

CERVANTES CORPORATION LTD

ABN 79 097 982 235

NOTICE OF ANNUAL GENERAL MEETING, EXPLANATORY STATEMENT AND PROXY FORM

Date of Meeting: Monday 28 November 2011

Time of Meeting: 9:00 am (WST)

**Place of Meeting: Royal Perth Golf Club,
Labouchere Road South Perth, WA**

For personal use only

What Action You Need to Take

Read Meeting Documents

The attached meeting documents set out the details of the Resolutions being put to Shareholders. This information is important. You should read the documents carefully and if necessary seek your own independent advice on any aspect about which you are not certain.

Vote on Resolutions

Your vote is important. Details of the Resolutions are set out in the Notice of Meeting and the Explanatory Statement.

Shareholders should complete the Proxy Form and return it by mail or facsimile so as to be received by the Company before 10:00am (WST) on Saturday 26 November 2011.

Proxy Forms received later than this time will be invalid.

Entitlement to Vote

In accordance with Regulation 7.11.37 of the Corporations Act 2001, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of shareholders as at 10:00am (WST) on Sunday 27 November 2011.

Proxies

A Proxy Form is attached to this Notice of Meeting and to be effective must be lodged with the Company at Shop 11 "South Shore Piazza" 85 South Perth Esplanade, South Perth, 6151 or sent by facsimile to (08) 9367 2450.

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 Corporation Act, as they will apply to this Annual General Meeting. Broadly, the changes mean 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 chair, who must vote the proxies as directed.

Further details on these changes is set out below.

Proxy vote if appointed 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:

- 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); and
- 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; and
- c) if the proxy is the chair of the meeting at which the resolution is voted on – proxy must vote that way (ie. As directed) and
- d) 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 (ie. As directed).

Transfer of non-chair to chair in certain circumstances

Section 250BC of the Corporations Act 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; and
- b) the appointed proxy is not the chair of the meeting; and
- 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 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.

Key Dates

Deadline for lodgment of Proxy Forms	Saturday 26 November 2011 at 10:00am (WST)
Date and time for determining eligibility to vote	Sunday 27 November 2011 at 10:00am (WST)
Date of Annual General Meeting	Monday 28 November 2011 at 9.00am (WST)

Queries

If you have any queries about any matters contained in these meeting documents, please call the Company Secretary, Patrick O'Neill, on (08) 9474 3799.

For personal use only

NOTICE IS GIVEN that the Annual General Meeting of Shareholders will be held at Royal Perth Golf Club, South Perth, WA on Monday 28 November 2011 commencing at 9:00am (WST).

AGENDA

Report by the Managing Director

BUSINESS

1. Annual Accounts and Reports

To receive and consider the annual financial report of the Company for the year ended 30 June 2011 and the reports of the Directors' and of the Auditor's thereon.

2. Resolution 1 – Re-Election of Director – Mr Graeme Armstrong

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

“That, for the purpose of clause 13.2 of the Company’s Constitution and ASX Listing Rule 14.4, Mr Graeme Armstrong, a Director who retires by rotation, and being eligible, offers himself for election, be elected as a Director.”

3. Resolution 2 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company’s annual financial report for the financial year ended 30 June 2011.”

Note: In accordance with section 250R of the Corporation Act, the vote on Resolution 3 will be advisory only and will not bind the Directors or the Company.

Voting Prohibition Statement: 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:

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

4. Resolution 3 – Placement of Shares

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 50,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a 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.

Members entitled to attend and vote at the Meeting

For the purposes of the Meeting and in accordance with regulation 7.11.37 of the Corporations Regulations 2001, it has been determined that the members entitled to attend and vote at the meeting shall be those persons who are recorded in the register of members at 10:00am on Sunday 27 November 2011. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxies

Each Shareholder is entitled to appoint a proxy. The proxy does not need to be a member of the Company. A Shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies, each proxy may exercise half of the Shareholder's votes if no proportion or number of votes is specified.

A Proxy Form accompanies this Notice of Meeting and, to be effective, duly completed Proxy Forms, together with any relevant power of attorney must be received at the Company's registered office **by no later than 10:00am (WST), Saturday 26 November 2011.**

Deliver to:

Shop 11 "South Shore Piazza"
85 South Perth Esplanade
South Perth WA 6151

or by facsimile on:

+61 8 9367 2450

or post to:

PO Box 1196
South Perth WA 6951

Corporate Representatives

Any body corporate wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with a copy of the resolution by its directors or other governing body authorising the person to act as the corporate shareholder's representative at the Meeting.

