



Giaconda Limited

Notice of Annual General Meeting 2006

The Annual General Meeting of Giaconda Limited will be held on Monday, 30 October 2006 at 4:00pm at Avillion Hotel, Meeting Room, 389 Pitt Street, Sydney.

Items of Business

1. Receipt and consideration of Annual Financial Report, including Directors' Report and Auditor's Report for the year ended 30 June 2006, as accompanying this Notice of Annual General Meeting.
2. To re-elect Mr Richard Woods who retires from the office of director by rotation, and being eligible, offers himself for re-election.
3. To re-elect Mr Patrick McLean who retires from the office of director by rotation, and being eligible, offers himself for re-election.
4. To adopt the Remuneration Report.
5. To approve the issue of shares to the Directors pursuant to Giaconda Employee Share Plan ESP 001.

Other Business

Any other business which may be brought forward in conformity with the Constitution of the Company.

Dated 7 September 2006.

By order of the Board.

Ms Kirrilli Parker
Company Secretary
Giaconda Limited

Appointment of Proxies

Proxies may be appointed by using the enclosed Proxy Form.

Please note that:

- (a) a member who is entitled to attend and vote is entitled to appoint not more than two proxies;
- (b) where more than one proxy is appointed, the proxy may be appointed to represent a specified proportion of the member's voting rights;
- (c) a proxy need not be a member; and
- (d) forms of proxy must be lodged as indicated on the Proxy Form at least 48 hours prior to the meeting.



Giaconda Limited
Explanatory Memorandum
to and forming part of the
Notice of Annual General Meeting 2006 of Giaconda Limited

to be held:

on Monday, 30 October 2006
at 4:00 pm at Avillion Hotel, Meeting Room, 389 Pitt Street, Sydney.

Summary

The non-executive Directors of Giaconda have all subscribed to the Giaconda Employee Share Plan ESP001.

Under ESP001, the participants can elect to receive shares in the Company in lieu of all or part of their Salary. The shares are held on trust for the benefit of the participants. The trustee is Giaconda ESP001 Pty Limited.

Entitlement of Directors

The non-executive Directors have elected to convert the following amounts owed or to be paid to them as directors fees to shares under this Scheme:

For Financial Year ending June 2005:	\$55,541.10
For Financial Year ending June 2006:	\$86,250
For Financial Year ending June 2007:	\$111,847.83

The above amounts are the total amounts for all participating directors.

The recommendation to issue

ESP001 permits shares to be either bought on market or issued by the Company. If the shares necessary to cover the Director's current and future entitlements were bought on-market, this has the potential to create a false market in the company's shares because of the very light trading volumes anticipated until the end of the 2006/7 financial year. In order to prevent this, it is proposed to issue new shares to ESPOO1 to cover this entitlement.

Approval required

Under ASX Listing Rule 10.14, shareholder approval is required for the issue of shares to Directors or their associates under an employee incentive scheme. ESP001 constitutes an "Employee Incentive Scheme" as defined in Ch19 of the ASX Listing Rules.

Proposed Issue Price

The directors have determined that the appropriate issue price for these shares is:

For entitlements up to the end of June 2006: \$0.50 (being the prospectus subscription price).

For entitlements up to the end of June 2007: the "Market Value" of the shares as defined in the ESP0001 Scheme Rules.



What is “Market Value”?

“Market Value” under the ESP001 Scheme Rules is defined as:

“Where Giaconda’s Shares are listed on the ASX (or another approved stock exchange within the meaning of section 139GD of the Tax Act):

- (a) the weighted average of the prices at which those Shares are traded on that stock exchange during a five Business Day period up to and including that day; or
- (b) if no Shares are traded on that stock exchange during that period, the last price at which an offer to buy is made on that stock exchange during that period; or
- (c) if no such offer is made, the value determined under section 139FB of the Tax Act if that section applied to the Share. “

Timing and details

The approval is for a maximum of 750,000 shares. Of these, 283,580 are to cover the entitlement up to the end of June 2006, with the remainder (466,420) to cover the forward entitlements of the directors to the end of June 2007.

Only those shares necessary to meet these forward entitlements will actually be issued. It is anticipated that the actual number of shares required to be issued will be significantly less than the number approved, depending on movements in the share price.

The shares will be issued within 12 months of approval. Details of all shares issued to ESP001 pursuant to this approval will be published in the annual report of the Company.

