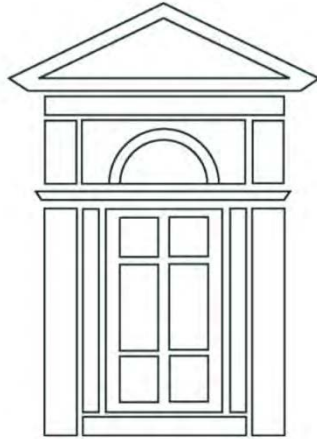


Lowell Resources Fund

(ARSN 093 363 896)

A Specialist Fund Investing in Emerging Mining
& Energy Companies



PRODUCT DISCLOSURE STATEMENT

Offer of Units at the Issue Price per Unit to raise up to \$5 million (with the ability to accept oversubscriptions for up to a further \$5 million).

This PDS also contains an offer of 1,221,594 Existing Unitholder Options ("the Existing Unitholder Options Offer") (see Section 2.14 for further details).

Responsible Entity
Cremorne Capital Limited
(ACN 006 844 588)
(AFSL 241175)

Investment Manager
Lowell Resources Funds Management Ltd
(ACN 006 769 982)
(AFSL 345674)

Financial Advisor



MP Capital Partners Pty Ltd

Dated January 19, 2018

IMPORTANT NOTICES

<p>THIS PDS</p> <p>This is an important document which should be read in its entirety before making any investment decision. You should obtain independent advice if you have any questions about any of the matters contained in this product disclosure statement (PDS).</p> <p>Lowell Resources Fund ARSN 093 363 896 (Fund) is an Australian registered managed investment scheme. Cremorne Capital Limited (AFSL 241175) is the Responsible Entity of the Fund.</p> <p>This document is a product disclosure statement for the purposes of Part 7.9 of the Corporations Act and has been issued by the Responsible Entity.</p> <p>LODGEMENT AND LISTING</p> <p>This PDS is dated 19 January 2018 and a copy of this PDS was lodged with ASIC on that date. The Responsible Entity will apply to ASX within seven days after the date of this PDS for admission to the official list of ASX and for official quotation of the Units on ASX. Neither ASIC, ASX or their officers take any responsibility for the contents of this PDS. Admission to the official list of ASX is in no way an indication of the merits of the Fund.</p> <p>FORWARD-LOOKING STATEMENTS</p> <p>This PDS contains forward-looking statements, statements identified by use of the words 'believes', 'estimates', 'anticipates', 'expects', 'predicts', 'intends', 'targets', 'plans', 'goals', 'outlook', 'aims', 'guidance', 'forecasts', 'may', 'will', 'would', 'could' or 'should' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Responsible Entity, the Investment Manager, their directors and their management. They are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.</p> <p>As set out above, the Responsible Entity and the Investment Manager do not make any representation, express or implied, in relation to forward-looking statements and you are cautioned not to place undue reliance on these statements.</p> <p>The Responsible Entity and the Investment Manager do not intend to update or</p>	<p>revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this PDS, except where required by law.</p> <p>These statements are subject to various risk factors that could cause the Fund's actual results to differ materially from the results expressed or anticipated in these statements. Key risk factors are set out in Section 8. These and other factors could cause actual results to differ materially from those expressed in any statement contained in this PDS.</p> <p>NOTICE TO INVESTORS</p> <p>No person is authorised to provide any information, or to make any representation, about the Fund that is not contained in this PDS. Potential investors should only rely on the information contained in this PDS. Any information or representation not contained in the PDS may not be relied on as having been authorised by the Responsible Entity in connection with the Fund. Except as required by law and only to the extent required by such law, neither the Responsible Entity, the Investment Manager nor any other person associated with the Fund guarantees or warrants the future performance of the Fund, the return on an investment made under this PDS, the repayment of capital or the payment of distributions on the Units.</p> <p>Before deciding to invest in the Fund, investors should read the entire PDS. The information contained in individual sections is not intended to and does not provide a comprehensive review of the business and the financial affairs of the Fund. The information in this PDS does not take into account the investment objectives, financial situation or particular needs of individual investors. An investment in the Fund should be considered speculative. You should carefully consider the risks (including those set out in Section 8) that impact on the Fund in the context of your personal requirements (including your financial and taxation position) and, if required, seek professional guidance from your stockbroker, solicitor, accountant or other professional adviser prior to deciding to invest in the Fund. No cooling-off regime (whether provided for by law or otherwise) applies to the Fund.</p> <p>EXPOSURE PERIOD</p> <p>Pursuant to the Corporations Act, this PDS</p>	<p>is subject to an exposure period of seven days after the date of the PDS, which period may be extended by ASIC by a further period of seven days.</p> <p>The Exposure Period enables this PDS to be examined by market participants. The examination may result in the identification of deficiencies in this PDS. If deficiencies are detected, the Responsible Entity will provide a supplementary or replacement PDS that corrects the deficiency.</p> <p>This PDS will be made generally available to Australian residents during the Exposure Period by being posted on the following website: www.cremornecapital.com/lrf-pds/.</p> <p>RIGHTS AND OBLIGATIONS ATTACHED TO THE UNITS</p> <p>Details of the rights and obligations attached to each Unit are summarised in Section 14.1 and set out in the Constitution. The material provisions of the Constitution are also summarised in Section 14.1. A copy of the Constitution is available, free of charge on the following website: www.cremornecapital.com/lrf-constitution/.</p> <p>DATA</p> <p>All data contained in charts, graphs and tables is based on information available as at 31 December 2017 unless otherwise stated.</p> <p>UPDATED INFORMATION</p> <p>Information in this PDS may need to be updated from time to time. Any updated information that is considered not materially adverse to investors will be made available on the following website: www.cremornecapital.com/lrf-pds/ and the Responsible Entity will provide a copy of the updated information, free of charge to any investor who requests a copy by contacting Julie Edwards on info@lowell.net.au.</p> <p>In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.</p> <p>GLOSSARY</p> <p>Certain terms and abbreviations in this PDS have defined meanings that are explained in Section 15. Defined terms are generally identifiable by the use of an upper case first letter.</p>
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INVITATION FROM THE CHAIRMAN

Dear Investor,

It gives me great pleasure to invite you to become an investor in the Lowell Resources Fund (**Fund**).

The Fund invests in the junior mining and energy sectors in Australia and around the world. Over an extended period of time, the Fund has delivered a long-term track record of success. The 10-year return to investors of 10.4% per annum significantly outperforms our benchmark measure of performance, the ASX 300 Resources Index, which delivered a -2.3% per annum performance over the same period and the ASX 200 Index, which delivered a 4.1% per annum return over the same period.

The mining industry is and has been vital for the global economy. Together with companies in the oil, gas and new energy sector, large and small resources enterprises will continue to be fundamental to supply of raw materials. The discovery and development of mineral deposits provides the opportunity for exciting returns, and the junior resource sector is the most leveraged to these opportunities.

Until now the Fund has been an unlisted public investment trust. However, as the Directors and the Investment Manager consider the global economy to be entering a more prosperous period for resource companies, the decision has been taken to open the Fund to a wider investor base.

Successful applications will receive new Units in the Fund calculated based on a 5% discount to the Net Asset Value Unit Price of the Fund as at the Business Day after the Closing Date. The Responsible Entity will apply for admission of the Fund to the official list of ASX and for Units issued under the General Offer to be quoted (listed) on ASX.

The Fund, as a listed investment trust, will have an important difference to most companies in the Listed Investment Company (LIC) space. An important attribute of the Fund is that any and all profits are distributed every year to Unitholders either in cash, or if preferred, in additional units in the Fund by way of a distribution reinvestment plan.

The portfolio is managed by Lowell Resources Funds Management Ltd (**Investment Manager**). The Investment Manager has a long track record of identifying and capitalising on opportunities in the emerging company space, using its combination of technical and financial expertise in this highly specialised sector. The Investment Manager has the network and the ability to source deep value resource investment opportunities globally, both in listed and unlisted companies, which may not otherwise be available to individual investors in the Fund.



The Investment Manager's investment philosophy is to invest in a focussed portfolio of exceptional opportunities in the junior resources sector and to invest at a price which will provide the opportunity for multiple capital returns, based on each company's underlying potential project value. The track record of the Fund has shown that investing in such a portfolio can generate very attractive absolute returns over time.

Like all investments, there are a number of risks to investing in the small resources sector and therefore in the Fund. Please read this Product Disclosure Statement thoroughly before deciding whether to invest. Should you have any questions about the Initial Offer or how to apply, please call us or your financial advisor.

Yours faithfully,

A handwritten signature in black ink that reads 'Michael Ramsden'.

Michael Ramsden
Chairman – Cremorne Capital Limited (Responsible Entity for the Lowell Resources Fund)

IMPORTANT DATES

The below timetable is indicative only. The Responsible Entity reserves the right to vary the dates and times set out below subject to the Corporations Act and other applicable law.

- Record Date for Existing Unitholder Options Offer: 25 September 2017
- Lodgement of PDS with ASIC 19 January 2018
- Anticipated lodgement of listing application and the PDS with ASX 22 January 2018
- Final Redemptions from the unlisted Fund: 24 January 2018
- Opening date for applications: 29 January 2018
- Closing date for applications: 28 February 2018
- Allotment of Units under the Initial Offer 8 March 2018
- Holding statements and allotment notices sent to successful Applicants 9 March 2018
- Trading of Units commences on ASX (on a normal settlement basis): 15 March 2018

THE OFFERS

The Offers contained in this PDS are:

- (a) the Initial Offer which is an invitation to apply for Units (fully paid Units in the Fund) at the Issue Price per New Unit to raise up to \$5,000,000 before costs (the Maximum Subscription, before oversubscriptions). The Directors reserve the right to accept oversubscriptions of up to a further \$5,000,000. The Initial Offer is made up of:
 - (i) the Broker Firm Offer which is only open to clients of brokers who received a firm allocation of Units from their broker; and
 - (ii) the General Offer which is open to all eligible investors; and
- (b) the Existing Unitholder Options offer of 1,221,594 Existing Unitholder Options. See Section 2.14 for further details. Only existing Fund Unitholders as at the Record Date are eligible to accept the Existing Unitholder Options Offer and received Existing Unitholder Options.

The Initial Offer and the Existing Unitholder Options Offer are collectively referred to in this PDS as “the Offers”.

The Offers are:

- (a) not conditional upon the Responsible Entity receiving applications and application monies for any minimum number of Units under the Initial Offer; and
- (b) are conditional upon ASX giving its conditional approval for admission of the Fund to the Official List and the quotation of the Units issued to successful applicants.

