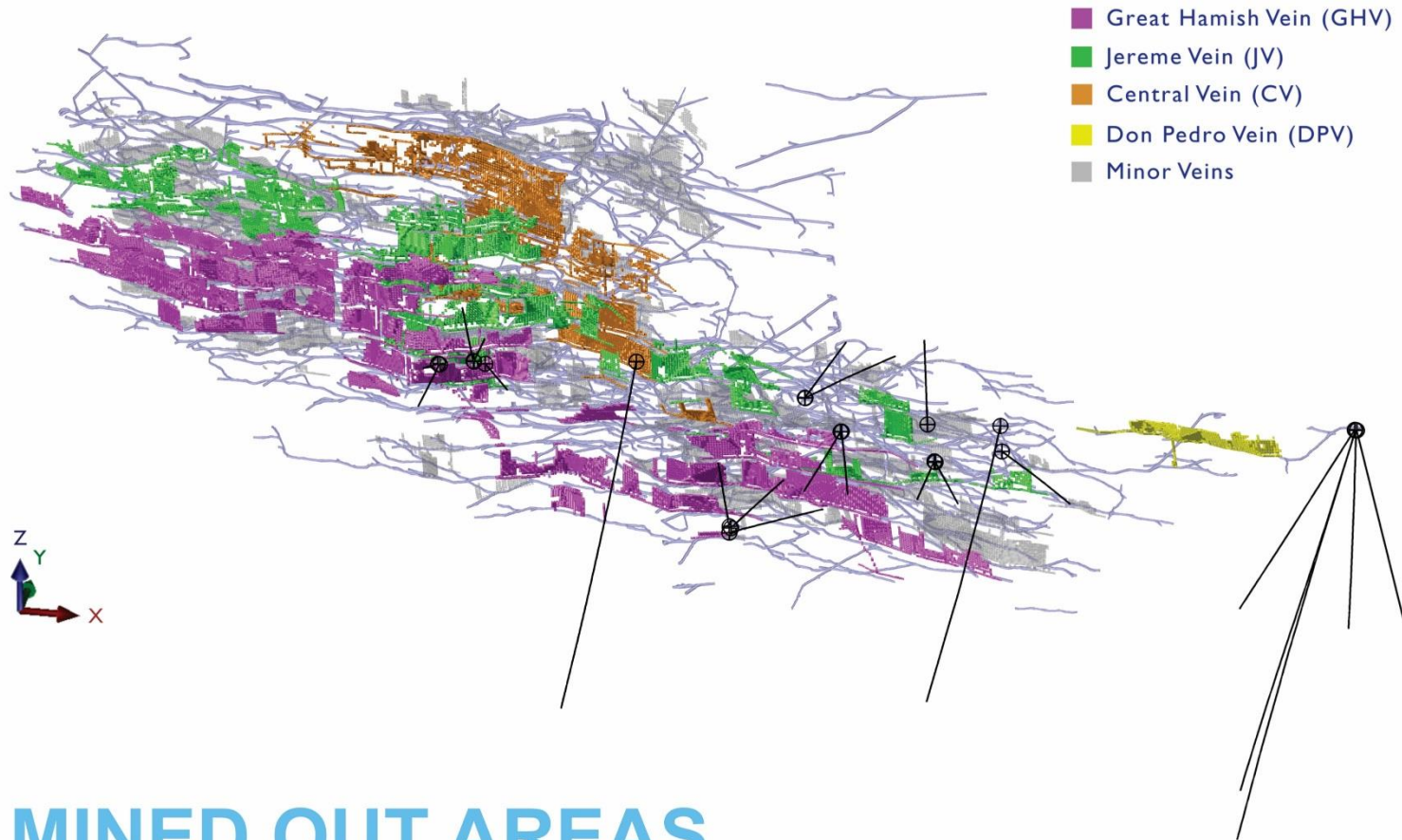
For personal use only



# Development Investment



For personal use only

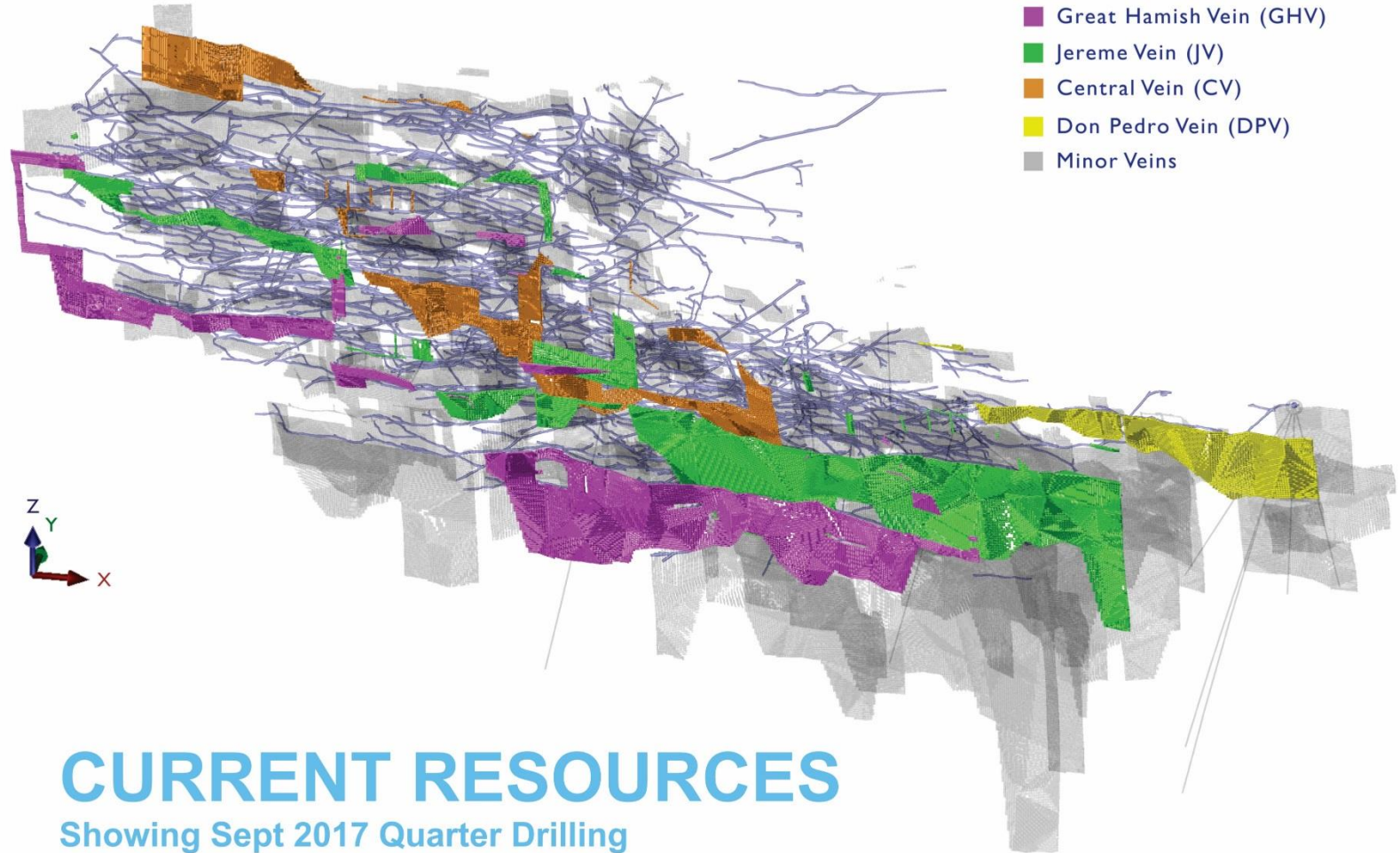


**MINED OUT AREAS**  
Showing Sept 2017 Quarter Drilling

# Development Investment



For personal use only

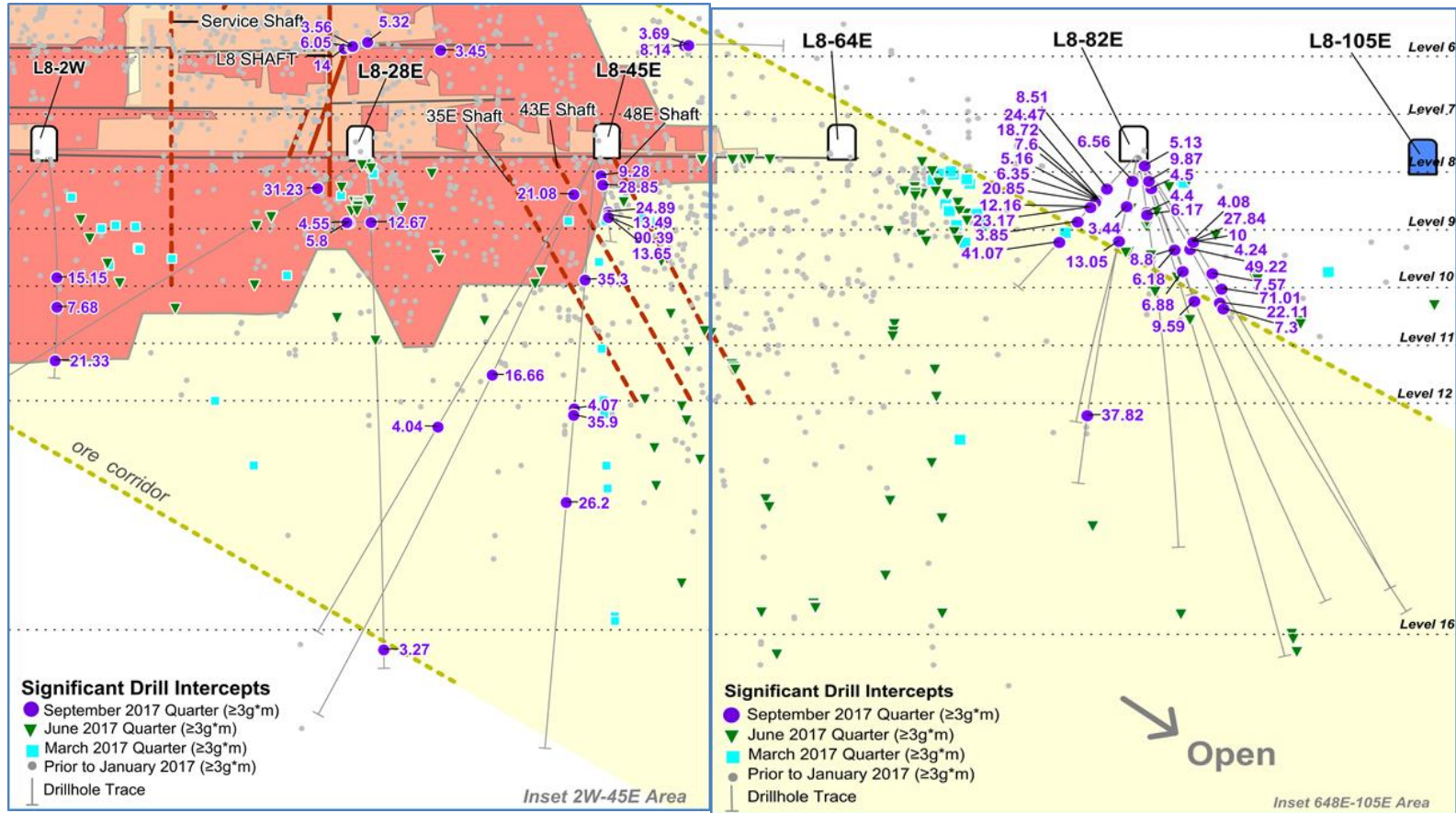




