

3 November 2014

## Silvergate Requisitioned General Meeting

Dear Shareholder

You may recall that I wrote to you on 24 October 2014 in relation to Silvergate Capital Pty Ltd's proposed resolutions for the upcoming general meeting requisitioned by Silvergate. In particular, I wrote:

*"If Silvergate succeeds in putting its nominees on the Board we believe it will have gained effective control of your Company without having to offer all shareholders an appropriate price for that control."*

Further, in the CAP Unearthed newsletter, volume 6, October 2014, I said:

*'Silvergate is attempting to take effective control of the Board and the company without offering an appropriate price for that control – its third such attempt in two years.'*

Silvergate have taken issue with the use of these words.

On 30 October 2014, Silvergate, via their lawyers, wrote to Carpentaria alleging, amongst other things, that the words above were false and misleading and threatening legal action. The Company denies that the words are false and misleading and has through its lawyers written to Silvergate saying so. Nonetheless, to ensure that you, our shareholders, are in a position to make a fully informed decision, and as a matter of fairness, I set out below the position of Silvergate, as communicated to me.

In their letter, Silvergate have said:

*"The Statements are false and misleading because if the resolutions contained in the notice of meeting for the Requisitioned Meeting (Resolutions) are approved, Silvergate's nominee director, Ms Lau, will be appointed to the board. Both Carpentaria's existing director, Mr Bin Cai and the proposed Independent Director, Mr Northey, are not affiliated with Silvergate. On that basis, Silvergate will not control the board of Carpentaria if shareholders approve the Resolutions, nor will it have 'gained effective control' of Carpentaria".*

*and*

*"Silvergate will have one nominee director on the board of three directors. It will not have the capacity to determine the outcome of decisions about Carpentaria's financial and operating policies therefore will not control Carpentaria as defined under the Corporations Act, nor in any other sense."*

As indicated above, the Carpentaria Board does not accept the propositions put by Silvergate as described in their correspondence. Nevertheless, Carpentaria management today contacted Silvergate with a view to defuse the situation, and a Silvergate representative reiterated the contention that Mr Northey is not affiliated with Silvergate. Having at least put the Silvergate position to you, I now leave it to you, our shareholders, to draw your own conclusions as to these matters and make your own decision on the proposed resolutions.

Yours sincerely



Neil Williams  
Chairman

CONNECT WITH US:



Level 6, 345 Ann St Brisbane Queensland 4000  
PO Box 10919, Adelaide Street, Brisbane Queensland 4000  
Phone: + 61 7 3220 2022 Fax: + 61 7 3220 1291  
info@capex.net.au www.capex.net.au

**We find it, We prove it, We make it possible**

