



MEDUSA MINING LIMITED

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ANNOUNCEMENT

7 November 2019

CHAIRMAN'S AGM ADDRESS

(ASX: MML)

Please find attached the Chairman's address which will be delivered at the Company's Annual General Meeting, to be held at Quest South Perth Foreshore, 22 Harper Terrace, South Perth, 6151, Western Australia on Thursday, 7 November 2019 at 9.00 am.

For further information please contact:

Peter Alphonso
Company Secretary

CHAIRMAN'S ADDRESS - MEDUSA AGM 2019

7 November 2019, 9.00 am (Perth time)
Quest South Perth
22 Harper Terrace, South Perth 6151
West Australia, Australia.

Good morning everyone,

My name is Andrew Teo, Chairman of Medusa Mining Limited. On behalf of my fellow Directors Mr. Roy Daniel and Mr. Raul Villanueva, I welcome you to the 16th Annual General Meeting of the Company.

I would like to start off by congratulating our personnel both in the Philippines and Australia for delivering an exceptional year. Operationally, under the stewardship of Mr. David McGowan, who was appointed Chief Executive Officer in March this year, both production and All-In-Sustaining-Costs ("AISC") have outperformed our initial guidance. The strong operating fundamentals have translated into positive financial outcomes and seen the Company maintain its track record of generating positive cash flows after internally funding all development and exploration projects. Medusa remains a reliable, unhedged gold producer and the Company is able to take full advantage of the current gold price environment.

With the E15 Service Shaft completed in late 2018 and a cash and cash equivalent balance of US\$31.1 million at the end of September 2019, our Co-O operation is well positioned for the next chapter of growth. In the current financial year, we anticipate providing an update to shareholders in relation to the current study on an infrastructure project, which we expect will ensure that the Co-O operation continues to operate as a long-life asset.

In terms of outlook, production guidance for FY2020 has been set at between 95,000 to 105,000 ounces at an AISC of between US\$1,025 to US\$1,125 per ounce, which is inclusive of all operating, sustaining capital, project expansion, exploration and corporate overhead costs. Consistency will continue to be a hallmark of the Co-O operation.

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. Our exploration efforts have seen resource and reserve additions post mine depletion at Co-O, and the declaration of a maiden resource at the Royal Crowne Vein deposit. In FY2020, the Company will continue with its efforts to prove up further extensions of the Co-O orebody, as well as test and generate exciting new near mine targets, including the Royal Crowne Vein.

As is the case each and every year, we play a supportive and productive part of our host communities in the Philippines and participated in various social programs involving healthcare, education, re-forestation, 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.

I have visited the mine several times during the year and continue to be impressed with the positive attitude and dedication amongst our 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 long horizontal line extending to the right.

Andrew Teo
Chairman