The Offers will not proceed, no Units or Existing Unitholder Options will be issued pursuant to this PDS, and application monies will be refunded to applicants in full (without interest) in accordance with the Corporations Act if ASX’s approval for admission of the Fund to the Official List is not received and Units issued to successful applicants are not quoted within 3 months of the date of this PDS (or any longer period as ASIC and ASX may permit).

Listing of the Existing Unitholder Options in this PDS is not being applied for and is not a condition of the Offers.

KEY STATISTICS OF THE FUND AND THE INITIAL OFFER

- Proposed ASX code: LRT
- Fund Establishment Date: 21 January 1986

	\$5 MILLION RAISING
Existing Fund Units as at 10 January 2018	2,396,000
Issue Price for Units	See Section 2.4
Cash proceeds under the Initial Offer	\$5,000,000
Approximate market capitalisation at Issue Price *	\$25.7 million
Options on issue at the Listing date (Existing Unitholder Options), up to:	1,221,594

* *Approximation only, if the Issue Price were calculated using the Net Asset Value of the Fund on 10 January 2018, as set out in the example in Section 2.4, and not as a forecast or representation in respect of the Net Asset value of the Fund or the potential Issue Price.*

1. KEY INFORMATION

This is a summary only. This PDS should be read in full before making any decision to apply for Units.

Question	Answer	For more information
A. About the Lowell Resources Fund and Investment Overview		
What is the Lowell Resources Fund?	The Lowell Resources Fund (Fund) is a unit Fund which was established on 21 January 1986 and has been registered as a managed investment scheme under the Corporations Act since 2000, and will apply to be admitted to the official list of ASX as an investment entity.	Section 4
What is the proposed ASX code?	LRT.	Section 2
Who is the responsible entity and investment manager of the Fund?	Cremorne Capital Limited (ACN 006 844 588) (Responsible Entity) is the responsible entity of the Fund. Lowell Resources Fund Management Ltd (ACN 006 769 982) (Investment Manager) is the investment manager of the Fund.	Section 4 Section 5
What experience does the Investment Manager have?	The Investment Manager was appointed as investment manager of the Fund on 6 January 2004 and operates through an investment committee which concentrates the experience and knowledge of individuals who have direct working experience in the oil & gas and minerals industries, as well as broking, banking and funds management.	Section 5
What are the Fund's investment objectives?	The investment objectives of the Fund are to maximize absolute returns to Unitholders over the medium to long-term, along with annual distribution payment contingent on taxable profits generated over the term.	Section 3
What is the Fund's investment strategy?	The Investment Manager employs a top-down investment strategy, with an ultimate focus on optimising the stock selection process to achieve maximum performance. Commodity weighting is an important process, whereby bullish commodity sectors are identified and ranked, while the less	Section 3

Question	Answer	For more information
	<p>promising sectors are downgraded. The Investment Manager then considers the individual stocks within those weighted sectors, based on their fundamentals, chart patterns and pricing, and identifies entry positions and potential exit strategies for each stock. This requires a combination of economic and technical analysis, along with continued monitoring of investor sentiment. Risk management and preservation of capital is an important consideration.</p> <p>The Fund's Portfolio will, out of necessity, be strongly biased towards the high-risk end of the spectrum, while avoiding the most speculative blue-sky exploration companies.</p> <p>The Investment Manager has adopted a strategy of minimising downside risk through early identification and disposal of potential loss-makers, while maintaining or adding to winning positions. Increased cash holdings reduce portfolio volatility during uncertain times of impending market weakness.</p> <p>Depending on market conditions, the Portfolio usually comprises around 20-40 junior mining & energy companies that are actively exploring for, developing, and/or producing specific commodities (e.g. gold, oil, copper) and that have strong fundamentals and are expected to outperform, whilst maintaining a modest exposure to a more diverse range of minerals at lower points in the commodity price cycle.</p> <p>Commodity price trends are not always clear-cut, therefore sector weightings are subject to frequent adjustment by the Investment Manager. Companies in the Portfolio provide a mix of Australian and international resource projects in Africa, the Americas, Europe and Asia, but most are listed on the ASX.</p>	
<p>What disclosures will the Responsible Entity and the Investment Manager make with respect to the value of the Fund and the Portfolio?</p>	<p>The Fund intends to make the following disclosures in relation to the value of the Fund and the Portfolio:</p> <ul style="list-style-type: none"> • NAV Unit Price published on the 	<p>Section 4</p>

Question	Answer	For more information
	<p>Responsible Entity's website and on ASX at least monthly; and</p> <ul style="list-style-type: none"> • Periodic investment reports published on the Investment Manager's website and ASX. 	
<p>Will the Fund pay distributions?</p>	<p>If the Fund pays a distribution to Unitholders, it is generally expected to be paid on an annual basis. The amount of the distribution is anticipated to be an amount approximately equal to the taxable income components of the Fund for the period that the distribution relates to, usually the Financial Year in which the income is earned. The Fund has made distributions in 4 of the last 10 years.</p> <p>In some years it is possible that no distribution will be paid, for example when there are no or very little net taxable income components earned by the Fund. The Responsible Entity may also elect to pay an interim distribution in relation to a period other than a full Financial Year. An example of when this may occur is if the Fund were to realise significant capital gains and wished to distribute some or all of these gains.</p> <p>If the Fund becomes Listed, the Responsible Entity is required to announce to ASX an estimated distribution amount per Unit prior to the Units trading on the ASX on an entitlement basis. Whilst there is no guarantee that the actual distribution will be exactly equal to the estimated distribution, the Responsible Entity will endeavour to ensure that these amounts are equal.</p>	<p>Section 4</p>
<p>Will distributions be franked?</p>	<p>Distributions may be franked to the extent the Fund earns franked dividends from Investments in the Portfolio.</p>	<p>Section 12</p>
<p>Will there be a distribution reinvestment plan?</p>	<p>Yes. The Responsible Entity has established a distribution reinvestment plan (DRP) for the Fund. Unitholders who participate in the DRP have their distributions automatically reinvested into additional Units in the Fund. Further details about the DRP can be found at www.cremornecapital.com</p>	<p>Section 6</p>

Question	Answer	For more information
	<p>Investors applying for Units under the Initial Offer will automatically be included for participation in the DRP, unless they opt out of the DRP by notifying the Responsible Entity that they wish to have their distributions paid into an Australian dollar bank account of the investor's choice.</p>	
<p>What are the key benefits associated with an investment in the Fund?</p>	<p>The Offer provides investors with an opportunity to invest in an ASX listed investment Fund which aims to provide investors with:</p> <ul style="list-style-type: none"> • Exposure to a focused portfolio of small capitalisation resources companies with a proven track record of investment returns (over 10% p.a. over the past 10 years); • Access to the investment experience and expertise of Investment Manager; • An anticipated annual distribution; • An Issue Price which is a 5% discount on the NAV Unit Price of the Fund; • Transparency in relation to the value of the Fund and the Portfolio; and • For Unitholders eligible to participate in the Existing Unitholder Options Offer, a valuable loyalty reward of 1 option to acquire a Unit for every 2 Units held as at the record Date. 	<p>Section 6</p>
<p>What are the key risks associated with an investment in the Fund?</p>	<p>There is a number of risks associated with investing in the Fund which are set out in further detail in Section 8 of this PDS. Key risks specific to an investment in the Fund include:</p> <p>(a) Asset risk: A particular commodity, asset or security that the Fund invests in may fall in value for a number of reasons, including a change in a business's internal operations or management, a change in the business environment or a change in the commodities market.</p> <p>(b) ASX liquidity risk: The liquidity of trading in Units on the ASX may be limited at times and may affect an</p>	<p>Section 8</p>

Question	Answer	For more information
	<p>investor's ability to buy or sell Units.</p> <p>(c) Company specific risk: The value of the Fund's investments in a company's securities may be impacted by the risks to which that particular company is itself exposed.</p> <p>(d) Concentration risk: The investment returns of the Fund may be dependent upon the performance of a small number of individual companies in the Portfolio.</p> <p>(e) Currency risk: The Fund's foreign currency exposure may at times negatively impact investment values and returns.</p> <p>(f) Liquidity risk: The Fund predominantly invests in junior mining and energy stocks which, on average, have lower liquidity than stocks with greater market capitalisations. Liquidity risk is the risk that an Investment may be difficult to sell in a timely fashion when required, or that the price at which such a sale may be made differs substantially from what the Investment Manager considers to be fair market value. If the Investment Manager is unable to sell assets, or can only sell assets at a discount to fundamental value, the Value of the Portfolio is likely to be negatively affected.</p> <p>(g) Market risk: There is a risk that the market price of the Fund's assets and investments will fluctuate.</p> <p>(h) Operational risks: The risk that inadequacies with systems and procedures or the people operating them could lead to a problem with the Fund's operation and result in a decrease in the value of Units.</p> <p>(i) Portfolio performance risk: There is a risk that the Fund may not achieve its investment objectives.</p>	

Question	Answer	For more information
	<p>(j) Key personnel risk: The skill and performance of the Investment Manager can have a significant impact (both directly and indirectly) on the investment returns of the Fund. Changes in key personnel and resources of the Investment Manager may also have a material impact on investment returns of the Fund.</p> <p>(k) Unit Trading Price risk: The Fund's Unit price may not equal the underlying value of the Portfolio as reflected in its NAV per Unit. The Fund's Units may trade on ASX at a discount or a premium to the Fund's NAV per Unit. As such, there is a risk that Unitholders may not be able to sell their investment in the Fund at the Fund's NAV per Unit.</p> <p>(l) Regulatory risk: There is a risk that a change in laws and regulations could have an adverse impact on the Fund or on the Fund's investments.</p> <p>(m) Counterparty risk: There is a risk that the Fund may incur a loss arising from the failure of another party to a contract (the counterparty) to meet its obligations.</p>	
B. Fees and Costs		
<p>What ongoing fees will the Responsible Entity receive?</p>	<p>Management Costs</p> <p><u>Management fee</u></p> <p>Where the Total Gross Investments of the Fund are equal to or less than \$50 million, the Responsible Entity is entitled to receive a management fee per month of the higher of:</p> <p>(a) \$25,625 plus 0.627% per annum of Total Gross Investments of the Fund; or</p> <p>(b) 2.1645% per annum of the Total Gross Investments of the Fund.</p> <p>Where the Total Gross Investments of the Fund are greater than \$50 million, the Responsible Entity is entitled to receive a</p>	<p>Section 9</p>