By Order of the Board



Patrick J O'Neill
Company Secretary
26 October 2011

For personal use only

CERVANTES CORPORATION LTD
ABN 79 097 982 235
EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist shareholders with their consideration of the resolutions proposed for the Annual General Meeting of Cervantes Corporation Ltd (**Company**) to be held at the Royal Perth Golf Club, Labouchere Road, South Perth, WA at 9:00am on Monday 28 November 2011.

FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2011 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – Re-election of Mr Graeme Armstrong

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one third) of these Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Company currently has 3 Directors and accordingly 1 must retire.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Graeme Armstrong retires by rotation and being eligible seeks re-election.

RESOLUTION 2 – Adoption of Remuneration Report

General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under recent changes to the Corporation Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 2 are voted against 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 an extraordinary 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 extraordinary 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.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

Proxy Restrictions

Pursuant to the Corporation Act, if you elect to appoint the chair, or another member of the Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 2, you must direct the proxy how they are to vote. Where you do not direct the chair, or another member of Key Management Personnel or Closely Related Party on how to vote on this Resolution 2, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 2.

RESOLUTION 3 – Placement of Shares

General

Resolution 3 seeks Shareholder approval for the allotment and issue of up to 50,000,000 Shares (**Share Placement**).

As stated in the Company's previous announcement, the Directors have been presented with a number of new investment opportunities. If deemed appropriate for the Company, some of these investment opportunities may require additional cash resources greater than the Company's current cash resources. If the Directors form a

view that one of the opportunities has the potential to create significant value to Shareholders, the Directors would like to have the flexibility to be able to move quickly.

None of the subscribers pursuant to this issue will be related parties of the Company.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 6 will be to allow the Directors to issue the Shares during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by the ASX), without using the Company's 15% annual placement capacity.

Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- a. The maximum number of Shares to be issued is 50,000,000;
- b. The Shares will be issued no later than 3 month after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- c. The Shares will be issued at a minimum issue price of not less than 80% of the average market price for Shares over the last 5 days in which sales of Shares are recorded before the date of issue or, if there is a prospectus relating to the issue, over the last 5 days in which sales of Shares are recorded before the date of the prospectus;
- d. The Shares will be issued to subscribers identified by the Directors and none of the subscribers will be related parties;
- e. The Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- f. The Company intends to use any funds raised from the Share Placement to pursue any new business investment opportunities identified and for general working capital purposes.

Glossary

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the *Income Tax Assessment Act 1936 (Cth)*.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Days means any day other than a Saturday, Sunday or public holiday in the State of Western Australia.

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
- (f) a person prescribed by the *Corporation Regulations 2001 (Cth)*.

Company means Cervantes Corporation Limited (ACN 097 982 235).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

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

Remuneration Report means the remuneration report set out in the Directors' Report of the Company's Annual financial report for the year ended 30 June 2011.

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.

PROXY FORM

**APPOINTMENT OF PROXY
CERVANTES CORPORATION LTD
ACN 097 982 235**

ANNUAL GENERAL MEETING

I/We

hereby

Appoint

OR

Mark this box if you wish to appoint the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair'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 at 9:00am (WST), on Monday 28 November 2011 at Royal Perth Golf Club, Labouchere Road, South Perth, WA, and at any adjournment thereof.

Important for Resolution 2: If the Chair 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 the member is your proxy and you have not directed the proxy to vote on Resolution 2, the proxy will be prevented from casting your vote on Resolution 2. If the Chair, 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 is your proxy, in order for your vote to be counted on Resolution 2, you must direct your proxy how to vote on Resolution 2.

If no directions are given, the Chair will vote in favour of all the Resolutions.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Re-election of Director – Mr Graeme Armstrong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will 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

Signed this _____ day of _____ 2011 _____%

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 'Appointment of Proxy' Form

1. A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. Where a member's holding is in one name the holder must sign. Where the holding is in more than one name, all members should sign.
3. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under a power of attorney, the power of attorney must be lodged in like manner as this Proxy Form.
4. Corporate members 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.

5. Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
6. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Cervantes Corporation Limited, PO Box 1196, South Perth WA 6951; or
 - (b) facsimile to the Company on facsimile number +61 8 9367 2450,

so that it is received not later than 10:00am (WST) on Saturday 26 November 2011.

Proxy forms received later than this time will be invalid.