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## Medusa posts record year

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**PHILIPPINE gold miner Medusa Mining has clocked up a record financial performance for 2009-2010 with revenues up 121% to \$US94.6 million (\$A106 million) and remains debt free.**

Production in 2010-11 from its flagship Co-O underground mine is forecast to reach 100,000 ounces at cash costs of around \$190 per oz following a recent expansion. However, Medusa ultimately has plans to become a 300,000-400,000ozpa producer.

With cash and bullion of \$US55.8 million, earnings before interest, tax, depreciation and amortisation for the year was also up a whopping 142% to \$73.7 million, thanks to rising production and higher gold prices.



Co-O Agsao shaft

The unhedged producer received an average gold price of \$1100/oz from the sale of 64,020oz. Production for the period reached 89,679oz at an average head grade of 16.52 grams per tonne, compared to 47,869oz in 2008-09 at a grade of 13.3gpt.

Average grades for the year came in at 16.52gpt compared to 13.3gpt in the previous year, at cash costs of \$184/oz versus \$213/oz in 2008-09. Earnings per share reached \$0.378 on a weighted average basis, based on net profit after tax of \$65.8 million.

To achieve its step-up in production, Medusa has put its money where its mouth is, having spent just under \$19 million on its exploration campaign to the end of June. It has a further \$21 million earmarked for the coming 12 months.

A total of 12 surface rigs are operating at the company's Co-O mine and surrounds, but also at the Saugon and Bananghilig projects, as well as the Usa copper-gold prospect.

A feasibility study is due to be finalised late next year at Bananghilig. That project has an inferred resource of 15 million tonnes grading 1.3 grams per tonne for a contained 650,000oz.

The company also achieved its objective at Co-O for the year, increasing global resources to about 1.5 million oz and maintaining reserves at about 500,000oz grading 10.7gpt.

A conceptual exploration target of between 3Moz and 7Moz also was outlined for the year.

Corporately, Medusa started trading on the Toronto Stock Exchange in November and is awaiting approval to list on the Main Market of the London Stock Exchange.

Shares in Medusa were unchanged in morning trade at \$3.94.

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