Question	Answer	For more information
	<p>management fee per month of 2.1645% per annum of the Total Gross Investments up to \$50 million plus 1.652% per annum of the Total Gross Investments exceeding \$50 million.</p> <p>The above figures are inclusive of the estimated net effect of GST less any RITC.</p> <p>The management fee is calculated and accrues daily, and is payable on a monthly basis in arrears. Part of the management fee is on-paid to the Investment Manager as set out in Section 13.1.</p> <p><u>Performance fee</u></p> <p>A performance fee of 17.9375% (inclusive of the estimated net effect of GST less RITC and other recoveries available to the Fund) by which the Net Asset Value of the Fund exceeds the base price of the Fund for the relevant performance period may be payable depending on the performance of the Fund, as described in Section 9. The Performance Fee (if any) is on-paid to the Investment Manager as set out in Section 13.1.</p> <p><u>Other Fund costs</u></p> <p>There are fees and costs associated with the administration of the Fund and the Investments that are paid by the Responsible Entity from the Fund, including, but not limited to, custody, registry, accounting and audit fees.</p>	

C. About the Offers		
Who is the issuer of the Units, and this PDS?	The Responsible Entity.	Section 2
What are the Offers?	<p>The Offers comprise an offer of Units at the Issue Price per Unit to raise up to \$5 million (with the ability to accept oversubscriptions of up to a further \$5 million) and an offer of options on a 1 for 2 basis to existing Unitholders at the Record Date.</p> <p>The Offers comprise the Initial Offer (General Offer and Broker Firm Offer) and the Existing Unitholder Options Offer.</p>	Section 2
What is the Issue Price?	The Issue Price will be the amount which is a 5% discount to the Net Asset Value Unit Price which results from dividing the Net Asset Value of the Fund as at the Valuation Date by the number of Units on issue at that date.	Section 2
Who can participate in the General Offer?	<p>Members of the general public who have a registered address in Australia or New Zealand can participate in the General Offer.</p> <p>Applicants applying under the General Offer should follow the instructions set out in Section 2.</p>	Section 2
Who can participate in the Broker Firm Offer?	<p>The Broker Firm Offer is open to persons who have received a firm allocation from their broker or licensed dealer and who have a registered address in Australia or New Zealand. Investors who have been offered a firm allocation by a broker or licensed dealer will be treated as an Applicant under the Broker Firm Offer in respect of that allocation.</p> <p>Investors should contact their broker or licensed dealer to determine whether they may be allocated Units under the Broker Firm Offer.</p>	Section 2
Who can participate in the Existing Unitholder Options Offer?	<p>The Existing Unitholder Options Offer is only made to and capable of acceptance by existing Unitholders as at the Record Date.</p> <p>Existing Unitholders as at the Record Date do not need to do anything to receive the Existing Unitholder Options.</p>	Section 2

Is the Initial Offer underwritten?	No.	Section 2
Who is the Financial Advisor to the Initial Offer?	MP Capital Partners Pty Ltd (ACN 159 200 503).	Section 13
What are the expenses of the Offers?	<p>The fees and costs associated with the Offers will be borne by the Fund.</p> <p>The Financial Advisor is to receive a one-off payment of an equity arranging fee of 5.5% (inclusive of GST) of the gross proceeds raised by the Initial Offer, payable after the close of the Initial Offer, and a success fee payable upon Listing (being a fee for structuring and arranging the Fund for listing) of 1.045% (inclusive of GST and less RITC) of the Total Gross Investments of the Fund immediately prior to the issue of new Units to successful applicants under the Initial Offer.</p>	Section 11
Is there a minimum subscription amount for the Initial Offer to proceed?	No, there is no minimum subscription for the Initial Offer to proceed.	Section 2
Is there a minimum subscription amount for each Application?	<p>Yes, each Applicant under the Initial Offer must subscribe for a minimum subscription amount of \$2,500.</p> <p>Subscriptions for Units in excess of the minimum subscription amount must be made in multiples of \$1,000 thereafter.</p>	Section 2
Is there a cooling off period?	No.	Section 2
How can I obtain further information in relation to the Offer?	<p>If you would like more information or have any questions relating to the Offers, you can refer to the Responsible Entity's website at www.cremornecapital.com or contact 03 9642 0655.</p> <p>If you are uncertain as to whether an investment in the Fund is suitable for you, please contact your stockbroker or other professional adviser.</p>	

2. DETAILS OF THE OFFERS

2.1 The Offers

The Offers in this PDS comprise the Initial Offer (see Sections 2.2 to 2.13) and the Existing Unitholder Options Offer (see Section 2.14). Sections 2.15 to 2.17 apply to both of the Offers.

2.2 The Initial Offer

This PDS invites investors to apply for Units in the Fund at the Issue Price per Unit to raise \$5 million before costs of the Offers. The Directors reserve the right to accept oversubscriptions of up to a further \$5 million. Details of how to apply for Units under the Initial Offer are set out in Sections 2.7, 2.8 and 2.9.

The Initial Offer comprises a Broker Firm Offer and a General Offer.

The Broker Firm Offer is open to persons who have received a firm allocation from their broker or licensed dealer and who have a registered address in Australia or New Zealand. Investors who have been offered a firm allocation by a broker or licensed dealer will be treated as an applicant under the Broker Firm Offer in respect of that allocation. Investors should contact their broker or licensed dealer to determine whether they may be allocated Units under the Broker Firm Offer.

The General Offer is open to investors who have a registered address in Australia or New Zealand.

Applicants under both the General Offer and Broker Firm Offer will be required to pay an Application Amount of the Issue Price per Unit for each Unit they apply for.

The Responsible Entity reserves the right not to proceed with the Initial Offer at any time before the allotment of Units under the Initial Offer. If the Initial Offer does not proceed, Application Monies received by the Responsible Entity will be refunded in full (without interest).

The Responsible Entity reserves the right to decline any Applications in whole or in part without giving any reason. Applications may be scaled back if Applications for more than the Maximum Oversubscription are received – see Section 2.12.

The Responsible Entity reserves the right to close the Initial Offer early, to accept late Applications or extend the Initial Offer without notifying any recipient of this PDS or any Applicant.

The result of acceptance by the Responsible Entity of the Maximum Oversubscription under the Initial Offer would be the raising of \$10 million through the issue of Units.

2.3 Purpose of the Initial Offer

The purpose of the Initial Offer is to raise additional funds to increase the Assets available for investment in the resources sector to grow the Portfolio.

2.4 The Issue Price of Units under the Initial Offer

The number of Units you receive if your Application is successful will be determined according to the Issue Price calculated as at the Business Day after the Closing Date (“the Valuation Date”).

The Issue Price will be the amount which is a 5% discount to the Net Asset Value Unit Price which results from dividing the Net Asset Value of the Fund as at the Valuation Date by the number of Units on issue at that date.

The Net Asset Value of the Fund as at the Valuation Date will be calculated on the same basis and in the same manner as weekly calculations of the Net Asset Value of the Fund.

The Net Asset Value of the Fund is calculated by the following formula:

$$A - L$$

where:

A = Assets of the Fund, as further described below; and

L = Liabilities of the Fund, as further described below.

The figures used to calculate the Net Asset Value of the Fund in accordance with the above formula are taken from unaudited and unreviewed management accounts. Where Assets refers to securities that are listed on a recognised stock exchange outside of Australia, the closing price used for valuation purposes will be the closing price on the same calendar day for that local stock exchange as used for valuation of securities listed on ASX.

The Assets of the Fund included in the calculation the Net Asset Value of the Fund comprise:

1. Cash at bank: for the purposes of calculating the Assets of the Fund, cash also includes term deposits and interest accruing on those term deposits and the Fund’s cash in bank accounts. The value of the Fund’s cash at bank is obtained from bank statements and reports received from the Custodian.
2. Provision for tax credits and refunds: being amounts the Fund is expected to recover from the Australian Taxation Office in the form of reduced income tax credits (RITC) from goods and services tax (GST) paid on expenses incurred by the Fund. Different expenses incurred by the Fund have different rates of RITC recovery (between 0% and 75% of the GST paid) and as such the valuation of the expected tax recovery will be based on the actual amount of the expense paid and the RITC recovery rate for that expense.
3. Proceeds from sales of Investments: being the amounts accounted for but not yet received from the sale of Investments of the Fund. Proceeds from such sales are generally received about three business days following the execution of the sale. If an Investment is sold, the securities forming that Investment are immediately removed from the Investments of the Fund referred to in the next item.
4. The market value of the Investments of the Fund: Investments of the Fund are securities listed on recognised stock exchanges and securities that are not listed on a recognised

stock exchange. The method of valuation determining the market value for the two different types of Investments of the Fund are:

- a) for those investments comprising securities listed on a recognised stock exchange, the market value is determined by the Custodian using published data sources (such as IRESS or Bloomberg)
- b) for those Investments comprising securities that are not listed on recognised stock exchanges (including options and warrants), the market value is determined:
 - i. for unlisted securities (for example, those held in private companies), at cost unless the Investment Committee considers that there is more up-to-date data to support a revaluation of the securities (e.g. a new capital raising at a price different to that paid by the Fund, a material event affecting the value of the securities or a proposed listing of the securities); and
 - ii. for options and warrants that are not traded on a recognised stock exchange, at the intrinsic value of the Investment being the value of the primary investment vehicle less the exercise price of the option or warrant.

The Liabilities of the Fund included in the calculation the Net Asset Value of the Fund comprise:

1. Accrued costs of the Fund: this includes audit, consulting, registry, custody and legal expenses incurred and owed by the Fund. This item includes (or will include) provision for accrued costs of the Offers and of seeking to List the Fund. Provisions for accrued management and performance fees is described below.
2. Accrued performance fees: provision for accrued performance fees is made over the period to which they would be anticipated to apply to ensure that the cost is fairly recognised over the period to which it applies. The performance fees for each performance period may differ depending upon the changes in the value of the Fund during the applicable period. If the Performance Fee is payable to a period (to 31 December or 30 June, respectively) they are paid from the Fund in the following half year.
3. Accrued management fees: any accrued management fee is spread over the period to which they apply to ensure that the cost is equitably shared between Unitholders. The management fee for each relevant period may differ depending upon the changes in the value of the Fund during that period. The management fee is paid monthly.
4. Investment purchase balance due: being amounts committed to but not yet paid for the purchase of Investments of the Fund. The purchase price for such transactions are generally payable about three business days following execution of the purchase.

For further details of the fees and costs of the Fund, see Section 9.

Any value (whether of an Investment or cash) not in Australian dollars will be converted into Australian dollars at the rate (whether official or otherwise) which the Responsible Entity in its absolute discretion deems applicable as at close of business on the relevant day, having regard, among other things, to any premium or discount which is considered may be relevant and to costs of the exchange. i.e. the Responsible Entity may, at its discretion, permit any other method

of valuation to be used if it is in accordance with its written policy in determining the value of Assets and Liabilities and such method of valuation better reflects the market value.

Once the Assets and Liabilities of the Fund have been determined (as described above) and the Net Asset Value figure calculated, that figure will be divided by the number of Units on issue in the Fund (before any Units are issued under the Initial Offer) to determine the Issue Price.

