



**MEDUSA**

**MEDUSA MINING LIMITED**

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**ANNOUNCEMENT**

28 February 2018

**INTERIM FINANCIAL RESULTS**

(ASX: MML)

Medusa Mining Limited (“Medusa” or the “Company”), presents its interim financial results for the six months to 31 December 2017, with a Net Profit after Tax (“NPAT”) of US\$14.0 million.

**Financials**

- Revenues of US\$68.1 million, an increase of 37% from US\$49.8 million in the previous corresponding period (“pcp”). This rise is attributable to a significant increase in gold production coupled with a marginally higher average price received on sale of gold.

Medusa is an un-hedged gold producer and received an average gold price of US\$1,278 per ounce from the sale of 53,152 ounces of gold for the half-year to December 2017 (pcp: 39,061 ounces at US\$1,271 per ounce).

- Earnings before interest, tax, depreciation and amortisation (“EBITDA”) of US\$33.5 million, up 199% from EBITDA/(loss) of (US\$33.7 million-restated) in the pcp, which includes asset impairment losses totalling US\$55.0 million
- NPAT of US\$14.0million, up 133% on Net Loss after Tax from pcp of (US\$41.8 million-restated).
- Basic earnings per share (“EPS”) up 133% to US\$0.067 from pcp EPS of (US\$0.201-restated).
- The Company had total cash and cash equivalent in gold on metal account and bullion on hand of US\$16.7 million at 31 December 2017 (pcp: US\$12.9 million).

Description	Unit	Dec 2017	Dec 2016	Variance	(%)
Revenues	US\$	\$68.1M	\$49.8M	\$18.3M	37%
EBITDA <sup>(1)</sup>	US\$	\$33.5M	(\$33.7M)	\$67.2M	199%
NPAT <sup>(1)/(2)</sup>	US\$	\$14.0M	(\$41.8M)	\$55.8M	133%
EPS (basic) <sup>(2)</sup>	US\$	\$0.067	(\$0.201)	\$0.268	133%

(1) includes asset impairment losses totalling US\$55.0 million;  
(2) Dec 2016 restated.

- Depreciation of fixed assets and amortisation of capitalised mine development and mine exploration was US\$10.7 million (pcp: US\$6.1 million).
- US\$6.4 million was expended on capital works (inclusive of new Service Shaft) and associated capital at mine and mill for the period (pcp: US\$8.2 million).
- Exploration expenditure, including underground diamond drilling was US\$2.2 million (pcp: US\$4.9 million).
- Capitalised mine development costs totalled US\$11.4 million (pcp: US\$13.6 million).
- Corporate overheads of US\$3.1 million (pcp: US\$3.7 million).

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## Operations

Description	Unit	Dec 2017	Dec 2016	Variance	(%)
Ore mined	WMT	272,941	284,134	(11,193)	(4%)
Ore milled	DMT	246,532	253,102	(6,570)	(3%)
Head grade	g/t	6.63	5.02	1.61	32%
Recovery	%	94.7%	94.3%	0.4%	-
Gold produced	ounces	49,952	38,507	11,445	30%
Gold sold	ounces	53,152	39,061	14,091	36%
Cash costs	US\$/ounce	\$544	\$607	(\$63)	(10%)
All-In-Sustaining-Costs	US\$/ounce	\$999	\$1,408	(\$409)	(29%)
Avg gold price received	US\$/ounce	\$1,278	\$1,271	\$7	1%

- The Company produced 49,952 ounces of gold for the half-year, compared to 38,507 ounces from the previous corresponding period, at an average recovered grade of 6.63 g/t gold (pcp: 5.02 g/t gold).
- The average cash costs of US\$544 per ounce, inclusive of royalties and local business taxes was lower than the previous period's average cash costs of US\$607 per ounce.
- All in Sustaining Costs ("AISC") for the half year was US\$999 compared to the previous period's AISC of US\$1,408 per ounce of gold.

## Production Guidance

The Company's initial production guidance released in July 2017 was anticipated to be between 80,000 to 90,000 ounces of gold, at All-In-Sustaining-Costs ("AISC") of between US\$1,050 to US\$1,200 per ounce of gold.

Based on the September 2017 quarterly results and results to date at the end of November 2017, the Company in early December 2017, revised its full year guidance upward to produce between 85,000 to 95,000 ounces of gold at AISC of US\$1,000 to US\$1,150 per ounce of gold.

This revised guidance is based primarily on higher than planned mill feed grades since the June 2017 quarter. The Company has been able to develop the main veins on the lower levels (levels 8-9-10) ahead of plan, resulting in the higher mill feed grades.

Whilst results for the 1<sup>st</sup> half of the fiscal year has been better than planned, we expect the 2<sup>nd</sup> half of the fiscal year results to remain as planned, despite the completion date of the E15 Service Shaft, being delayed to mid 2018.

## Dividends

No dividends were declared nor paid during the half year to 31 December 2017 (No dividend was payable for the previous half year to 31 December 2016).

## Corporate

Ciceron "Jun" Angeles officially resigned as a Non-executive Director of Medusa, on 31 October 2017 (the market was advised on 22 August 2017 when Jun tendered his resignation).

**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 2017 is available for viewing on our website  
[www.medusamining.com.au](http://www.medusamining.com.au)

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