



**MEDUSA MINING LIMITED**

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**ANNOUNCEMENT**

21 November 2018

**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 Thursday, 22 November 2018 at 9.00 am.

For further information please contact:

Peter Alphonso  
Company Secretary  
Phone: +618 9474 1330

## **CHAIRMAN'S ADDRESS - MEDUSA AGM 2018**

22<sup>nd</sup> November 2018, 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 15<sup>th</sup> Annual General Meeting of the Company.

Operationally, our team delivered on several fronts during the last fiscal year, including achieving all-in-sustaining cost guidance and delivering production above our upgraded guidance. These strong operating fundamentals meant we once again generated positive cash flow after internally funding all development and exploration projects. We continued our focus on operational improvements and further extending the Ore Reserves and Mineral Resources of the Co-O ore body in a cost effective manner to support long-term mine planning and sustainable operations.

We have recently completed the construction of the E15 Service Shaft ("E15-SS") and final commissioning of this important piece of infrastructure is well advanced. Once fully operational, the E15-SS is designed to take the burden of manpower and material movements from the L8 Shaft which is the only way of accessing deeper parts of the underground mine prior to the E15-SS installation. This second shaft provides for an increase in L8's skipping capacity and will expedite development and production on the lower mine levels. Importantly, completion of this key infrastructure will also facilitate the establishment of better located drilling positions for an expected expansion of the Co-O Mineral Resource and Reserves over time.

We firmly believe in the prospectivity of the Co-O near mine environment where we continue to replace mine depletion after more than 10 years of operations. In FY19 our expanded exploration budget should facilitate the testing of further depth extensions of the Co-O orebody, as well as exciting new near mine targets, including the Royal Crowne Vein and Durian.

As is the case each and every year, we play a supportive and productive part of our host communities and participated in various social programs involving education, reforestation, environmental improvement projects, micro-loan financing and numerous other activities, all underpinned by our shared common goals of livelihood and sustainability. We are proud to be a responsible mining company with a strong commitment to local and surrounding communities.

In terms of the outlook, production guidance for FY19 has been set at 90,000 to 100,000 ounces at All-In-Sustaining-Costs of US\$1,050 to US\$1,150 per ounce, which is inclusive of all cash operating, sustaining capital, project expansion, exploration and corporate overhead costs. Consistency will continue to be a hallmark of the Co-O operation.

I was at the mine site recently and continue to be impressed with the positive attitude and optimism amongst our 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.

Finally I'd like to acknowledge the contributions of our former director, Peter Hepburn-Brown, who I had the privilege of working with over the years. Peter passed away in September after being recently reappointed to the Board of Medusa in June and had previously served as Managing Director of the Company between June 2011 and August 2014. We are deeply saddened by his loss and our thoughts are with his family.

Thank you

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

Andrew Teo  
Chairman