The Issue Price will therefore be calculated in accordance with the following formula:

$$\frac{\underline{A - L}}{\text{Units on issue}}$$

where:

A = Assets of the Fund, as described above;

L = Liabilities of the Fund, as described above; and

The number of Units on issue is counted before any Units are issued under the Initial Offer.

Example

As at 10 January 2018, the Net Asset Value of the Fund calculated in accordance with the above method was \$21,429,966.66. There were 2,396,000 Units on issue. At that Net Asset Value of the Fund, the Issue Price would be \$8.4969 per Unit (a 5% discount to \$8.9441). At that example Issue Price an applicant who made a successful application for \$20,000 of Units would receive 2,353 Units.

Important Note: The above is an example provided to illustrate how the Issue Price will be determined and the number of Units successful applicants would receive. The Net Asset Value of the Fund will change, and the above are not forecasts or representations in respect of the Net Asset value of the Fund, the potential Issue Price, the number of Units which would be issued, or of the potential trading prices of Units at any time in the future.

Any fractional entitlements to Units will be rounded to the nearest whole unit, with fractional entitlements equal to exactly half a Unit rounded up.

Applications may be scaled back if Applications for more than the Maximum Subscription are received – see Section 2.12. However, this will not change the Issue Price.

The Net Asset Value of the Fund as at the Valuation Date and the Issue Price per Unit will be published on the Responsible Entity's website. It will also be announced to the ASX as part of the disclosures released before quotation commences (if ASX admits the Fund to the official list and its Units are admitted to quotation). For the purposes of ASX Listing Rule 1.1 condition 12, the Responsible Entity confirms that the Issue Price will be greater than 20 cents.

Each successful applicant will be advised of the Issue Price of Units and the Number of Units received, either by a CHESS transaction confirmation statement or in a holding statement which will be mailed to the applicant. It is the responsibility of applicants to determine their allocation prior to trading Units. Recipients trading Units before they receive their statements will do so at their own risk.

2.5 Key Dates and Minimum Application Amounts

The key dates of the Initial Offer are:

Opening Date	29 January 2018
Closing Date	28 February 2018

The minimum amounts for which applications may be made are:

Minimum Application Amount	\$2,500
And thereafter, in multiples of:	\$1,000

2.6 Minimum Subscription

Given the existing state and size of the Fund, there is no minimum subscription required for the Initial Offer for the proposed Listing of the Fund to proceed.

At the example Issue Price as at 13 December 2017 set out in the example in Section 2.4 above, the Fund would have over 450 non-affiliated Unitholders with a holding of Units with a value of at least \$2,000, and accordingly the Fund would expect to satisfy the ASX's spread requirements for Listing even if no further non-affiliated Unitholders were to apply for a Unitholding with a value of at least \$2,000 under the Initial Offer. Likewise, the free float at the time of admission would exceed the 20% minimum ASX free float requirement for Listing.

The Initial Offer is not underwritten.

2.7 Applying for Units

The number of Units you receive if your Application is successful will be determined according to the Issue Price. Individual Applications must be for a minimum of \$2,500. and thereafter in multiples of \$1,000. The maximum amount of Applications that may be made under the Initial Offer is the Maximum Subscription plus the Maximum Oversubscription.

The Responsible Entity reserves the right to reject any Application or to allocate a lesser number of Units than that which is applied for.

Applications for Units under the Initial Offer must be received by 5:00pm (Australian Eastern Daylight Time) on the Closing Date.

2.8 Applying for Units under the Broker Firm Offer

To apply for Units under the Broker Firm Offer, Applicants must complete the Application Form and lodge it with the broker or licensed dealer from whom the Applicant received their firm allocation. Application Forms must be completed in accordance with the instructions given to any Applicant by the broker or licensed dealer and the instructions set out on the Application Form.

The Responsible Entity will determine the allocation of Units amongst brokers and licensed dealers.

Brokers and licensed dealers will have sole discretion to allocate Units offered under the Initial Offer to their clients, and they (and not the Responsible Entity) will be responsible for ensuring that clients who have received an allocation from them receive the relevant Units. Please contact your broker or licensed dealer if you have any questions.

2.9 Applying for Units under the General Offer

To apply for Units under the General Offer, please complete the Online Application Form available at <https://investor.automic.com.au/lowellresourcesfundipo.html>. For postal applications, please complete the Application Form and relevant which is attached to or accompany this PDS. All forms must be completed in accordance with the accompanying instructions.

Any Applicants applying online must personally complete the Application Form and pay the Application Monies via BPAY[®] (for Applicants in Australia) or by electronic funds transfer (for overseas Applicants in permitted jurisdictions in which the General Offer is made).

For hard-copy Applications, completed Application Forms and accompanying Application Monies must be lodged so that they are received at the address/es set out below by 5:00pm on the Closing Date.

By mail to:	Delivered to (during business hours only):
Lowell Resources Fund C/- Automic PO Box 2226 STRAWBERRY HILLS NSW 2012	Lowell Resources Fund C/- Automic Level 3, 50 Holt Street SURRY HILLS NSW 2010

2.10 Payment

Application Monies for hard-copy Applications must be paid by cheque, or where an investor makes an online application, by BPAY[®].

Cheques must be in Australian currency, drawn on an Australian bank, crossed 'Not Negotiable' and made payable to:

- for Applicants in the General Offer: 'Lowell Resources Fund'; or
- for Applicants in the Broker Firm Offer: in accordance with the directions of the broker or licensed dealer from whom the Applicant has received a firm allocation.

Cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. Any such cheques will be returned and the relevant Application will not be successful. Sufficient cleared funds should be held in the account on which the cheque is drawn or your Application may not be successful if the cheque is dishonoured.

Applicants should ensure that sufficient funds are held in the relevant account to cover their cheque. If the amount of an Applicant's cheque is insufficient to pay for the number of Units applied for in the relevant Application Form, the Applicant may be taken to have applied for such higher or lower amount as your cleared Application Monies will pay for.

Applicants who wish to pay by BPAY[®] (or by electronic funds transfer for eligible overseas Applicants) should follow the instructions on the Online Application Form (which includes the Biller Code and your unique Customer Reference Number (CRN)). The Online Application Form accompanies the electronic version of this PDS and is available at <https://investor.automic.com.au/lowellresourcesfundipo.html>. Failure to follow the directions on the Online Application Form may result in an Application being rejected.

It is each Applicant's responsibility to ensure that Application Monies are received prior to 5:00pm on the Closing Date. The Responsible Entity accepts no responsibility for any failure to

receive Application Monies or payments by BPAY[®] (or electronic funds transfer for eligible overseas Applicants) by the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

2.11 Offer Opening and Closing

The Initial Offer is expected to open for Applications on the Opening Date. However, this may be delayed if ASIC extends the exposure period for this PDS.

The Initial Offer is expected to close at 5:00pm on the Closing Date. Individual Applicants are responsible for ensuring that their Application Form and Application Monies are received prior to this time.

Applicants to the Broker Firm Offer should return their applications in accordance with the deadline set out to them by their broker.

2.12 Application Policy

Units will be allocated under the Initial Offer firstly to brokers or licensed dealers under the Broker Firm Offer, and then to Applicants under the General Offer.

Within the General Offer, the Responsible Entity may give preference to certain Applicants nominated by it. Otherwise, Applicants under the General Offer will be allocated Units in accordance with the dollar amount of Units they apply for divided by the Issue Price, unless the Responsible Entity scales back or rejects their Application in whole or in part. The formula for any scale back will be determined by the Responsible Entity in its sole discretion.

It is currently expected that certain shareholders, directors and employees of the Responsible Entity, its related parties or affiliates may also submit Applications.

The Responsible Entity reserves the right in its absolute discretion not to issue Units to Applicants under the General Offer and may reject any Application or allocate a lesser number of Units than those applied for at its absolute discretion.

Application Monies will be refunded to the extent that an Application is rejected or scaled back, or the Initial Offer is withdrawn. No interest will be paid on refunded amounts. The Responsible Entity will retain any interest earned on all Application Monies.

2.13 Successful Applications

The Responsible Entity will issue the Units to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on 8 March 2018. Holding statements and allotment notices confirming Applicants' allocations under the Initial Offer are expected to be sent to successful Applicants on or around 9 March 2018. These dates may change.

Investors do not have a right to a cooling off period in respect of the Units.

2.14 The Existing Unitholder Options Offer

This PDS contains an offer of 1,221,594 Existing Unitholder Options each to acquire one Unit in the Fund (having an exercise price at a 10% premium to the Issue Price and expiring 24 months from the date of issue) to existing Unitholders on a 1 for 2 basis as at the Record Date of 25 September 2017.

The Existing Unitholder Options will not be listed. Listing of the Existing Unitholder Options is not being applied for and is not a condition of the Offers, however the Responsible Entity will apply for quotation of Units issued on exercise of the Existing Unitholder Options, subject to then remaining restriction (escrow) period (if any) applicable.

No funds will be raised through the issue of Existing Unitholder Options. Funds received upon exercise of Existing Unitholder Options (if exercised) will be applied to the Fund's Portfolio.

The Existing Unitholder Options Offer is only made to and capable of acceptance by existing Unitholders as at the Record Date. The Responsible Entity will determine the allocation of Existing Unitholder Options to each recipient and will issue the Existing Unitholder Options to recipients as soon as practicable after the Closing Date. Allotment is expected to occur on or about 8 March 2017. Subject to satisfaction of any restriction (escrow) or other conditions imposed by ASX (if any), existing Unitholders as at the Record Date do not need to do anything to receive the Existing Unitholder Options and holding statements and allotment notices confirming allocations under the Existing Unitholder Options Offer are expected to be sent to recipients on or about 9 March 2017.

2.15 Trading on the ASX Market

The Responsible Entity will apply to ASX within seven days after the date of this PDS for admission of the Fund to the official list of ASX and for official quotation of the Units on ASX. Trading of the Units on the ASX (under proposed ASX code LRT) is expected to commence on 15 March 2018 on a normal T+2 settlement basis. ASX and its officers do not take any responsibility for the contents of this PDS. The fact that ASX may admit the Fund to the official list of ASX is in no way an indication of the merits of the Fund, the Offers or the Fund's securities.

It is the responsibility of Applicants who receive Units under the Offers to determine their allocation of Units prior to trading in them. Applicants who sell Units before they receive confirmation of their allotment will do so at their own risk.

If the ASX does not grant permission for the Units to be quoted within 3 months after the date of this PDS, the Units will be cancelled and all Application Monies will be refunded (without interest) as soon as practicable.

