



MEDUSA

MEDUSA MINING LIMITED

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ANNOUNCEMENT

17 October 2014

NOTICE OF ANNUAL GENERAL MEETING

(ASX & LSE: MML)

Medusa Mining Limited advises that its Annual General Meeting will be held on Thursday 20 November 2014, commencing at 2.00 pm (Perth time) at The Pagoda Resort & Spa, Esplanade River Suites (Pagoda Room B), 112 Melville Parade, Como, Perth, Western Australia.

The Notice of Annual General Meeting and Explanatory Memorandum will be dispatched to shareholders of the Company today.

For further information please contact:

Peter Alphonso
Company Secretary
Phone: +618 9367 0601
Website: www.medusamining.com.au



MEDUSA

MEDUSA MINING LIMITED

ACN 099 377 849

NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY MEMORANDUM

For the Annual General Meeting to be held on Thursday, 20 November 2014 at 2.00 pm (Perth time) at the Pagoda Room B, Esplanade River Suites, 112 Melville Parade, Como, 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 Annual General Meeting, please complete the proxy appointment form 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

MEDUSA MINING LIMITED

ACN 099 377 849

NOTICE OF ANNUAL GENERAL MEETING

Medusa Mining Limited (**Company**) gives notice that the Annual General Meeting of the Company will be held on Thursday, 20 November 2014 at 2.00 pm (Perth time) at the Pagoda Room B, Esplanade River Suites, 112 Melville Parade, Como, Perth, Western Australia (**Annual General Meeting**).

ITEMS OF BUSINESS

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum and the Proxy Appointment Form are part of this Notice.

Terms and abbreviations used in this Notice (including in the Explanatory Memorandum and the Proxy Appointment Form) are defined in Schedule 1 to this Notice (or elsewhere in the body of this Notice).

1. ACCOUNTS AND REPORTS

To receive and consider the Financial Report of the Company, the Directors' Report and the Auditor's Report for the year ended 30 June 2014.

2. RESOLUTION 1 - RE-ELECTION OF DIRECTOR - MR ANDREW TEO

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Andrew Teo, who retires by rotation in accordance with the Company's Constitution, be re-elected as a Director of the Company."

3. RESOLUTION 2 - ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That, in accordance with section 250R(2) of the Corporations Act, the Remuneration Report, which forms part of the Directors' report for the year ended 30 June 2014, be adopted."

Short Explanation:

The Remuneration Report is in the Directors' report section of the Company's 2014 Annual Report. At a listed Company's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the vote. Section 250R(3) of the Corporations Act provides that the vote on this resolution is advisory only and does not bind the Directors 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.

Voting Prohibition Statement for Resolution 2

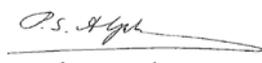
A vote on this Resolution 2 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above and either:

- (c) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (d) the person is the Chairperson of the meeting and the appointment of the Chairperson as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

By order of the Board



Peter Alphonso
Company Secretary
17th October 2014

EXPLANATORY MEMORANDUM

The Explanatory Memorandum has been prepared to provide Shareholders with information about the items of business to be considered at the Annual General Meeting to be held on Thursday, 20 November 2014 at 2.00 pm (Perth time) at the Pagoda Room B, Esplanade River Suites, 112 Melville Parade, Como, Perth, Western Australia.

The Explanatory Memorandum is important and should be read carefully, in its entirety, by all Shareholders. The Explanatory Memorandum is part of the Notice.

1. RESOLUTION 1 - RE-ELECTION OF DIRECTOR MR ANDREW TEO

1.1 Overview

Resolution 1 seeks Shareholder approval for the re-election of Mr Andrew Teo who is retiring as a Director pursuant to Rule 7.3(a) of the Constitution.

Rule 7.3(a) of the Constitution provides that at every annual general meeting of the Company, one third of the Directors (other than the Managing Director) must retire from office. The Directors to retire at an Annual General Meeting are those who have been longest in office since their last election. If two or more Directors have held office for the same period of time since their last appointment, those Directors are to determine by the drawing of lots (unless they agree otherwise) which Director(s) will retire. Mr Teo has agreed to retire.

