



## MEDUSA MINING LIMITED

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## ANNOUNCEMENT

29 August 2018

# 2017/18 FINANCIAL RESULTS

(ASX: MML)

**Medusa Mining Limited (“Medusa” or the “Company”), presents its audited financial results for the year ended 30 June 2018, with a statutory after-tax loss of (US\$55.6 million) which includes non-cash asset impairment losses of US\$81.1M.**

### Financials (audited)

- Revenues of US\$124.6 million compared to US\$100.1 million for the previous year, an increase of 24%.

Medusa is an un-hedged gold producer and received an average gold price of US\$1,293 per ounce from the sale of 96,056 ounces of gold for the year (2017: 79,194 ounces at US\$1,256 per ounce);

- Earnings before interest, tax, depreciation and amortisation (“EBITDA”) of (US\$25.3 million) which includes asset impairment losses of US\$81.1 million (2017: EBITDA of (US\$29.8M) which includes asset impairment losses of (US\$70.8M));
- Basic earnings per share (“EPS”) of (US\$0.267) on a weighted average basis, based on NPAT of (US\$55.6 million) (2017: EPS of (US\$0.273) based on NPAT of (US\$56.7M));
- The Company increased cash and cash equivalent in gold on metal account to US\$15.1 million at 30 June 2018 (2017: US\$11.5M);

Description	Unit	30 June 2018 <sup>(1)</sup>	30 June 2017 <sup>(2)</sup>	Variance	(%)
Revenues	US\$	US\$124.6M	US\$100.1M	US\$24.5M	24%
EBITDA <sup>(1)</sup>	US\$	(US\$25.3M)	(US\$29.8M)	US\$4.5M	15%
NPAT <sup>(1)</sup>	US\$	(US\$55.6M)	(US\$56.7M)	US\$1.1M	2%
EPS (basic)	US\$	(US\$0.267)	(US\$0.273)	US\$0.006	2%

(1) includes asset impairment losses of US\$81.1M for year ended 30 June 2018 and US\$70.8M for year ended 30 June 2017;  
(2) Restated accounts relating to prior year adjustments due to change in accounting policy. EBITDA, NPAT and EPS (basic) previously reported were (US\$35.2M), (US\$62.1M) and (0.299) respectively.

- Depreciation of fixed assets and amortisation of capitalised mine development and mine exploration was US\$29.2 million (2017: US\$18.0M);
- US\$14.6 million was expended on capital works associated with the new shaft construction and infrastructure, mine expansion and sustaining capital at the mine and mill (2017: US\$16.2M);
- Exploration expenditure, inclusive of underground diamond drilling, was US\$5.4 million (2017: US\$12.3M);
- Capitalised mine development costs totalled US\$24.5 million for the year (2017: US\$27.6M); and
- Corporate overheads of US\$7.3million (2017: US\$6.7M).

## **Operations**

<b>Description</b>	<b>Unit</b>	<b>June 2018</b>	<b>June 2017</b>	<b>Variance</b>	<b>(%)</b>
Ore mined	WMT	550,400	564,965	(14,565)	(3%)
Ore milled	DMT	494,989	499,733	(4,744)	(1%)
Head grade	g/t	6.33	5.33	1.00	(19%)
Recovery	%	94.7%	94.3%	0.4%	-
Gold produced	ounces	95,705	80,743	14,962	19%
Cash costs <sup>(1)</sup>	US\$/oz	\$562	\$595	(\$33)	(6%)
Gold sold	ounces	96,056	79,194	16,862	21%
Avg gold price received	US\$/oz	\$1,293	\$1,256	\$37	3%

**Note:**

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

- The Company produced 95,705 ounces of gold for the year at an average recovered grade of 6.33 g/t gold which was above the upgraded production guidance (June 2017: 80,743 oz at an average recovered grade of 5.33 g/t gold);
- The average cash costs of US\$562 per ounce, inclusive of royalties and local business taxes, was lower than the previous year's average cash costs of US\$595 per ounce; and
- All in Sustaining Costs ("AISC") for the year was US\$1,083 per ounce of gold (2017: US\$1,374 per ounce).

## **Corporate**

### **Dividend:**

No dividends were declared nor paid during the year.

### **Board appointment/resignations:**

- Mr Peter Hepburn-Brown re-joined the Medusa Board as a Non-Executive Director on 15 June 2018; and
- On 15 June 2018, Mr Boyd Timler advised that he would be retiring as Managing Director effective 6 July 2018.

### **Management changes:**

- Mr Andrew Teo assumed the role of Interim Chief Executive Officer following the retirement of Mr Boyd Timler, whilst the search for a replacement CEO is undertaken; and
- Mr David McGowan, previously General Manager – Engineering, was promoted to the role of Chief Operating Office on 15 June 2018.

### **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.