

26 March 2009

The Manager  
Company Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir/Madam

## Letter to Shareholders

In accordance with ASX Listing Rule 3.17, a copy of a letter sent to Shareholders of Goldlink IncomePlus Limited is attached.

Yours faithfully



**Mark Smith**  
Company Secretary



25 March 2009

## Update on General Meeting and GLI's Future

Dear Shareholder,

I am writing to you about the upcoming General Meeting of GoldLink IncomePlus Limited (**the Company** or **GLI**), the likely transition of control of the Board of the Company and the aftermath of the proportional takeover Offer (**Offer**) by Emerald Capital Limited (**Emerald**).

Control of the board of GLI is likely to change after the General Meeting requisitioned by Emerald is held in Sydney on 27 March 2009. If Emerald votes in favour of all of the resolutions, it would seem certain that the current board, comprising Mark Smith, David Franklyn and Massimo Cellante, will be removed and Emerald's nominees – Peter Pynes, Tim Kestell and Karl Simich – will be elected to the Board. (Emerald closed its Offer on 19 January 2009 and apparently holds more than 50% of the issued capital of GLI).

We have had many queries from GLI shareholders about acceptances in relation to the Offer, the necessity for another meeting and the outlook for GLI. I will address some of these issues below.

### Acceptances and Payments in relation to the Emerald Offer

A large number of Shareholders have contacted GLI to complain that they have not been properly accepted into the Offer, that some have been underpaid or not paid at all. A significant number have also complained of late payment.

Shareholders have been directed to the bidder's registry, Computershare Investor Services, and/or the bidder, Emerald. GLI has also notified the regulators of the large number of complaints and allegations of unfair treatment. Many of these complaints arise because Emerald asserts that the terms of its Offer did not require it to accept, in all circumstances<sup>1</sup>, 100% of non-marketable parcels instead of only 45%. Emerald has not disclosed to Shareholders the criteria it has arbitrarily determined to deny acceptance for 100% of the GLI shares held by non-marketable parcel Shareholders.

GLI's Directors consider that the interpretation of the terms of the Offer apparently adopted by Emerald in relation to acceptances by non-marketable parcel Shareholders is incorrect, and that the appropriate way for Emerald to resolve the matter is for it to bring legal proceedings against relevant Shareholders seeking a declaration from a Court that its interpretation is correct.

Emerald has suggested that any Shareholder has a right to take the matter to either the Takeovers Panel or a Court. Given the small sums involved for each Shareholder and the cost for Shareholders of pursuing the matter, the current Board believes that this is an inadequate

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<sup>1</sup> Excluding acceptances specifically covered by the Takeovers Panel's decision in the *GoldLink IncomePlus Limited 04* proceedings ([2009] ATP 2).

response and is unlikely to be a satisfactory or commercially pragmatic option for most Shareholders.

Unfortunately, these matters of dispute about acceptances are properly between the bidder (Emerald) and individual Shareholders, and not a matter that the Directors or the Company can take up on behalf of affected Shareholders (given the matter does not affect the interests of the Company as a whole). While we understand the frustration of many Shareholders, the Directors are not able to expend the Company's funds on remedial action in relation to this matter.

**All Shareholders should check their acceptance statements and contact Emerald if they have a dispute in relation to the Offer. They should also consult a legal advisor and are free to take up the matter with ASIC.**

The GLI Directors are aware that Emerald's treatment of acceptances by many non-marketable parcel Shareholders reduced Emerald's total financial outlay to gain control of GLI.

### **Why another meeting to transfer Board control to Emerald?**

A number of shareholders have queried the necessity for another meeting to transfer Board control to Emerald.

Emerald had already requisitioned the meeting under section 249D of the Corporations Act while the current Board was negotiating a handover to Emerald. The current Board committed to an orderly handover in late December but the transition was delayed due to Emerald's nominees withdrawing their consents to act as directors of GLI and a subsequent Takeovers Panel application by Emerald in relation to share splitting.

On 10 February 2009, GLI was provided, by its share registry, with copies of a purported share transfer form. GLI understands that the persons to whom Emerald attempted to transfer those shares are former GLI Shareholders who held a non-marketable parcel of GLI shares (meaning a parcel of GLI shares which after acceptance in respect of 45% of GLI shares would be worth less than \$500) and had accepted Emerald's proportional takeover offer prior to 23 December 2008.

GLI's Board refused to register the transfer of those shares from Emerald back to accepting Shareholders under Emerald's offer because the GLI Board considered that Emerald had no authority to execute any such transfer as transferee on behalf of the former Shareholders concerned.

In light of this event and others that had occurred since 5 February 2009, each of the Directors had been unable to satisfy himself that the appointment of any of Emerald's nominees to the GLI Board would be in GLI's best interests. Accordingly, the GLI Directors were unable to appoint Emerald's nominees to the GLI Board and could not resign as Directors of GLI without causing GLI to breach section 201A(2) of the Corporations Act, which requires a public company to have at least 3 directors.

Hence, the meeting involving a vote of Shareholders will determine the transition of Board control. The Company will bear the costs of this meeting, but this is the only legal, practical and appropriate way to allow Emerald to formally take control of the Board.

Shareholders should be aware that Emerald has agreed to reimburse GLI for the costs associated with holding the previous three general meetings that Emerald requisitioned, which

totalled approximately \$102,000. As at the date of this letter, Emerald has not paid any amount to GLI on account of that commitment.

## **What is the future of GLI?**

The future direction and outlook for GLI will be determined by the new Board, which is likely to comprise the three Emerald nominees. Other than the information provided by Emerald in its bidder's statement, the current Directors have no knowledge of Emerald's plans. We have encouraged Emerald to advise GLI shareholders of their plans for the Company as soon as practicable.

Shareholders are reminded that the ASX Listing Rules require GLI (as a listed entity) to have a sufficient level of operations to maintain its quotation on ASX and its continued listing. GLI's current operations are not considered sufficient to satisfy this requirement. Late last year, ASX granted GLI an extension to 30 June 2009 to allow it to comply with the rule. ASX has the right to review this period and if GLI is not compliant by 30 June 2009, it must request suspension from quotation of its securities. If this occurs, Shareholders will not be able to trade their GLI shares through ASX.

Emerald is aware of this situation and GLI understands that Emerald has been in contact with ASX about the requirements to maintain the ongoing listing of GLI.

In conclusion, the current Board would like to thank all of the Shareholders who have actively participated in the affairs of the Company over the last year, whether by voting or attending meetings, or through direct contact with the Company. We wish you well for the future.

Yours faithfully



**Mark Smith**  
Chairman