A retiring Director is eligible for re-election. Mr Teo offers himself for re-election as a Director.

Mr Teo is an accountant with over 36 years of extensive and diversified experience in accounting, treasury, corporate, legal and business administration across several industries, including the mining industry.

He is currently the Chief Financial Officer/Executive Director of BGC (Australia) Pty Ltd, one of Australia's largest privately owned companies, with annual turnover in excess of \$2 billion and 7,000 plus staff (including sub-contractors).

Mr Teo who is the retiring Chairperson of Medusa, is a member of the Audit Committee, Remuneration Committee, Nomination Committee and the Safety, Health & Environment Committee.

1.2 Recommendation of the Directors

The Directors, other than Mr Teo, recommend that Shareholders vote in favour of Resolution 1. Mr Teo does not make a recommendation in relation to Resolution 1 because he has an interest in the outcome of the Resolution.

2. RESOLUTION 2 - ADOPTION OF THE REMUNERATION REPORT

2.1 Overview

Section 300A of the Corporations Act requires the Directors to include in their report for a financial year, a Remuneration Report. Section 250R of the Corporations Act requires that the Remuneration Report be put to the vote at the Annual General Meeting.

The Remuneration Report, which forms part of the Directors' Report for the year ended 30 June 2014, is set out on pages 59 to 69 of the Company's 2014 Annual Report. Shareholders can view the 2014 Annual Report on the Company's website: www.medusamining.com.au

Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, there are potentially serious consequences associated with a significant "Against" vote. If a Company's Remuneration Report receives an "Against" vote of 25 per cent or more at two consecutive annual general meetings, a resolution must be put at the later annual general meeting that another meeting be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date when the applicable Directors' Report was approved by the Board must stand for re-election. So, in summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the board if the Remuneration Report receives "2 strikes".

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 2014.

There will be a reasonable opportunity for Shareholders to comment on and ask questions about the Remuneration Report at the Annual General Meeting.

Any undirected proxies held by a Director (other than the Chairperson of the meeting), other members of key management personnel, or any of their closely related parties, will not be voted on Resolution 2.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 2 by marking either "For", "Against" or "Abstain" on the Proxy Appointment Form for that resolution.

If you appoint the Chairperson of the meeting as your proxy in relation to Resolution 2, but do not mark either "For", "Against" or "Abstain" on the Proxy Appointment Form for that resolution, you will be expressly authorising the Chairperson to vote on Resolution 2 in accordance with the Chairperson's stated voting intention. The Chairperson intends to cast all such proxies "For" Resolution 2.

If you wish to appoint the Chairperson of the meeting as your proxy with a direction to vote "Against", or "Abstain" from voting on Resolution 2, you must specify this by marking "Against" or "Abstain" on the Proxy Appointment Form.

2.2 No Directors' recommendation on Resolution 2

Because Resolution 2 deals with remuneration of key management personnel, the Directors do not make a recommendation to Shareholders about how to vote on this item of business.

SCHEDULE 1:

TERMS AND ABBREVIATIONS

Definition	Meaning
Annual General Meeting	The Annual General Meeting of the Company notified to Shareholders by this Notice
ASX	ASX Limited (ABN 98 008 624 691) or the financial market conducted by it (the Australian Securities Exchange), as the context requires
ASX Listing Rules	The official listing rules of ASX, as from time to time amended or waived in their application to a party
Board	The Board of Directors of the Company
Chairperson	The Chairperson of the Annual General Meeting appointed in accordance with the Constitution
closely related party	closely related party of a member of the key management personnel means: <ul style="list-style-type: none"> • a spouse or child of the member; or • a child of the member's spouse; or • a dependant of the member or of the member's spouse; or • anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or • a company that the member controls; or • a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company or Medusa	Medusa Mining Limited (ACN 099 377 849)
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Director	A Director of the Company
Explanatory Memorandum	The Explanatory Memorandum enclosed with and forming part of this Notice
key management personnel	Key management personnel have the same meaning as in the accounting standards. So the term broadly includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any director of the Company.
Notice	This Notice of Meeting incorporating the Explanatory Memorandum and the Proxy Appointment Form
Proxy Appointment Form	The Proxy Appointment Form enclosed with and forming part of this Notice
Remuneration Report	Has the meaning given to it by the Corporations Act
Resolutions	The resolutions referred to in this Notice, and resolution means the applicable resolution referred to in this Notice or any of the resolutions referred to in this Notice (as the context requires)
Rule	A rule of the Constitution
Shareholder	The holder of a Share
Shares	Fully paid ordinary shares in the Company
\$ or A\$	A reference to "\$" or "A\$" is to Australian currency, unless otherwise indicated

