



MEDUSA MINING LIMITED

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ANNOUNCEMENT

5 April 2016

TERMS OF APPOINTMENT OF CEO

On 21 March 2016, Medusa Mining Limited (Medusa or the Company) announced that Mr Boyd Timler had been appointed as the Company's Chief Executive Officer.

Medusa is pleased to announce that the terms of Mr Timler's appointment are now finalised and in compliance with ASX Listing Rule 3.16.4, a summary of the key terms of the Employment Contract between the Company and Mr Timler is attached.

For further information please contact:

Peter Alphonso, Chief Financial Officer / Company Secretary

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CHIEF EXECUTIVE OFFICER EMPLOYMENT CONTRACT – KEY TERMS

| | |
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| Name: | Boyd Timler |
| Position: | Chief Executive Officer |
| Term | No fixed term. Commenced on 21 March 2016 and will continue until either party terminates the contract. |
| Fixed remuneration: | \$550,000 per annum, inclusive of superannuation. Mr Timler's remuneration and benefits will be reviewed annually. |
| Incentive arrangements: | <p>Medusa may (in its absolute discretion) grant to Mr Timler:</p> <ul style="list-style-type: none">• share options in accordance with the Medusa Mining Limited Share Option Plan;• performance rights in accordance with the Medusa Mining Limited Performance Rights Plan; or• a combination of both. <p>Mr Timler may be eligible for an annual bonus. Mr Timler's eligibility for, and the quantum of, any such bonus is at Medusa's absolute discretion.</p> <p>Except as required by legislation, share options, performance rights and bonuses do not form part of Mr Timler's remuneration package for the purposes of calculating payment in lieu of notice or any other entitlement.</p> |
| Termination of employment or resignation with notice: | <p>Medusa may terminate Mr Timler's employment for any reason (or no reason) by giving to Mr Timler four months' written notice, payment in lieu of such notice or a combination of both.</p> <p>Mr Timler may resign by giving Medusa three months' written notice.</p> |