

**MEDUSA MINING LIMITED**

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24 November 2016

ISSUE OF OPTIONS TO CEO

(ASX: MML)

In accordance with Listing Rule 3.10.3 and prior approval from the ASX under Listing Rule 10.11, the Board of Medusa wish to advise that it has today issued 1,200,000 unlisted employee options to the Company's Chief Executive Officer, Boyd Timler, under the following terms and conditions.

1) Number of options:

1,200,000 unlisted employee options separated into 4 (four) equal tranches of 300,000 per tranche at the following exercise prices:

| Tranche | Number of Options | Exercise price |
|---------|-------------------|----------------|
| A | 300,000 | A\$1.00 |
| B | 300,000 | A\$1.25 |
| C | 300,000 | A\$1.50 |
| D | 300,000 | A\$1.75 |
| Total | 1,200,000 | |

2) Vesting provisions and dates for all tranches are as follows and represented in the table below:

- 30% (360,000 options in total) vesting on the 1st anniversary of the issue date;
- 30% (360,000 options in total) vesting on the 2nd anniversary of the issue date;
- 40% (480,000 options in total) vesting on the 3rd anniversary of the issue date.

| Tranche | Exercise price | Year 1 (30% vesting) | Year 2 (30% vesting) | Year 3 (40% vesting) |
|---------|----------------|-------------------------|-------------------------|-------------------------|
| A | A\$1.00 | 90,000 | 90,000 | 120,000 |
| B | A\$1.25 | 90,000 | 90,000 | 120,000 |
| C | A\$1.50 | 90,000 | 90,000 | 120,000 |
| D | A\$1.75 | 90,000 | 90,000 | 120,000 |
| Total | | 360,000 | 360,000 | 480,000 |

3) The options will have a term of 4 years and expire on the 4th anniversary of the issue date.

For further information please contact:

Peter Alphonso, Company Secretary

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