NOTES

These Notes form part of the Notice of Annual General Meeting.

Right to vote

The Directors have determined that, for the purpose of voting at the Annual General Meeting, Shareholders are those persons who are the registered holders of shares at 2.00 pm (Perth time) on Tuesday, 18 November 2014.

Appointment of proxies

Each Shareholder entitled to vote at the Annual General Meeting may appoint a proxy to attend and vote at the Annual General Meeting.

A proxy need not be a Shareholder and can be an individual or a body corporate.

A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Annual General Meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of these provisions, as they will apply to this meeting. Broadly, the effect of the provisions is that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chairperson, who must vote the proxies as directed.

More detail on these provisions is provided below.

Proxy vote if appointment specifies way to vote

Section 250BB provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chairperson of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and
- (d) if the proxy is not the Chairperson - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-Chairperson proxy to Chairperson in certain circumstances

Section 250BC provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the Chairperson of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,the Chairperson of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Lodgement of proxy documents

For an appointment of a proxy for the Annual General Meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointer's attorney - the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it,

must be received by the Company at least 48 hours before the meeting (that is, not later than 2.00 pm (Perth time) on Tuesday, 18 November 2014).

The following addresses are specified for the purposes of receipt of proxies:

By mail: PO Box 860, Canning Bridge Western Australia 6153	By delivery: Unit 7, 11 Preston Street Como, Western Australia 6152	By fax: +618 9367 0602
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Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

PROXY APPOINTMENT FORM

MEDUSA MINING LIMITED

ACN 099 377 849

Name and address of member or joint members

Appointment of proxy

I/We, being a member/s of Medusa Mining Limited and entitled to attend and vote, hereby appoint

Full name of individual or body corporate proxy (please print)

or if that person fails to attend or, if no person is named, the Chairperson of the meeting to attend, act generally and vote as directed below, or, if no directions are given, as the proxy or the Chairperson sees fit, at the Annual General Meeting of the Company to be held on Thursday, 20 November 2014 at 2.00 pm (Perth time), and at any adjournment of that meeting.

Important for Resolution 2

If you appoint a Director (other than the Chairperson of the meeting), another member of key management personnel for the Company or a closely related party of a member of the key management personnel for the Company, as your proxy, and you do not direct your proxy how to vote as your proxy in respect of Resolution 2, your proxy will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. You must direct your proxy how to vote on Resolution 2 if you are appointing a Director (other than the Chairperson of the meeting), another member of key management personnel for the Company or a closely related party of a member of the key management personnel for the Company, as your proxy and wish your votes to be counted.

If the Chairperson of the meeting is your proxy, or is appointed as your proxy by default, and you do not mark any of the boxes below in respect of resolution 2, please be aware that by signing this form you are expressly authorising the Chairperson of the meeting to vote in accordance with the Chairperson's voting intentions as set out in the Notice of Meeting, even though the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company, which includes the Chairperson.

Appointing a second proxy

If appointing a second proxy, state the percentage of your voting rights applicable to the proxy appointed by this form.

%

The Chairperson of the meeting intends to vote all available proxies in favour of all Resolutions (including Resolution 2)

Please note that you can direct the Chairperson of the meeting to vote for, against or abstain from voting on any Resolutions (including Resolution 2) by marking the appropriate box below.

