



MEDUSA

MEDUSA MINING LIMITED

ABN: 60 099 377 849

Unit 7, 11 Preston Street
Como WA 6152

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Canning Bridge WA 6153

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06 October 2008

The Manager
Australian Stock Exchange Limited
Level 4
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

NOTICE OF MEETING

Attached please find a Notice of Meeting which will be dispatched to shareholders today.

Yours faithfully

Geoff Davis
Managing Director



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NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

For the Annual General Meeting to be held on
Friday, 7 November 2008 at 11.00 am (WST)
at The Sheraton Perth Hotel (Mt Newman Room),
207 Adelaide Terrace, Perth, Western Australia

This is an important document. Please read it carefully and in its entirety.
If you do not understand it please consult with your professional advisers.

If you are unable to attend the Meeting, please complete the form of proxy enclosed
and return it in accordance with the instructions set out on that form.

The Annual Report is available for viewing on www.medusamining.com.au

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of Medusa Mining Limited (the "**Company**") will be held in the Mt Newman Room, Sheraton Perth Hotel, 207 Adelaide Terrace, Perth, Western Australia on Friday, 7 November 2008 at 11.00 am (WST) for the purpose of transacting the following business.

The attached Explanatory Memorandum is provided to supply shareholders with information to enable shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Memorandum is to be read in conjunction with this Notice.

AGENDA

BUSINESS

1. Accounts and Reports

To receive and consider the financial statements and reports of the Directors and Auditors for the year ended 30 June 2008.

2. Resolution 1: Re-election of Director - Kevin Tomlinson

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, Mr Kevin Tomlinson, who retires by rotation in accordance with the Constitution of the Company, and being eligible, offers himself for election, is hereby re-elected as Director of the Company."

3. Resolution 2: Re-election of Director - Dr Robert Weinberg

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, Dr Robert Weinberg, who retires by rotation in accordance with the Constitution of the Company, and being eligible, offers himself for election, is hereby re-elected as Director of the Company."

4. Resolution 3: Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following in accordance with section 250R(2) of the Corporations Act:

"That, the Remuneration Report in the Annual Report of the Company for the financial year ended 30 June 2008 be adopted."

Short Explanation:

The Remuneration Report is in the Directors Report section of the Company's 2008 Annual Report. Listed companies are required to put the Remuneration Report to the vote for adoption at the Company's Annual General Meeting. The vote on this resolution is advisory only and does not bind the Directors of the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

NOTICE OF ANNUAL GENERAL MEETING

VOTING AND PROXIES

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is 11.00 am (WST) on 5 November 2008.
4. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions on that form.

By Order of the Board

A handwritten signature in black ink that reads "Roy Daniel". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Roy Daniel
Company Secretary

6 October 2008

EXPLANATORY MEMORANDUM

This Explanatory Memorandum should be read in its entirety. If shareholders are in doubt as to how they should vote on the resolutions to be proposed at the Annual General Meeting, they should seek advice from their accountant, solicitor or other professional adviser.

1. Introduction

This Explanatory Memorandum has been prepared for the information of shareholders of Medusa Mining Limited (the "Company") in connection with the business to be conducted at the Annual General Meeting to be held in the Mt Newman Room, Sheraton Perth Hotel, 207 Adelaide Terrace, Perth, Western Australia on Friday, 7 November 2008 at 11.00 am and should be read in conjunction with the Notice of General Meeting.

2. Resolution 1: Re-election of Director

Clause 7.3 of the Company's Constitution provides that at every annual general meeting of the Company, one-third of the Directors (other than alternate Directors and the Managing Director) shall retire from office. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. A retiring Director is eligible for re-election.

Accordingly, pursuant to clause 7.3 of the Company's Constitution, Mr Tomlinson, being a Director of the Company, retires by way of rotation, and being eligible, offers himself for re-election as a Director of the Company.

Shareholder approval is sought to re-elect Mr Tomlinson as a Director of the Company.

3. Resolution 2: Re-election of Director

Clause 7.3 of the Company's Constitution provides that at every annual general meeting of the Company, one-third of the Directors (other than alternate Directors and the Managing Director) shall retire from office. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. A retiring Director is eligible for re-election.

Accordingly, pursuant to clause 7.3 of the Company's Constitution, Dr Weinberg, being a Director of the Company, retires by way of rotation, and being eligible, offers himself for re-election as a Director of the Company.

Shareholder approval is sought to re-elect Dr Weinberg as a Director of the Company.

4. Resolution 3: Adoption of Remuneration Report for year ended 30 June 2008

The Corporation Act requires that the Directors put forward a resolution to shareholders each and every year that the Remuneration Report is adopted. The Remuneration Report is in the Directors Report section of the Company's Annual Report.

By way of summary, the Remuneration Report:

- (a) **explains the Company's remuneration policy and the process for determining the remuneration of its directors and executive officers;**
- (b) **addresses the relationship between the Company's remuneration policy and the Company's performance; and**
- (c) **sets out remuneration details for each Director and each of the Company's executives and group executives named in the Remuneration Report for the financial year ended 30 June 2008.**

There will be a reasonable opportunity for shareholders to comment on and ask questions about the Remuneration Report.

The Directors recommend that shareholders vote in favour of Resolution 3. Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. The vote on the proposed resolution is advisory only and will not bind the Board or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

PROXY FORM

I/We
(name and address)

being a Member of Medusa Mining Limited entitled to attend and vote at the Annual General Meeting, hereby

appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held in the Mt Newman Room, Sheraton Perth Hotel, 207 Adelaide Terrace, Perth, Western Australia on Friday, 7 November 2008 at 11.00 am (WST) and at any adjournment thereof.

If no directions are given on how to vote, the Chairman will vote in favour of all of the Resolutions.

Voting on Business of the Annual General Meeting:	<u>For</u>	<u>Against</u>	<u>Abstain</u>
Resolution 1: Re-election of Mr Kevin Tomlinson as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2: Re-election of Dr Robert Weinberg as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If the chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and that the votes cast by the Chair of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. **The Chair intends to vote any such undirected proxies in favour of all resolutions.** If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____ %.

Please return this Proxy Form to the Company Secretary, Medusa Mining Limited, Unit 7, 11 Preston Street, Como, Western Australia or fax to +618 9367 0602 by 11.00 am (WST) on 5 November 2008.

Signed this _____ day of _____ 2008

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

Instructions for Completing Proxy Form

1. A member of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign this proxy form and return the proxy form (by post, delivery or fax) to the Company Secretary:

Registered Office: Unit 7
11 Preston Street
Como
Western Australia 6152

Facsimile Number: +618 9367 0602

Postal Address: PO Box 860
Canning Bridge
Western Australia 6153

by no later than 48 hours prior to the time of the commencement of the General Meeting.

7. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the meeting. The date is **11.00 am (WST) on Wednesday, 5 November 2008.**