



carnavale  
resources ltd

ACN 119 450 243

## **NOTICE OF ANNUAL GENERAL MEETING**

– and –

### **PROXY FORM**

DATE AND TIME OF MEETING:

28 November 2011 at 3.00pm

VENUE:

Holiday Inn City Centre,  
778-788 Hay Street, Perth, Western Australia 6000

**Please refer Explanatory Memorandum for Glossary and  
Notes on Recent Changes in Proxy Voting**

**These documents should be read in their entirety. If shareholders are in any doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor.**



ACN 119 450 243

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Carnavale Resources Limited (“Carnavale” or the “Company”) will be held on Monday, 28 November 2011 commencing at 3.00pm at The Holiday Inn City Centre, 778-788 Hay Street, Perth, Western Australia.

The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

### **AGENDA**

#### **ORDINARY BUSINESS**

**1. Financial Report for the Year Ended 30 June 2011**

To receive and consider the financial report of the Company for the year ended 30 June 2011, together with the reports by the directors and auditors thereon.

**To consider and, if thought fit, pass the following resolutions as ordinary resolutions**

**2. Resolution 1 – Adoption of Remuneration Report**

“To adopt the Remuneration Report as set out in the Directors' Report section of the Annual Report for the financial year ended 30 June 2011.”

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusions: The Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions are set out in the ‘Voting Exclusions’ section below.

**3. Resolution 2 – Re-Election of R Gajewski**

“That Mr R Gajewski, having retired in accordance with Clause 11.3 of the Constitution of the Company and, being eligible, is hereby re-elected as a director of the Company.”

**The Chairman intends to vote undirected proxies in favour of this resolution.**

#### **GENERAL BUSINESS**

**4. To transact any other business which may lawfully be brought forward.**

#### **Voting Restriction**

As ordinary resolutions, Resolutions 1 to 2 must be passed by more than 50 per cent of the votes cast by members entitled to vote on the resolution.

## PROXIES

In accordance with section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is 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. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act 2001, each proxy may exercise half of the votes.

## VOTING EXCLUSIONS

The Corporations Act requires that certain persons must not vote, and the Company must disregard any votes cast by certain persons, on resolution 1 (Adoption of Remuneration Report). A vote on this Resolution 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 vote on this Resolution if:

- c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following information for the purposes of receipt of proxy appointments:

Registered Office: 30 LEDGAR ROAD  
BALCATT, WESTERN AUSTRALIA 6021

Facsimile Number: (61 8) 9240 2406

Postal Address: P O Box 717  
BALCATT, WESTERN AUSTRALIA 6914

Each member entitled to vote at the annual general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile). **Members who do not plan to attend the meeting are encouraged to complete and return a proxy form.**

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 5pm on 25 November 2011 will be taken, for the purposes of the annual general meeting, to be held by the persons who held them at that time.

BY ORDER OF THE BOARD



P M Jurman  
Company Secretary  
Perth, Western Australia  
14 October 2011

# CARNAVALE RESOURCES LTD

ACN 119 450 243

## EXPLANATORY MEMORANDUM

### 1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of Carnavale Resources Ltd (“**Carnavale**” or the “**Company**”) in connection with the business to be conducted at the Company’s Annual General Meeting to be held on Monday, 28 November 2011 commencing at 3.00pm at The Holiday Inn City Centre, 778-788 Hay Street, Perth, Western Australia.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

### 2. 2011 ANNUAL REPORT

In accordance with the requirements of the Company’s Constitution and the Corporations Act, the 2011 Annual Report will be tabled at the annual general meeting. Shareholders will have the opportunity of discussing the Annual Report and making comments and raising queries in relation to the Report.

Representatives from the Company’s auditors, HLB Mann Judd, will be present to take shareholders’ questions and comments about the conduct of the audit and the preparation and content of the audit report.