2.16 Costs of the Offers

The costs of the Offers include legal, accounting, advisory and other costs associated with the production of this PDS. At the time of production of this PDS, the costs of the Offers are estimated to be approximately \$462,000 assuming the minimum subscription is achieved, or \$743,000 assuming the Maximum Subscription is achieved (before the acceptance of any oversubscriptions). The costs of the Offers are to be paid from the Fund.

2.17 No Overseas Distribution

No action has been taken to register or qualify the offer under this PDS, or to otherwise permit a public offering of Units, in any jurisdiction outside Australia or New Zealand.

The distribution of this PDS in jurisdictions outside Australia or New Zealand may be restricted by law. This PDS does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons who come into possession of this document should inform themselves about and observe any restrictions on acquisition or distribution of the PDS. Any failure to comply with these restrictions may constitute a violation of securities laws.

3. OVERVIEW OF THE INVESTMENT STRATEGY

3.1 Background to Investing in the Resource Sector

Markets in commodities and mining & energy company shares are dynamic and ever changing. Investment in the resource sector therefore requires active management. This is particularly true of thinly traded junior resource companies which dominate the Fund's portfolio. These stocks tend to be sensitive to commodity price fluctuations and news releases, necessitating ongoing reassessment of an investment position.

To assist in monitoring the Fund's investment performance, the Responsible Entity maintains a website at www.cremornecapital.com that provides updates on unit pricing.

It is important to note that any information relating to historical performance does not necessarily indicate future performance of resource sector investments, or the investment performance of the Fund.

3.2 The Resource Cycle

Demand for mineral and energy resources is cyclic, with prolonged downturns alternating with episodes of strong demand. The shifting emphasis on commodity markets in the East, especially in China and India, has changed the dynamics of global trade and introduced a new level of demand-driven growth, reinforced by speculative investment.

The Investment Manager's philosophy of investment in the resource sector is "top down" in the sense that it takes into account global geopolitical developments, macroeconomic fundamentals, market trends, momentum, opportunities in the minerals sector, and risks. Commodity prices are currently underpinned by economic growth in China and the USA in particular, along with Japan, India and Europe, with expectations of increasing demand from the emerging markets of South East Asia and elsewhere. The magnitude and frequency of resource sector cyclicality is primarily determined by changes in the underlying global economy and supply/demand balance, as well as by currency factors and inflationary expectations, and the role of large-scale speculation.

The commodity price cycle is not uniform across the sector, as the fundamental drivers differ for precious metals, industrial minerals, bulk commodities, oil & gas, and various strategic minerals. Price movements are therefore often out of phase among these different materials, and Fund's management revises and updates its outlook and investment weightings for different minerals and energy resources as these trends unfold.

The junior resource companies that comprise the Fund Portfolio are essentially a leveraged proxy over the prices of the underlying mineral resources. Understanding the forces affecting commodity prices is therefore a critical exercise in management of the Portfolio. The increasing unpredictability of geopolitical developments worldwide adds to the complexity of commodity price expectations. Price responses that appear to be inevitable may take a long time to eventuate, so that long-term forecasts are more likely to be realised than are the near-term forecasts.

Therefore, while the Investment Manager generally expects mean-reversion of prices to the longer-term trend, mineral and energy resources and stocks may fluctuate widely before adjusting to more rational valuations. For this reason, the Fund's investments are normally held for periods of years.

This protracted investment horizon also allows for successful junior resource companies to evolve and appreciate in value. Not all junior explorers achieve their growth objectives, often for reasons beyond their control, and in these situations the Fund aims to make an early exit as soon as the warning signs are apparent.

Apart from commodity prices, the status of international share markets is another determinant of resource stock valuations. US equities are a dominant factor influencing global markets. Upward momentum in the major US share market indices is generally favourable for industrial metal stocks, but not necessarily for precious metals.

It is widely acknowledged that US equity markets are significantly overvalued (Weiss Institute, John Mauldin, James Rickards, among other economic experts) based on traditional indicators such as the price to earnings ratios, but market sentiment expressed by abnormally low VIX Index volatility measures indicates that investors appear to remain complacent. Geopolitical and economic risks (military threats, regional unrest, and relatively high levels of debt in many major economies) do not appear to be priced into the broad markets. While this situation persists, investors in general may be overlooking the resource sector and to focus on “blue chip” industrial stocks, as expressed in the soaring US Dow Jones and Nasdaq indices.

As recognised by the abovementioned authorities, among many others, currency degradation, reduction in purchasing power, and higher commodity prices will at some stage be an unavoidable consequence of increased global debt, mounting deficits, and currency creation. The Investment Manager expects that money will continue to lose value, at an accelerated rate – the major currencies have lost 95-99% of their purchasing power over the past century, whereas tangible assets including gold have appreciated in value. The Investment Manager is in accord with these experts in anticipating a resumption in resource price increases.

Industrial metals, including bulk commodities, generally respond positively to economic growth, and decline in value during economic slowdowns. Coal, iron ore and base metal prices tend to follow global economic trends, which are now experiencing a synchronous resurgence among the major economies. Major infrastructure programs, including the massive Chinese “One Belt One Road” expansion extending through South East Asia, the Indian subcontinent and into Europe, are expected to boost demand for a range of industrial materials.

The Fund’s Portfolio weighting is adjusted frequently in line with commodity price expectations and investment opportunities.

Precious Metals

Gold and silver prices have been subdued in recent years, which the Investment Manager believes is in response to disinflationary pressures, a strong US dollar, and a protracted rise in major US equity markets. The market for pure silver stocks is limited, as most silver is a by-product of other mining operations. The Investment Manager’s focus is therefore on gold stocks, although silver may contribute value to some multimetal miners.

Conditions which the Investment Manager considers favourable for gold include higher inflationary expectations, low or negative real (inflation adjusted) interest rates, expanding yield spreads (between short and long-term yields), global instability, military threats, and social disorder. The gold price generally shows an inverse relationship to the US dollar, but there are times when gold and the dollar rise in concert, particularly during times of international crisis.

Gold has a low correlation coefficient with other markets, and can therefore strengthen while other assets decline in value. It is therefore employed as a hedge against a broad market decline. But the Fund invests in junior gold stocks as a leveraged exposure to the price of bullion, augmented by the value of reserves accretion and production growth.

Positive economic expectations of US tax cuts appear to have been priced in to US share markets, and if not implemented in line with expectations could trigger an adverse reaction. Even if passed the Investment Manager anticipates that the negative impact on the already high US government deficit could trigger alarm and a flight to tangible assets such as gold.

Under conditions of stable global expansion and earnings growth, gold may initially lag other mineral resources, but gold has the capacity to eclipse most other asset classes during later stages in the resource cycle, or during times of inflation or elevated global disorder.

Given the heightened level of global social, military and economic risk and uncertainty, the Investment Manager anticipates that overall conditions will become increasingly favourable for gold in the coming years, but with pullbacks and extreme volatility at times. As a “safe haven” asset and store of value, gold is also expected by the Investment Manager to respond positively to the ongoing decline in the value of paper currencies, especially the US dollar, to rising inflationary expectations, and to declining faith in central banks.

Industrial Minerals

The Fund’s Portfolio includes a number of junior multimetal explorers, developers and producers, particularly copper/gold, and a range of other base and precious metal combinations. The metals exposure is adjusted as market conditions change. For example, the zinc price was boosted by deliberate withdrawal of supply by a major producer, while government-imposed constraints in Indonesia, the Philippines, South America and China also had a positive impact on a range of Australian metal producers.

While the Fund is well positioned to accommodate the synchronous global economic growth currently underway, and the rise in the price of bellwether commodities such as copper, the anticipated surge in metal demand for major infrastructure programs is of particular interest. The timing and magnitude of Chinese imports will remain a key focus of the Investment Manager.

The trend towards renewable energy generation and energy storage, and the anticipated growth in electric vehicles has highlighted opportunities in lithium, graphite, nickel and cobalt, amongst other minerals. These minerals are all represented in the junior resource stocks currently held by the Fund. Some of these stocks have already appreciated significantly; others are at an earlier stage in assessing geologically significant deposits.

The Investment Manager invests opportunistically in other minerals, when the companies involved conform with the Fund’s stated investment criteria and when the stock is available on attractive terms.

Coal’s contribution to the energy mix is anticipated to continue to decline, but clean-coal technology is being employed in the transition to less carbon-intensive power generation. Coal has lost ground to renewables, but even more so to natural gas, which for the first time generates a larger share of U.S. electricity generation than does coal.

Despite efforts to manage downside exposure, this investment approach entails elevated risk, as discussed in Section 8 below entitled “Risk Factors”.

Oil & Gas

Crude oil prices have been under pressure from global oversupply exacerbated in part by surging unconventional shale oil production in North America arising from a combination of technological advances and cheap low-interest financing. The Investment Manager expects higher prices to bring on a flood of new shale oil production, particularly in the US where many wells have been drilled but are awaiting higher prices for completion, with the floor price supported by declining conventional reserves. Reductions in OPEC supply have contributed to price support.

Electric vehicles are expected to place downward pressure on oil prices over the long term, but expectations of rapid growth in conventional vehicle sales in India and China over coming years suggests continuing demand for oil over the next decade at least.

The Investment Manager anticipates a continued recovery of beaten-down junior oil stocks, especially those with healthy profit margins and conventional reserves, or which incorporate the most effective new technologies. These are the companies that have been the Fund’s focus.

Despite the growth in unconventional shale oil production in North America, the world is still largely reliant on seaborne traded oil. Any major external shocks that constrain supply, for example hostile military activity in major shipping bottlenecks in the Persian Gulf or Malacca Strait, would have an immediate positive impact on oil price.

The Fund Portfolio has been underweighted to junior oil stocks during the protracted oil price regression, but has included a few companies with unique technological advantages, large tracts of prospective acreage with known liquid hydrocarbon potential, with proven skills as oil finders. Small companies at the field-development stage are being selectively added as the oil price edges higher.

In Australia natural gas prices have been boosted by a combination of LNG export demand and State government-imposed barriers to gas exploration and development. The environmental advantages of natural gas combustion, and of gas-fired electric power generation, have contributed to lower greenhouse emissions in the USA, where there is an abundance of low-priced natural gas. In the Investment Manager’s opinion, increased use of natural gas in Australia for electricity generation could be facilitated by access to unconventional gas in NSW in particular.

The Investment Manager is looking to invest in companies that are expected to expand gas supply to domestic markets in the eastern States, where LNG exports and constraints on developing large unconventional gas reserves likely to support the gas price at a relatively high level.

3.3 Investment Procedures

Overview

The Investment Manager manages the Fund Portfolio. The Investment Manager operates through an Investment Committee which incorporates the experience and knowledge of individuals who

have direct working experience in the minerals and energy industries, geosciences, broking, banking, and funds management.