# Co-O Mine (long-section view)



For personal use only

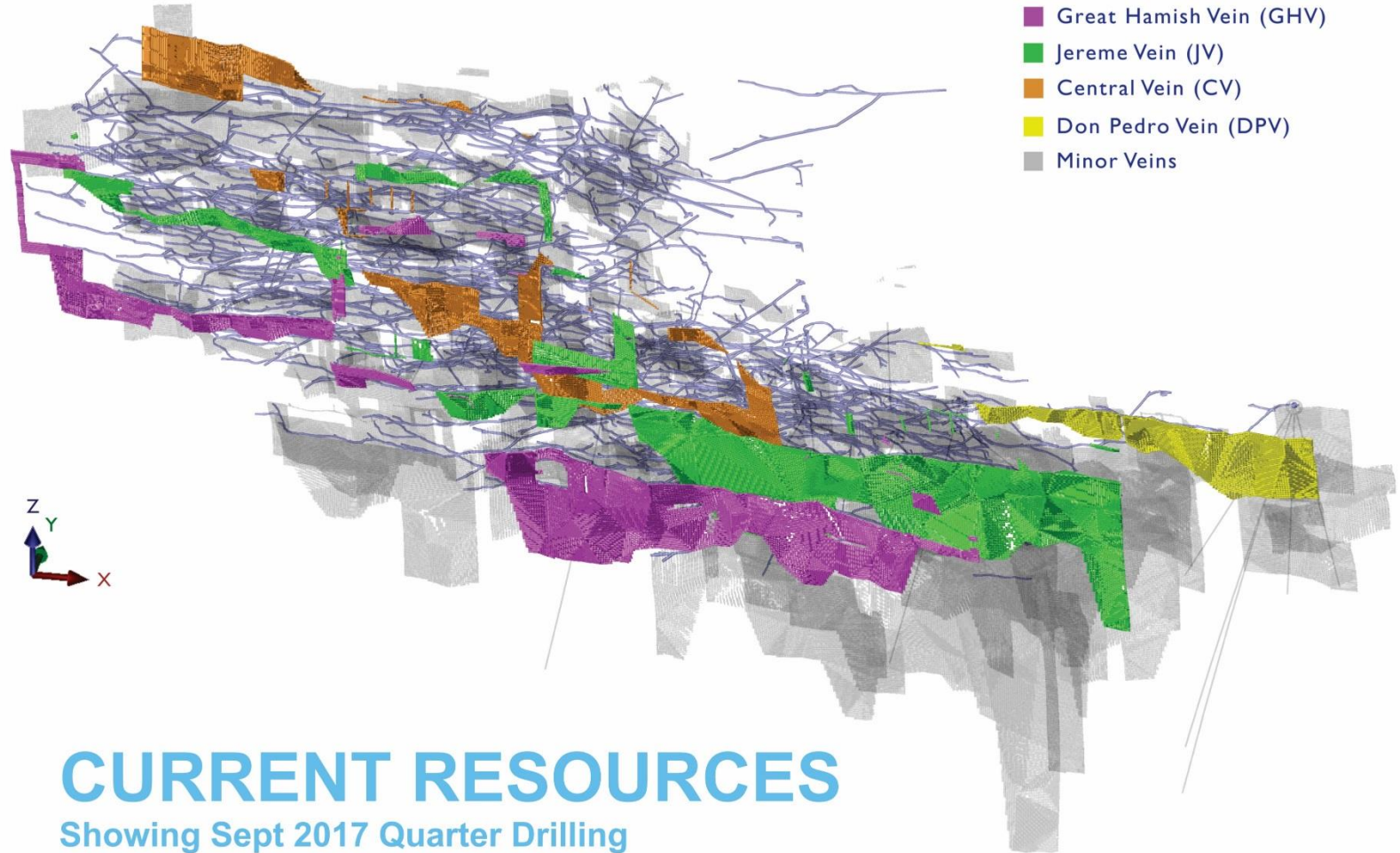


- ❑ L8-28E; infill drilling on Main GHV
- ❑ L8-82E; step-out drilling on the Don Pedro and Jeremy veins
  - ❑ SepQ17 results reflect drill station is close to the veins
  - ❑ Results reflecting numerous veins and veinlets for each main system

# Development Investment



For personal use only



# Summary



- ❑ **SeptQ17:**
  - 24,869 ounces, AISC US\$973/oz
  - Cash position of US\$16.8M
  - Robust 345K ounces in Reserve (76% conversion)
  - Mine expansion projects complete (vent, dewatering)
  - E15 Shaft – minor scope creep
  - Self funded – capital projects
- ❑ **New leadership team, operationally focussed**
- ❑ **Philsaga Mining Corp. (MML) licence to operate**
- ❑ **FY guidance unchanged; 80-90k oz; 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)  
Ciceron Angeles (Non-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)