The Annual Report is available on the Company’s website at [www.carnavaleresources.com.au](http://www.carnavaleresources.com.au) for you to download or read online. Alternatively you can obtain a hard copy by contacting the Company.

### 3. RESOLUTION 1 – Adoption of Remuneration Report

The Annual Report for the financial year ended 30 June 2011 contains a Remuneration Report, which forms part of the Directors' Report and sets out the remuneration policy for the Company and its controlled entities, and reports the remuneration arrangements in place for executive directors, senior management and non-executive directors.

The Corporations Act 2001 requires listed companies to put a non-binding resolution to shareholders to adopt the Remuneration Report. In line with the legislation, this vote will be advisory only, and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when considering the Company's remuneration policy.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against the adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (Spill Resolution).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (Spill Meeting) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' Report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

**As noted previously, the Chairman of the meeting will not be able to exercise any votes as proxy on resolution 1 unless the relevant proxy appointment specifically directs him how to vote on that resolution. Accordingly, if the Chairman of the meeting is appointed, or taken to be appointed, as a proxy of a shareholder in respect of that resolution, the shareholder’s votes will not be cast if such a direction is not provided.**

#### **4. RESOLUTION 2 – Re-election of Director**

In accordance with the requirements of the Company's Constitution, ASX Listing Rules and the Corporations Act, one-third of the directors of the Company (other than the Managing Director) and those who were last re-elected more than three years ago retire from office at this annual general meeting of the Company and, being eligible, offer themselves for re-election. Details of Mr Gajewski's qualifications and experience are available in the Annual Report.

#### **RECENT CHANGES TO PROXY VOTING**

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

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

Further details on these changes are set out below.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- 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; and
- if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- 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; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair 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.

## GLOSSARY

**Annual General Meeting** or **Meeting** means the meeting convened by the notice.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- a) a spouse or child of the member;
- b) a child of the member's spouse;
- c) a dependent of the member or the member's spouse;
- d) 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 dealing with the entity;
- e) a company the member controls; or  
a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company** means Carnavale Resources Limited (ACN 119 450 243).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

**Appointment of Proxy**

I/We being a member/s of Carnavale Resources Ltd and entitled to attend and vote hereby appoint

The Chairman  
of the Meeting  
(mark with an "X")

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

Or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and 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 of Carnavale Resources Ltd to be held on 28 November 2011 and at any adjournment of that meeting.

**Important for Resolution 1: If the Chairman of the Meeting or any member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or a Closely Related Party of that member of the Key Management Personnel of the Company is your proxy and you have not directed the proxy to vote on Resolution 1, the proxy will be prevented from casting your votes on Resolution 1. If the Chairman, another member of the Key Management Personnel of the Company whose remuneration details are included in the Remuneration Report or Closely Related Party of that member of the Key Management Personnel is your proxy, in order for your votes to be counted on Resolution 1, you must direct your proxy how to vote on Resolution 1.**

If the Chairman 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 Chairman may exercise your proxy even if he has an interest in the outcome of resolution 2 and votes cast by him other than as proxy holder will be disregarded because of that interest. **The Chairman of the Meeting intends to vote in favour of all the resolutions in which the Chairman is entitled to vote undirected proxies.**

If you do not mark the above box and you have not directed your proxy how to vote in the boxes below, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in computing the required majority if a poll is called.

**Voting directions to your proxy – please mark  to indicate your directions**

	For	Against	Abstain*
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of R Gajewski	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

PLEASE SIGN HERE - This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and  
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Dated: \_\_\_/\_\_\_/2011

# How to complete the Proxy Form

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## 1 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

## 2 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

## 3 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

## 4 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 3.00pm on 26 November 2011. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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### Documents may be lodged:

- IN PERSON: Registered Office – 30 Ledger Road, Balcatta, Western Australia 6021
- BY MAIL: Registered Office - 30 Ledger Road, Balcatta, Western Australia 6021 / P O Box 717, Balcatta, Western Australia 6914
- BY FAX (61 8) 9240 2406