Unitholders will be provided with broad exposure to the junior mining and energy sectors in a Portfolio that is actively managed by the Investment Manager in accordance with its investment philosophy and stock-selection criteria.

Investment Objective

The Fund's investment objective is to maximise absolute returns to its Unitholders over the medium to longer term, along with annual distribution payments contingent on taxable profits generated over the term. Because the Fund's primary objective is capital growth from investment in a select group of junior mining and energy companies, performance cannot readily be referenced to a widely available benchmark or market index. The junior resource sector tends to be highly volatile, which from time to time enables the Investment Manager to sell down overpriced stocks to lock in capital gains, with distributions to be made in accordance with the Fund's Distribution Policy set out in Section 4.7.

Investment Philosophy

The Fund's investment philosophy is based on observation of the cycles in resources, geopolitics and economics insofar as they impact the fundamental supply/demand balance for mineral resources, from hydrocarbons to metals. These cycles are well documented by historians (e.g. Strauss & Howe) and economists (e.g. Kondratieff, the Weiss Institute) and others, with a degree of commonality among the various distinct disciplines. While each cycle is unique, to some degree it repeats the patterns of previous cycles.

A synthesis of cyclic theory suggests that the current cycle may involve increased interest in "hard" tangible assets and a decline in financial assets. The Investment Manager expects that mineral resources will increase significantly in value, but not uniformly across the board. Some will outperform, as technological changes accelerate, as supply is disrupted in regions of global conflict, and as investors scramble for safe havens.

With an active, nimble and opportunistic Investment Manager the Fund well is positioned to capitalise on the changes anticipated.

Proliferation of economic, political, and military threats may increase the probability of unanticipated high-impact events known as "black swans" over the coming years. There is no way to prepare for black swans, whose impact can be positive for the Fund (e.g. soaring gold price) or negative (e.g. deflationary recession). Because of its size and stock selection and monitoring process, the Fund should be relatively better positioned to respond rapidly to reduce the potential impact of such events.

Investment Strategy

The Investment Manager employs a top-down investment strategy, but the ultimate focus is on optimising the stock selection process to achieve maximum performance.

The macroeconomic "big picture" entails the stage and likely duration of the economic cycle as it relates to specific commodities or subsectors, as well as overall market conditions internationally. Commodity weighting is an important process, whereby bullish commodity

sectors are identified and ranked, while the less promising sectors are downgraded, for example coal in the current environment. The Investment Manager then considers the individual stocks within those weighted sectors, based on their fundamentals, chart patterns and pricing, and identifies entry positions and potential exit strategies for each stock. This requires a combination of economic and technical analysis, along with continued monitoring of investor sentiment.

Risk management and preservation of capital is always an important consideration. The Fund's Portfolio will, out of necessity, be strongly biased towards the high-risk end of the spectrum, while avoiding the most speculative blue-sky exploration companies. The Investment Manager has adopted a strategy of minimising downside risk through early identification and disposal of potential loss-makers, while maintaining or adding to winning positions. Increased cash holdings reduce portfolio volatility during uncertain times of impending market weakness.

Depending on market conditions, the Portfolio comprises around 20-40 junior mining & energy companies that are actively exploring for, developing, and/or producing specific commodities (e.g. gold, oil, copper) that have strong fundamentals and are expected to outperform, whilst maintaining a modest exposure to a more diverse range of minerals at lower points in the commodity price cycle.

Commodity price trends are not always clear-cut, therefore sector weightings are subject to frequent adjustment by the Investment Manager. Companies in the Fund Portfolio provide a mix of Australian and international resource projects in Africa, the Americas, Europe and Asia, but most are listed on the ASX.

The key elements of the investment strategy of the Fund are outlined in the table below:

<u>Strategic Elements</u>	<u>Comments</u>
Market sector	The Investment Manager will only buy securities specifically related to the minerals & energy industries.
Market focus	The Investment Manager will target low-capitalisation mining and energy companies listed on the ASX, or to a lesser extent on overseas stock exchanges such as the TSX, and will also include a smaller proportion of investments pre-listing.
Multi-year investment term	Primary growth trends lasting 3 – 6 years or longer typically represent the investment timeframe for successful junior resource companies to provide significant profit to investors. Some stocks experience extreme peaks based on inflated expectations, providing shorter term trading opportunities.
Moderate portfolio turnover	Because the typical holding period for individual stocks typically extends to several years, portfolio turnover tends to be relatively low, thereby reducing transaction costs. Shorter term trades are appropriate at certain stages in the market.

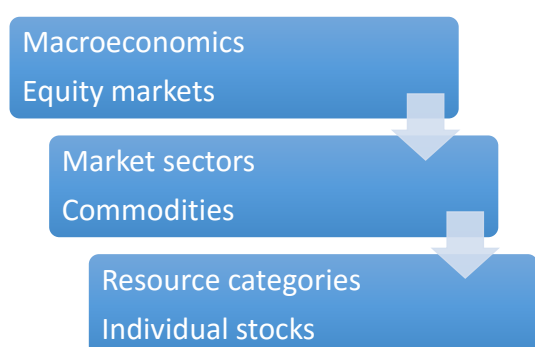
Actively managed

Geopolitical developments and commodity price expectations are monitored along with investee company performance, with ongoing adjustment of the portfolios to control risk and maximise returns. The cash weighting is increased during periods of elevated market uncertainty to provide a partial hedge.

Investment Process

The process illustrated below commences with a review of world macroeconomics, global and local share markets, resource sector price trends, and the anticipated performance of the upstream mining and energy industries. The final and most thorough analysis is stock-specific based on a set of technical, economic and management criteria.

Top down focus illustration



Commodity weightings are adjusted in response to ongoing changes in global fundamentals. The portfolio is overweight gold at present in anticipation of a significant price revival at some stage, with more modest exposure to selected industrial metals and energy stocks.

Stock Selection

The stock selection process commences with a watch-list comprising small-cap companies that combine positive technical and management attributes, which could be expected to contribute to growth and price appreciation within a reasonable timespan.

The Investment Manager screens the watch list based on the investment criteria below, commencing with the company personnel involved, the geographic location, risk elements, and the resource composition, size and quality.

Investment Criteria

The attributes that are considered when Assets are invested include:

- Geographic location and sovereign risk exposure;
- Security of lease tenure;
- Geological setting, access and confirmed mineralisation;
- Board calibre and proven technical management performance;
- Preferred commodity exposure;

- Large or high-grade resource;
- Manageable capital expenditure commitments;
- Sound corporate financial structure;
- Adequate cash position relative to expenditure commitments;
- Low projected operating costs and high cash operating profit margins;
- Strong valuations and earnings growth projections;
- An unhedged or relatively unhedged production sales policy.

Key technical considerations focus on the quality and style of mineralisation, size and grade of the resource, stage in resource delineation, the appraisal/development process, proximity to roads, rail, ports, power, water and labour, and an experienced operator.

In particular, the Investment Manager has set specific benchmarks with respect to geological endowment and in-ground mineral resources. Core investment holdings will be in companies that have established the following:

Resource/Reserve Criteria

- reserves sufficient for at least three years' production, with the expectation of substantial growth, or alternatively;
- a less-mature but substantial resource base with the likelihood that a large proportion will be converted to commercial reserves; or in special situations; or
- dominant landholdings over geological terrain with strong indications of unproven mineral resources with above average potential.

Production Expectations

Given the Fund's emphasis on growth, investments will mainly comprise junior companies with:

- exposure to favourable markets and infrastructure;
- significant commercial potential, or;
- modest existing production and expectations of incremental growth; and
- expectations of high profitability.

Other Favoured Situations

- junior players standing to benefit from strategic alliances with larger companies;
- potential to attract high-premium takeover bids;
- ability to add significant value to primary production, e.g. mineral processing;
- companies that stand to benefit from automation and innovation; and
- exposure to strategic minerals in niche markets involving transformational technologies.

While assessments of labour, environmental, social or ethical factors may be part of or affect criteria described above, the Responsible Entity and the Investment Manager do not take into account labour standards, or environmental, social or ethical considerations in the selection, retention or realisation of investments.

Investment Timing

The stage in the commodity cycle and price response determine the optimal timing approach. Low-cost producers often experience their most significant price growth during this early stage of the commodity price rebound, whereas less advanced junior resource companies tend to respond later in the cycle.

Although small mineral explorers lag producers at the outset, once bullish momentum is confirmed, these junior companies with significant undeveloped resources and further upside exploration potential tend to attract more investor attention, with consequent market value appreciation. This positive momentum can be sustained by further news of positive drilling results, reserve accretion, and enhanced commercial potential.

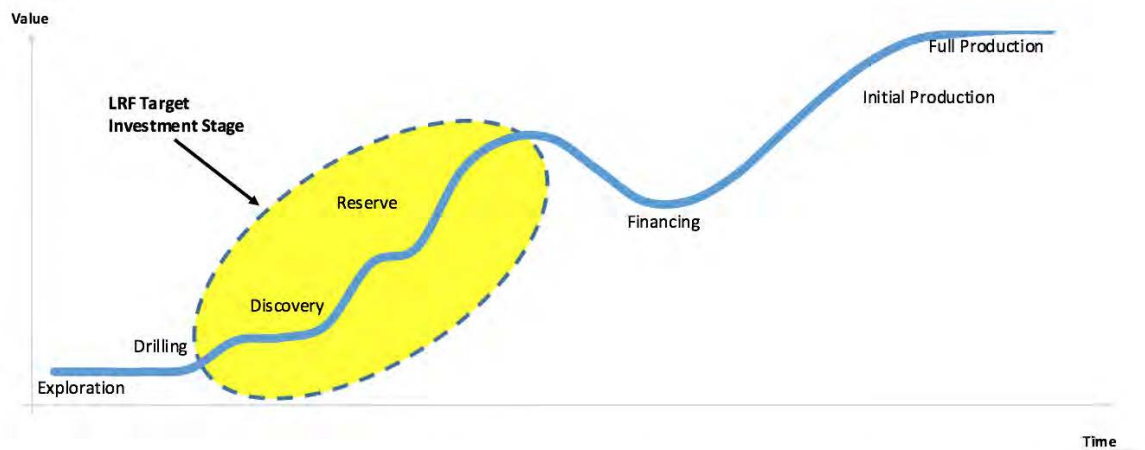
It is this group of low-priced small explorers with strong assets, good management and sparse cash at the outset that are a primary focus of the Fund, which participates in placements and rights issues in favoured stocks. The dilution involved in these capital raisings can be more than compensated for by the potentially substantial rise in share price that follows rerating in the market, especially at a later stage when large institutional investors become actively involved.