This approval relates only to the persons listed below. No persons who become entitled to participate in ESP001 after the date of this resolution will be issued shares pursuant to this approval.

Persons entitled:

Emeritus Professor Tony Moon
Mr Trevor Moore
Mr Richard Woods

Resolution

The proposed resolution to provide such approval is as follows:

“That the Company issue:

- (a) 283,580 ordinary shares at an issue price of \$0.50; and
- (b) Up to 466,420 at “Market Price” as defined in the Rules for ESP001, to be acquired by Giaconda ESP001 Pty Limited as trustee for the ESP0001 Employee Share Plan in accordance with the details set out in the information memorandum to the Notice of Meeting”.

The Company will disregard any votes cast on this resolution by the non-executive Directors and all associates of the non-executive Directors.

However, the company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

PROXY FORM
Annual General Meeting

Mark this box with an 'X' if you are Issuer Sponsored and want to make any changes to your address details (see reverse)

- Name Address 1
- Name Address 2
- Name Address 3
- Name Address 4
- Name Address 5
- Name Address 6

Appointment of Proxy

If appointing a proxy to attend the Annual General Meeting on your behalf, please complete the form and submit it in accordance with the directions at the bottom of the page.

I/We being a shareholder/shareholders of Giaconda Limited pursuant to my/our right to appoint not more than two proxies, appoint

<input type="checkbox"/> The Chairman of the Meeting (mark with an "X")	OR		Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.
or failing him/her			Write here the name of the other person you are appointing.

or failing him/her, (or if no proxy is specified above), the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held at Monday, 30 October 2006 at 4:00 pm at Avillion Hotel, Meeting Room, 389 Pitt Street, Sydney and at any adjournment of that meeting.

This proxy is to be used in respect of _____ % of the ordinary shares I/we hold.

If you do not wish to direct your proxy how to vote, please place a mark in the box. If you have appointed the Chair of the meeting to exercise your proxy, by marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of a particular resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chair intends to vote 100% of all open proxies in favour of the resolution.

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

RESOLUTION	For	Against	Abstain*
1. Re election of Mr Richard Woods as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re election of Mr Patrick McLean as a director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To approve the issue of shares to Directors under the Employee Share Plan ESP001 as described in full in the Explanatory Memorandum	<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.

Notification of Interest

Shareholders should be aware that the Chairman, (Mr Richard Woods) has an interest in resolutions 1 and 4. The interest in respect of resolution 4 is set out in the Explanatory Memorandum for that resolution.

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.
Executed in accordance with section 127 of the Corporations Act:

Individual or Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Sole Director & Sole Company Secretary	Director	Director / Company Secretary

Dated this _____ day of _____ 2006

Contact Name

Contact Business Telephone / Mobile

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. Your pre-printed name and address is as it appears on the share register of Giaconda Limited. If you are Issuer Sponsored and this information is incorrect, please mark the box at the top of the proxy form and make the correction on the form. Securityholders sponsored by a broker on the CHESS subregister should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.
2. Completion of a proxy form will not prevent individual shareholders from attending the Annual General Meeting in person if they wish. Where a shareholder 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 shareholder is suspended while the shareholder is present at the Annual General Meeting.
3. 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 do not specify this proportion, each proxy may exercise half of the votes.
4. A proxy need not be a shareholder of the Company.
5. 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.
6. If a representative of a company shareholder is to attend the Meeting, a properly executed original (or certified copy) of the appropriate "Certificate of Appointment of Corporate Representative" should be produced for admission to the Meeting. Previously lodged "Certificates of Appointment of Corporate Representative" will be disregarded by the Company.
7. If a representative as Power of Attorney of a shareholder is to attend the meeting, a properly executed original (or originally certified copy) of an appropriate Power of Attorney should be produced for admission to the Annual General Meeting. Previously lodged Powers of Attorney will be disregarded by the Company.

8. **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 shareholders should sign.

Power of Attorney: If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

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.

9. **Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address below not later than 4:00pm on Thursday, 26 October 2006 (2 business days before the commencement of the meeting).

Any Proxy Form received after that time will not be valid for the scheduled meeting.

Hand deliveries

Registries Limited

Level 2

28 Margaret Street

Sydney NSW 2000

Postal address:

Registries Limited

PO Box R67

Royal Exchange NSW 1223

Fax number:

(02) 9279 0664