



**MEDUSA MINING LIMITED**

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**ANNOUNCEMENT**

13 November 2017

**CHAIRMAN'S ADDRESS AT AGM**

(ASX: MML)

Please find attached the Chairman's address which will be delivered at the Company's Annual General Meeting, to be held in the Pagoda Room A, Esplanade River Suites, 112 Melville Parade, Como, Perth, Western Australia on Tuesday, 14 November 2017 at 9.00 am.

For further information please contact:

Peter Alphonso  
Company Secretary  
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## **CHAIRMAN'S ADDRESS - MEDUSA AGM 2017**

14<sup>th</sup> November 2017, 9.00 am (Perth time)

Pagoda Resort & Spa, Esplanade River Suites (Pagoda Room A)

112 Melville Parade, Como 6152

West Australia, Australia.

Good morning everyone,

My name is Andrew Teo, Chairman of Medusa Mining Limited. On behalf of the Board, I welcome you to the 14<sup>th</sup> Annual General Meeting of the Company.

The last fiscal year has been both trying and challenging for the Company, under the stewardship of Mr. Boyd Timler who was appointed Managing Director in January this year. Mr Timler who initially joined Medusa as Chief Executive Officer in March 2016 has with the support of the Board, realigned the focus and direction of the Group by implementing a strategic plan to ensure the Group delivers consistent, sustainable and cost-effective production on an increasing scale in the years ahead.

This strategy is centred around two very important factors, namely to:

- a) properly define the ore reserves and mineral resources of the Co-O ore body in order to best plan and schedule a long term sustainable mining operations; and
- b) complete several vital mine infrastructure projects currently underway to ensure long-term cost effective production.

Without doubt, the E15 Service Shaft ("E15-SS"), currently under construction and expected to be completed by April 2018, is the most important infrastructure project undertaken at the mine. The E15-SS once completed will remove hoisting constraints at the mine, which in turn will result in positive outcomes with increase productivity and reduction in costs.

With the expectation of the E15-SS coming on-line early in the June 2018 quarter, the production guidance for FY18 has been set at 80,000 to 90,000 ounces at All-In-Sustaining-Costs of US\$1,050 to US\$1,200 per ounce, which is inclusive of all cash operating, sustaining capital, project expansion (planned in the current year),

exploration and corporate overhead costs. Production to date has been highly encouraging as evident by the results for the June 2017 and September 2017 quarters, and whilst December quarters have traditionally not been good production quarters, the Company remains confident and optimistic that decent production will be attained.

On the exploration front, the Company has reviewed and assessed its tenement portfolio, and initiated a rationalisation program that has seen the Company's regional tenement portfolio shrink by almost 30% to 410 square kilometres. From a strategic standpoint the Company is totally focussed on the Co-O deposit and its near mine exploration potential, that is, to replenish mined ounces with new resources ounces at a minimum. As for the Bananghilig deposit, the Company is awaiting a clear direction from the Philippine government with respect to its position on open pit mining.

As is the case, each and every year, we are very supportive of our host communities and participate in various social programs involving education, re-forestation, environmental improvement projects, micro loans financing and numerous other activities that benefit the communities with which we share common goals of livelihood and sustainability. We are proud to be a responsible mining company with a strong commitment to local and surrounding communities.

I was just at the mine site last week and was impressed with the positive attitude and optimism amongst the senior staff. In concluding, I would like to take this opportunity to sincerely thank all our staff in the Philippines and Australia, my fellow directors, shareholders and others within the finance community for their continued support over the past year.

Thank you

A handwritten signature in black ink, appearing to read 'Andrew Teo', with a horizontal line extending to the right.

Andrew Teo  
Chairman