Voting directions to your proxy - please mark X to indicate your directions

Business

Item

1. Resolution 1 - Re-election of Director Mr Andrew Teo

For

Against

Abstain*

2. Resolution 2 - Adoption of the Remuneration Report

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

Signatures of individual member, joint individual member, attorney or company member

Member, Attorney or Joint Member

Sole director & sole company secretary

Director

Director /Company secretary (delete one)

Contact name

Contact daytime telephone

Date

Enquires: (within Australia) (08) 9367 0601 (outside Australia) +618 9367 0601

INSTRUCTIONS FOR COMPLETION OF PROXY APPOINTMENT FORM

Your name and address

This is your name and address as it appears on the register of members of the Company. If this information is incorrect, please make the correction on the Proxy Appointment Form. Members sponsored by a broker should advise their broker of any changes. **Please note that you cannot change ownership of your shares using this Proxy Appointment Form.**

Appointment of proxy

If you are entitled to vote at the meeting you have a right to appoint a proxy and should use this Proxy Appointment Form. The proxy need not be a member of the Company and can be an individual or a body corporate.

If you wish to appoint someone other than the Chairperson of the meeting as your proxy, please write the name of that person in the appropriate box. Members cannot appoint themselves. If you leave the box blank, or your named proxy does not attend the meeting, the Chairperson of the meeting will be your proxy and vote on your behalf.

Your proxy's authority to speak and vote for you at the meeting is suspended if you are present at the meeting.

Voting directions to your proxy

You may direct your proxy how to vote by marking **X** in one of the three boxes opposite each item of business. All your votes will be cast in accordance with your direction, unless you indicate only a portion of votes are to be cast on any item by inserting the percentage of your voting rights applicable to the proxy appointed by this Proxy Appointment Form in the appropriate box. If you do not mark any of the boxes relating to the items of business, your proxy will vote as he or she chooses. If you mark more than one box relating to the same item of business any vote by your proxy on that item will be invalid.

Appointing a second proxy

If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you wish to appoint a second proxy, an additional Proxy Appointment Form may be obtained by telephoning the Company on +618 9367 0601 or you may copy this form. Both Proxy Appointment Forms should be lodged together.

If you appoint two proxies and the appointment does not specify the proportion or number of your votes each proxy may exercise, section 249X of the *Corporations Act 2001* (Cth) will take effect so that each proxy may exercise half of the votes (ignoring fractions).

If you appoint two proxies, neither proxy will have a right to vote on a show of hands.

If you appoint another member as your proxy, that person will have only one vote on a show of hands and does not have to vote on a show of hands in accordance with any direction by you.

Signing instructions

This Proxy Appointment Form must be signed and dated by the member or the member's attorney. Any joint member may sign.

If this form is signed by an attorney and you have not previously lodged the power of attorney with the Company for notation, please attach a certified copy of the power of attorney to this form when you return it.

If the member is a company that has a sole director or a sole director who is also the sole company secretary, this form must be signed by that person. Otherwise, this form must be signed by two directors or one director and a company secretary. Please indicate the office held by signing in the appropriate place.

Lodgement of Proxy Appointment Form

Proxy Appointment Forms and proxy appointment authorities, for example, the original or a certified copy of the power of attorney (if the Proxy Appointment Form is signed by an attorney) must be received:

- at Unit 7, 11 Preston Street, Como, Western Australia 6152;
- by fax, on fax number +618 9367 0602; or
- by post at PO Box 860, Canning Bridge, Western Australia 6153,

not later than 2.00 pm (Perth time) on Tuesday, 18 November 2014.

Documents received after that time will not be valid for the scheduled meeting.

Privacy

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you (including your name, address and details of the shares you hold) to be included in the Company's public register of members. This information must continue to be included in the public register if you cease to hold shares. These statutory obligations are not altered by the *Privacy Amendment (Private Sector) Act 2000* (Cth). Information is collected to administer your shareholding which may not be possible if some or all of the information is not collected. Your information is collected by Computershare Investor Services Pty Ltd on behalf of the Company. Computershare Investor Services Pty Ltd's privacy policy is available at www.computershare.com.