A bullish market tone is therefore critical to the success of junior explorers, as distinct from producers or developers. Otherwise it is difficult to raise equity capital when investors are indifferent to the small resource sector, apart from those companies with exceptional potential. Many Australian explorers have survived low commodity prices by reducing staff and cutting overheads as they await a price revival. A number of the better quality small gold explorers will rebound quite rapidly with a sustained bullion price rise.

Investment timing decisions are based on mineral price cycles, which may be out of phase from one commodity to another, as well as stock-specific cycles which generally correspond to some degree with commodity price expectations. Both tend to be erratic and unpredictable, especially over the short term which may be dominated by random fluctuations. This volatility provides opportunity, both in terms of establishing discounted positions for core holdings during price lows, and also for trading between oversold and overbought positions.

Longer term price trends are based more on fundamentals and are therefore extrapolated and anticipated with a higher degree of confidence, but never with certainty. For this reason, the introduction of a new stock to the portfolio is normally phased, with further increments contingent upon progress towards goals, a process also designed to mitigate portfolio risk. Over the longer term, timing is far more difficult to predict than price direction, and this justifies a cautious approach.

Less vulnerable to commodity price cycles are those top-quality small resource companies with adequate access to funding, and which have established a significant mineral resource. These companies are more likely to progress successfully through the successive stages of resource confirmation, reserves compliance, and feasibility studies leading to commercial development. They comprise the core group of outperforming stocks in the Fund's Portfolio.



The timing of buy decisions is illustrated schematically in the diagram above, with an optimal entry point once a significant discovery has been established, and perhaps again later prior to the development decision. Stocks are typically sold down once they approach the mature production stage that normally presages more modest growth.

Stocks held in the Fund's Portfolio are typically disposed of in response to negative changes in the company's outlook, downgrades to valuations, increased risk exposure, and changes to management or ownership.

Although investment decisions generally rely on investee company and industry fundamentals, technical analysis of stock and commodity charts assist in providing objective criteria to help identify optimal entry and exit points.

Portfolio Mix

The portfolio comprises a mix of companies with attractive risk/reward characteristics. Over time the portfolio will represent a range of commodities including gold, iron ore, coal, oil, gas, uranium, rare earths and strategic minerals, copper and other base metals. At any stage, however, the emphasis will generally be placed on 3-4 specific commodities, and some mineral resources will be excluded until they come back into favour.

Investment Duration

Primary price trends typically lasting 3 – 6 years or longer represent a reasonable time frame for investment in the Fund Portfolio. Superimposed on the primary trend may be countertrend reversals lasting several years, as well as higher frequency oscillations spanning weeks or months. This volatility tends to be smoothed with time.

Investment Process

The investment process is directed at selecting from a watch-list comprising relatively small companies that are expected to show strong growth. Apart from the resource endowment and stage of exploration and development, management capabilities and strategies of the target companies and their economic viability, risk factors, and financing capabilities are also considered.

Following a review of all available data the Investment Manager first screens all possible investments to determine whether they meet specific criteria. In some cases, this involves site inspections by the Investment Manager or its associates, and discussions with the target company's management.

Once an investment is made, the Investment Manager will continuously review and evaluate new data and progress and will, to the extent possible, maintain a close relationship with the investee company's management and independent local experts. All of these procedures are aimed at maintaining and adding value to the Fund's investment in the smaller corporate entities.

4. ABOUT LOWELL RESOURCES FUND

4.1 Overview

The Fund is a registered Managed Investment Scheme structured as a unit trust, which has been registered with ASIC and expected to be admitted to the official list of ASX on or about 15 March 2017.

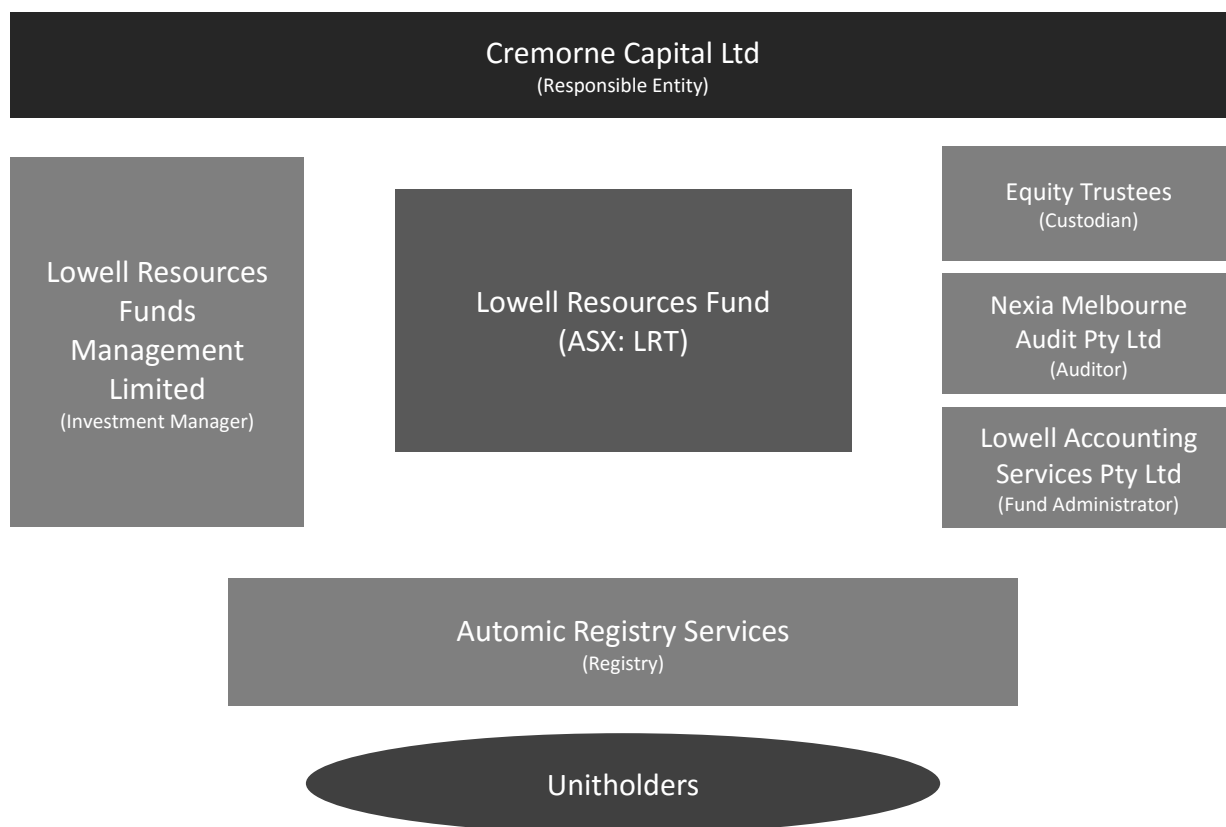
The Fund was established on 21 January 1986 and prior to admission to the official list of ASX, the Fund has operated as an unlisted fund.

The Fund focuses on investing in shares and other financial products issued by predominantly small capitalisation resources companies listed or seeking to list on Australian and overseas stock exchanges.

The Investment Manager is the investment manager of the Fund and has acted as investment manager of the Fund since June 2004. Further information about the Investment Manager is set out in Section 5.

4.2 Fund Structure

The following fund structure diagram sets out the structure of the Fund and its service providers as at the date of this PDS.



4.3 About the Responsible Entity

The responsible entity of the Fund is Cremorne Capital Limited. It has been the Responsible Entity of the Fund since June 2000. The Responsible Entity holds an AFSL issued by ASIC, which authorises it to operate the Fund.

Role of the Responsible Entity

The Responsible Entity is bound by the constitution of the Fund, the Corporations Act and the Listing Rules. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution, the Corporations Act and the Listing Rules. The Responsible Entity has established a Compliance Committee with a majority of external members. The compliance plan is overseen by the Compliance Committee and is audited annually with the audit report being lodged with ASIC.

The Responsible Entity has the power to delegate certain aspects of its duties.

The Responsible Entity has appointed the Investment Manager as the investment manager of the Fund. There are no unusual or materially onerous terms in the agreement under which the Investment Manager has been appointed. The Responsible Entity has conducted due diligence on the Investment Manager to ensure that the investments relating to the Fund have been made in accordance with the Investment Strategy. The Responsible Entity also has an ongoing review framework in place to review the investment process that the Investment Manager has in place for the Fund.

The Responsible Entity will maintain existing service providers Equity Trustees as the Custodian, and Lowell Accounting Services Pty Ltd as the Fund Administrator.

The material agreements of the Fund are set out in Section 13.

Board of the Responsible Entity

The Board of the Responsible Entity has a broad range of experience in financial services and the resources sector, coupled with financial and commercial expertise. The Board currently comprises three directors. Details of the current Board are set out below.

Michael Andrew Ramsden, Chairman

Michael is a qualified lawyer with more than 30 years' experience as a corporate adviser, he has been involved with all forms of finance, including money markets, futures trading, lease finance, trade finance and foreign exchange. Michael has worked for a Lloyds broker in London and a number of major international companies including CIBC Australia, JP Morgan and Scandinavian Pacific Investments Limited. Michael was a Director of D&D Tolhurst Stockbrokers and Tolhurst Corporate Ltd, and is experienced in funds management, mergers and acquisitions, corporate restructuring, equity raising and the general provision of corporate advice. Michael is currently Chairman of Australian Mines Limited (ASX:AUZ), African Mahogany Australia Pty Ltd, Managing Director of Terrain Capital and a Director of the Victoria Racing Club.

Oliver Robert Carton, Director

Oliver is a qualified lawyer with over 28 years' experience in a variety of corporate roles. Oliver currently runs his own consulting business and was previously a Director of the Chartered Accounting firm KPMG where he managed its Corporate Secretarial Group. Prior to that, Oliver was a senior legal officer with ASIC.

Oliver is an experienced company officer and is currently Director/Company Secretary of a number of listed and unlisted companies, including Pental Limited, Transport Certification Australia Limited and Cremorne Capital Limited.

Oliver also is a Board member of a number of not for profit entities including Melbourne Symphony Orchestra Pty Ltd and The Good Foundation Pty Ltd.

Donald (Don) Anthony Carroll, Director

Don has extensive experience in the international resources business primarily in the marketing and development of minerals. In a career spanning 29 years with BHP Billiton, and prior to that Rio Tinto, he has held a number of senior positions including President BHP Billiton Japan, President BHP Billiton India and Group General Manager Marketing Asia based in Hong Kong. He has been active in the development of coal, bauxite and iron ore resources as well as the marketing of most mineral and energy products. He has experience in the merger and acquisitions sector including the merger of BHP with Billiton. Prior to joining Terrain Capital Don was Vice President Investor Relations for BHP Billiton in Australia. He holds a degree in mining engineering from Sydney University and is a long-standing member of the Australian Institute of Mining and Metallurgy and is a member of the Australian Institute of Company Directors.

