



**MEDUSA**

**MEDUSA MINING LIMITED**

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**ANNOUNCEMENT**

29 February 2016

**INTERIM FINANCIAL RESULTS**

(ASX: MML)

**Medusa Mining Limited (“Medusa” or the “Company”), presents its interim financial results for the six months to 31 December 2015, with a Net Profit After Tax (“NPAT”) of US\$31.4 million.**

**Financials**

- Revenue of US\$69.7 million, an increase of 12% from US\$62.2 million in the previous corresponding period (pcp). This growth is attributable to a significant increase in gold production, marginally offset by a lower average price received on sale of gold.

Medusa is an un-hedged gold producer and received an average gold price of US\$1,109 per ounce from the sale of 62,011 ounces of gold for the half-year to December 2015 (pcp: 50,682 ounces at US\$1,234 per ounce).

- Earnings before interest, tax, depreciation and amortisation (“EBITDA”) of US\$40.4 million, up 1% from US\$39.9 million in the pcp.
- NPAT of US\$31.4 million, up 27% on pcp from US\$24.8 million
- Basic earnings per share (“EPS”) up 18% to US\$0.151 (pcp: US\$0.128).
- The Company had total cash and cash equivalent in gold on metal account and bullion on hand of US\$16.0 million at 31 December 2015 (pcp: US\$13.6 million).

Description	Unit	Dec 2015	Dec 2014	Variance	(%)
Revenues	US\$	\$69.7 M	\$62.2 M	\$7.5M	12%
EBITDA	US\$	\$40.4M	\$39.9 M	\$0.5 M	1%
NPAT	US\$	\$31.4M	\$24.8 M	\$6.6 M	27%
EPS (basic)	US\$	\$0.151	\$0.128	\$0.023	18%

- Depreciation of fixed assets and amortisation of capitalised mine development and mine exploration was US\$7.5 million (pcp: US\$15.0 million).
- US\$9.5 million was expended on capital works (inclusive of new Service Shaft) and associated capital at mine and mill for the period (pcp: US\$5.5 million).
- Exploration expenditure, including underground diamond drilling was US\$4.7 million (pcp: US\$5.6 million).
- Capitalised mine development costs totalled US\$14.2 million (pcp: US\$19.1 million).
- Corporate overheads of US\$3.1 million (pcp: US\$4.1 million).

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## Operations

Description	Unit	Dec 2015	Dec 2014	Variance	(%)
Ore mined	WMT	325,769	335,509	(9,740)	(3%)
Ore milled	DMT	295,586	300,485	(4,899)	(2%)
Head grade	g/t	6.80	5.31	1.49	28%
Recovery	%	94%	93%	1%	1%
Gold produced	ounces	61,169	47,877	13,292	27%
Cash costs <sup>(1),(2)</sup>	US\$/oz	\$436	\$381	(\$55)	(14%)
Gold sold	ounces	62,011	50,682	11,329	22%
Avg gold price received	US\$/oz	\$1,109	\$1,234	(\$125)	(10%)

**Note:**  
(1) Net of development costs and includes royalties and local business taxes of approximately US\$74/oz  
(2) New methodology on allocation of total mining costs from 1 July 2016, resulting in higher overall cash costs but lower capitalized mine development costs.

- The Company produced 61,169 ounces of gold for the half-year, compared to 47,877 ounces from the previous corresponding period, at an average recovered grade of 6.80 g/t gold (pcp: 5.31 g/t gold).
- The average cash costs of US\$436 per ounce, inclusive of royalties and local business taxes was higher than the previous period's average cash costs of US\$381 per ounce.
- All in Sustaining Costs ("AISC") for the half year was US\$951 per ounce of gold and includes discretionary exploration expenditure of US\$4.7 million.

## Production Guidance

The production guidance for the fiscal year to 30 June 2016 remains at 120,000 to 130,000 ounces but is subject to an independent review of operations.

Cash costs are expected to remain between US\$400 to US\$450 per ounce and AISC between US\$900 to US\$1,000 per ounce. The AISC will remain at these elevated levels until all medium term waste infrastructure projects at the mine are completed and associated cost efficiencies materialise.

## Dividends

No dividends were declared nor paid during the half year to 31 December 2015.

## Corporate

- Mr Andrew Teo, Non-executive Chairman, assumed the role of Chief Executive Officer ("CEO") on an interim basis following the retirement of Mr Geoff Davis on 12 November 2015.

As advised to the market on 22 January 2016, the Board is working closely with a mandated executive recruitment firm to source the best available CEO to take the Company forward.

This process is nearing finalisation and we look forward to advising shareholders of the successful candidate shortly.

- Mr Roy Daniel joined the Board as a Non-Executive Director on 25 November 2015.
- Dr Robert Weinberg resigned from the Board of Medusa on 1 December 2015.

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**DISCLAIMER**

This report contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Medusa, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements.

Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based.

You should not place undue reliance on forward-looking statements and neither Medusa nor any of its directors, employees, servants or agents assume any obligation to update such information.

The complete Half Year Report for December 2015 is available for viewing on our website  
[www.medusamining.com.au](http://www.medusamining.com.au)

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