



31 July 2017

Dear Beneficiary

Please find enclosed the notice for an extraordinary general meeting to be held in Karratha on 26 August 2017, following the postponement of the extraordinary general meeting scheduled for 26 March 2017 due to unsafe driving conditions caused by flooding in the Pilbara. That meeting had been called at the request of 37 beneficiaries to consider changes to the Trust Deed of the General Gumala Foundation to allow cash payments to be made to beneficiaries. The Trust Deed requires the convening of extraordinary general meeting following a requisition in writing from not less than 20 beneficiaries.

The Trust Deed changes to be voted on at this meeting are the same changes put forward by the Board of GIPL at the October 2016 Annual General Meeting and rejected by the beneficiaries in attendance. Since that meeting the ATO has issued a ruling to the Foundation advising that the Yandi land use payments received by the Foundation are considered as Native Title Benefits and therefore are regarded by the ATO as non-assessable non-exempt sources of income for the Foundation and its beneficiaries.

The significance of this in relation to the potential movement towards cash payments in the future is that the Trust will not be at risk of losing its charitable status, nor will the beneficiaries be subject to income tax on the payments. The payments will however be taken into account by the ATO and other government organisations for the calculation of other government benefits and charges e.g. the Medicare levy surcharge.

The Trustee has sought an updated opinion from Rio Tinto on their view of the proposed Trust Deed changes following the issue of the ATO Ruling however there has been no response to date. I have urged them to respond to us prior to the EGM. The previous opinion received from Rio Tinto is included within the attached Questions & Answers information sheet.

The Trustee is not offering any opinion on whether beneficiaries should vote for or against the proposals.

Yours sincerely



Brendon Grylls

Chairperson