



MEDUSA

MEDUSA MINING LIMITED

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ANNOUNCEMENT

30 August 2019

2018/19 FINANCIAL RESULTS

(ASX: MML)

Medusa Mining Limited (“Medusa” or the “Company”), presents its audited financial results for the year ended 30 June 2019, with a statutory after- tax profit of US\$36.5 million.

Financials

- Revenues of US\$129.6 million compared to US\$124.6 million for the previous year, an increase of 4%.

Medusa is an un-hedged gold producer and received an average gold price of US\$1,259 per ounce from the sale of 102,500 ounces of gold for the year (2018: 96,056 ounces at US\$1,293 per ounce);

- Profit before interest, tax, depreciation and amortisation (“EBITDA”) of US\$51.4 million (2018: EBITDA of (US\$25.3M) and includes asset impairment losses of (US\$81.1M));
- Basic earnings per share (“EPS”) of US\$0.176 on a weighted average basis, based on NPAT of US\$36.5 million (2018: EPS of (US\$0.267) based on NPAT of (US\$55.6M));
- The Company had total cash and cash equivalent in gold on metal account of US\$23.4 million at year end (2018: US\$15.1M);

Description	Unit	30 June 2019	30 June 2018 ⁽¹⁾	Variance	(%)
Revenues	US\$	\$129.6M	\$124.6M	\$5.0M	4%
EBITDA ⁽¹⁾	US\$	\$51.4M	(\$25.3M)	\$76.7M	N/A
NPAT ⁽¹⁾	US\$	\$36.5M	(\$55.6M)	\$92.1M	N/A
EPS (basic)	US\$	0.176	(\$0.267)	\$0.443	N/A

(1) includes asset impairment losses of US\$81.1M for year ended 30 June 2018.

During the year,

- depreciation of fixed assets and amortisation of capitalised mine development and mine exploration was US\$18.8 million (2018: US\$29.2M);
- US\$6.9 million was expended on capital works associated with the new shaft construction and infrastructure, mine expansion and sustaining capital at the mine and mill (2018: US\$14.6M);
- exploration expenditure, inclusive of underground diamond drilling was US\$8.9 million (2018: US\$5.4M);
- capitalised mine development costs totalled US\$27.3 million for the year (2018: US\$24.5M); and
- corporate overheads of US\$8.7 million (2018: US\$7.3M).

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Operations

Description	Unit	30 June 2019	30 June 2018	Variance	(%)
Ore mined	WMT	606,675	550,400	56,275	10%
Ore milled	DMT	544,601	494,989	49,612	10%
Head grade	g/t	6.28	6.33	(0.05)	(1)%
Recovery	%	94.75	94.70	0.05	-
Gold produced	ounces	103,307	95,705	7,602	8%
Cash costs ⁽¹⁾	US\$/oz	\$546	\$562	16	3%
Gold sold	ounces	102,500	96,056	6,444	7%
Avg gold price received	US\$/oz	\$1,259	\$1,293	(\$34)	(3%)

(1) net of development costs and includes royalties and local business taxes.

The Company produced 103,307 ounces of gold for the year, compared to 95,705 ounces from the previous corresponding period, at an average recovered grade of 6.28 g/t gold (2018: 6.33 g/t gold).

Average cash costs was US\$546 per ounce, inclusive of royalties and local business taxes, which was lower than the previous year's average cash costs of US\$562 per ounce, and All in Sustaining Costs ("AISC") for the year was US\$1,045 per ounce of gold (2018: US\$1,083 per ounce).

FY2020 Outlook

The production guidance for FY2020 is between 95,000 to 105,000 ounces at ASIC of between US\$1,025 to US\$1,125 per ounce of gold produced.

Corporate

Dividend:

No dividends were declared nor paid during the year.

Board retirements:

- Mr Boyd Timler retired as Managing Director on 06 July 2018; and
- Mr Peter Hepburn-Brown retired as a Non-Executive Director on 03 September 2018

Management changes:

- Mr Teo assumed the role of interim Chief Executive Officer following the resignation of Mr Timler for a brief period from 06 July 2018 until 28 February 2019; and
- Mr David McGowan, previously Chief Operating Officer was promoted to the role of Chief Executive Officer on 01 March 2019.

DISCLAIMER

This report may contain 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.