

**MEDUSA MINING LIMITED**

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9 April 2020

OPERATIONAL UPDATE

(ASX: MML)

Medusa Mining Limited (“Medusa” or the “Company”), through its Philippines affiliate, Philsaga Mining Corporation (“Philsaga”), provides the following update on operations at the Co-O Gold Mine.

The safety of our workforce and host communities is of the utmost importance to us. Since the outbreak of COVID-19, all necessary precautions have been put in place to avoid or minimise any COVID-19 health risk to our people while at work. There has been no known case among employees, or in the workplace, or in the municipalities where they belong.

On 6 April 2020, Agusan Del Sur, the province in which the Co-O mine is located, has been placed under Enhanced Community Quarantine (ECQ), following an Executive Order (EO) issued by the Provincial Governor in response to COVID-19. Medusa’s current understanding is that the ECQ mandates people in the province having to stay at home, other than those working in essential or exempt industries.

Philsaga management had submitted to relevant authorities’ applications for exemption, seeking approval for continued operations on a controlled scale, with both the mine and the mill being manned by personnel residing nearby, so as not to totally hamper the economic interests of the people and the different sectors dependent on the company. We expect the outcome by early next week.

As a contingency, the Company has placed the operations on temporary suspension and has secured permission from the provincial government to have sufficient crew to conduct continuous care and maintenance activities. This measure would enable the immediate recommencement of operations when the ECQ will be lifted or should the exemptions be granted, whichever is earlier. A temporary suspension of operation for more than 7 days after the Holy Week may impact FY20 guidance.

The impacts of COVID-19, the ECQ and travel restrictions will continue to be monitored closely and Medusa will respond accordingly. We will work diligently to maintain the safety of our people, achieve the best results practicable and keep shareholders informed of any developments.

The Company is in a strong financial position with a cash equivalent balance of US\$32.5m (US\$25.0m at 31st December) and short term loan facility of ~US\$5.7m as at 31 March 2020.

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