



26 October 2010

Dear Shareholder

Erratum to the 2010 Annual Report

Please note the following corrections to errors in the attached 2010 Annual Report for Giaconda Limited:

- Page 2. After the first sentence of the last paragraph, the following sentence should have been added:

“Options having 7.5 million ordinary shares of the Company were granted by the Company to Corporate Governance Australia Pty Ltd (a related body corporate of Sydney Capital Partners) on the terms disclosed in the Appendix 3B lodged on 5 February 2010.”
- Page 11. The last sentence of the second paragraph should be replaced with:

“With the exception of recommendations 2.2 and 2.3, all the best practice recommendations of the ASX Corporate Governance Council have been implemented by the Company and are periodically reviewed. Recommendation 2.2 provides that the chairperson should be an independent director. Recommendation 2.3 provides that the roles of the chairperson and chief executive officer should not be exercised by the same person. Recommendations 2.2 and 2.3 have not been complied with as the Company’s former independent chairperson, Mr Richard Wood, resigned on 20 October 2008 and Mr Patrick McLean assumed the role of chairperson on a temporary basis whilst continuing to act as chief executive officer. The Company intends to appoint an independent chairperson once a suitably qualified person has been found.”
- Page 39. The Directors’ Declaration should be replaced with the signed declaration attached to this letter.

Should you have any queries, please do not hesitate to contact me.

Yours sincerely,

Patrick McLean
CEO and acting Chairman

Encl.

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