Don is also a director of the following listed companies: Kogi Iron Limited, an ASX-listed steel company with projects in Nigeria, European Cobalt, also an ASX listed company with nickel-cobalt projects in Slovakia, and Chrystal Peak Minerals, a TSX listed company with a potash project in the USA.

4.4 Valuation and Custody of Assets

The Fund will calculate its Net Asset Value (NAV) on a weekly basis, and at month's end. The valuation policy is set out in Section 2.4.

The Responsible Entity has delegated to the Fund Administrator the determination of the NAV of the Fund and the NAV Unit Price. In determining the NAV of the Fund and the NAV Unit Price, the Administrator will follow the valuation policies and procedures set out in Section 2.4.

The Custodian holds the Fund's Assets. Cash may also be held on deposit with one or more Australian authorised deposit taking institutions.

4.5 Liquidity

Units are not able to be redeemed except under a withdrawal offer under the Corporations Act or a buy-back of units under the Corporations Act and Listing Rules while the Fund is listed.

Once the Fund is admitted to the official list of ASX and Units are quoted on ASX, Unitholders will be able to sell their Units on ASX, subject to there being sufficient buyers of Units at a price that is satisfactory to the selling Unitholder, ASX being open for trading and the Units not being suspended from trading. Units may be sold on the ASX by Unitholders instructing their stockbroker.

4.6 Further Issues of Units

The Responsible Entity is permitted, subject to the Constitution, the Corporations Act, the Listing Rules and applicable laws, to issue further units after the Fund is admitted to the official list of ASX. The Responsible Entity will only issue further Units after the Fund is listed if it determines (after consultation with the Investment Manager) such issues are in the best interests of Unitholders. This may take the form of a distribution reinvestment plan, rights issue or placement of Units.

4.7 Distribution Policy

If the Fund pays a distribution to Unitholders, it is generally expected to be paid on an annual basis. The amount of the distribution is anticipated to be an amount approximately equal to the taxable income components of the Fund for the period that the distribution relates to, usually the

Financial Year in which the income is earned. In some years it is possible that no distribution will be paid, for example when there are no or very little net taxable income components earned by the Fund. The Responsible Entity may also elect to pay an interim distribution in relation to a period other than a full Financial Year. An example of when this may occur is if the Fund were to realise significant capital gains and wished to distribute some or all of these gains.

If the Fund becomes listed, the Responsible Entity is required to announce to the ASX an estimated distribution amount per Unit prior to the Units trading on the ASX on an ex-entitlement basis. Whilst there is no guarantee that the actual distribution will be exactly equal to the estimated distribution, the Responsible Entity will endeavour to ensure that these amounts are equal. The amount taxable in the hands of Unitholders each year does not necessarily follow the amount distributed from the Fund, and therefore Unitholders may be subject to tax on an amount different from the amount actually distributed.

Unitholders can have their distributions automatically re-invested into additional Units of the Fund. Investors applying for Units as part of the Initial Offer will be included for participation in the distribution reinvestment plan, unless they opt out by notifying the Responsible Entity that they wish to have their distributions paid into an Australian dollar bank account of the investor's choice. Information on the distribution reinvestment plan will be made available to investors on www.cremornecapital.com.

Further information in relation to the taxation implications for Unitholders can be found in Section 12.

4.8 Reporting to Unitholders

Once listed, the Fund will be subject to regular reporting and disclosure obligations and will be required to meet the continuous disclosure requirements of the Corporations Act and Listing Rules as a disclosing entity. Accordingly, the Fund will:

- a) Prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report and an audit or review report;
- b) Within 14 days after the end of each month, tell ASX of the NAV backing of its Units as at the end of that month; and
- c) Immediately notify ASX of any information concerning the Fund of which it is, or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Units, subject to certain limited exceptions related mainly to confidential information.

Copies of documents (including the above) that are lodged by the Fund with ASIC or ASX may be obtained from ASIC or ASX (respectively), or from the Investment Manager. Copies of documents lodged with ASIC can also be inspected at an ASIC office.

Copies of the Fund's most recently lodged financial report, being the audited financial statements for the year ending 30 June 2017, may be obtained from the Investment Manager (free upon request) or ASIC. No half year financial reports nor any continuous disclosure notices for the Fund have been lodged with ASIC after lodgement of the financial statements for the year ending 30 June 2017 with ASIC and before the date of this PDS.

The Investment Manager may also produce additional investment reports, which will be lodged with ASX. All reports will also be available at www.lrfm.com.au.

5. ABOUT THE INVESTMENT MANAGER

5.1 About the Investment Manager

The Investment Manager is the investment manager of the Fund and operates under AFSL 345674. The Investment Manager was appointed as the investment manager of the Fund on 6 January 2004.

The Investment Manager operates through an investment committee which concentrates the experience and knowledge of individuals who have direct working experience in the oil & gas and minerals industries, broking, banking and funds management.

The Investment Manager invests the Fund Portfolio in accordance with the investment strategy outlined in this PDS and in the Investment Management Agreement, the key terms of which are set out in Section 13.1 of this PDS.

5.2 Historical Performance of the Fund

Set out in this section is information about the historical performance of the Fund for the last 10 years during which time the Investment Manager has been the investment manager of the Fund, including:

- a) A chart illustrating the Fund's total return to Unitholders over a 10-year period (net of fees), with a comparison against the S&P/ASX Resources 300 and the S&P/ASX 200; and
- b) A table illustrating the historical performance returns of the Fund (net of fees) over varying time periods, with a comparison against the S&P/ASX Resources 300 and the S&P/ASX 200.

The chart and table in this Section 5.2 have been prepared as at 31 December 2017.

Chart below: 10-year overall performance chart vs relevant indices

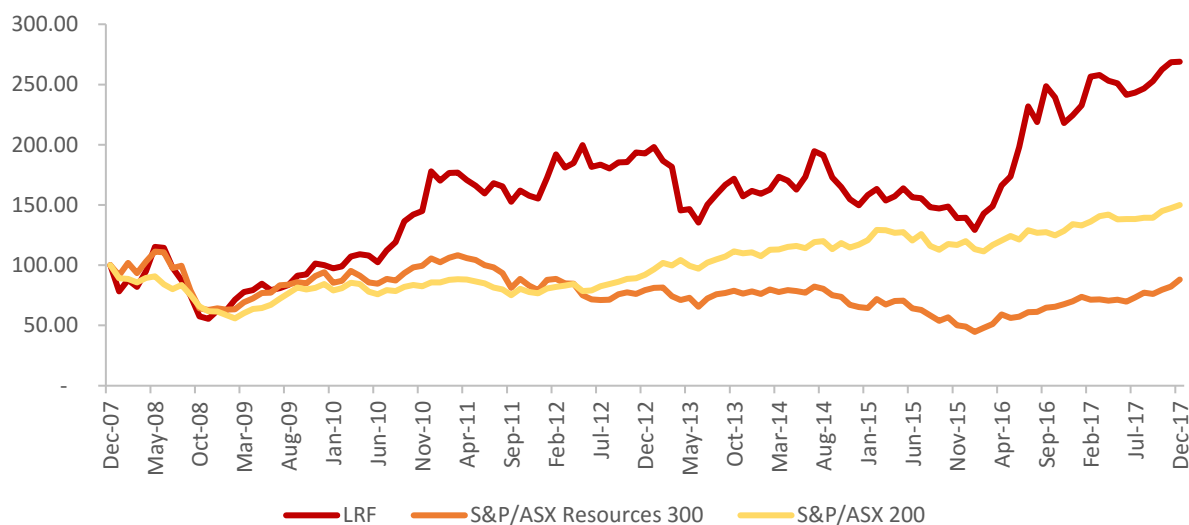


Table below: Total unitholder return (TUR) table

Annualised TUR to 31 December 2017	Lowell Resources Fund	S&P/ASX Resources 300	S&P/ASX 200
10 year	10.4%	-1.3%	4.1%
5 year	7.1%	2.1%	10.2%
3 year	21.9%	10.5%	8.6%
2 year	39.3%	34.0%	11.8%
1 year	20.7%	25.7%	11.8%

The historical performance of the Fund shown in the above table is based on the Fund's performance when it was structured as an unlisted and open-ended fund. Upon listing, the Fund will be close-ended and subject to some difference in expenses compared to the period when it operated as an open-ended unlisted fund. The returns of unlisted funds can be affected by cashflows in and out of the fund (e.g. applications and redemptions). By contrast, Unitholders in the Fund when listed on ASX do not have regular redemption rights. Unless a withdrawal offer has been made, the Responsible Entity is not required to fund redemptions when the Fund is listed and as such will not be forced to sell Assets in poor market conditions or other circumstances to satisfy redemptions.

The historical performance of the Fund is based on the net asset value of the Fund (net of fees applicable to the Fund but excluding individual tax) and is calculated based on the movement in the NAV per Unit, assuming all distributions have been reinvested in additional Units in the Fund.

The performance returns of the Fund as at 31 December 2017 (which are set out in this Section) is the historical performance of the Fund which is not indicative of the future performance of the Fund.

5.3 Directors of the Investment Manager

Stephen Peter Mitchell (Chairman)

Mr Mitchell has over 25 years' experience in the international resources sector with experience in management, corporate advisory and investment banking. Mr Mitchell is currently Chairman of Indago Energy Limited and was previously Managing Director of Molopo Energy Limited, an ASX listed energy company which he grew from a micro-cap stock into an ASX 200 company, with projects in Australia, Canada, the US, Asia and Africa. Previously he was Chairman of Lowell Capital Limited (as it then was), the Responsible Entity of the Fund, and had various corporate advisory/finance roles specialising in resources both in Australia and abroad.

Mr Mitchell completed a Master of Arts in International Economics and Politics at Johns Hopkins University in the US.

David Kenneth Hobday (Director)

Dr Hobday is a geologist with diverse experience in oil and mineral exploration, applied geological research, corporate finance and investment. As a fund manager with APA Oceanic during the 1980s, Dr Hobday was responsible for investments in energy and gold equities. With Bank of America and then the Australian Bank he was involved in corporate finance, particularly applied to the resource sector. He has undertaken resource appraisal around the Caspian Sea, Africa, South America, China and India, and explored for oil and gas in the onshore United

States. Dr Hobday has served on the Boards of several oil and mining companies in Australia and North America.

John Forwood (Director)

Mr Forwood is a qualified lawyer and geologist experienced in the resources sector. He has over 17 years of resources financing experience with RMB Resources, including 13 years as manager of the Telluride Fund. At RMB Resources, he acted as a principal financier of equity, structured quasi-equity and project finance to the junior resources sector. Mr Forwood also has 5 years' experience in exploration and development geology in Australia, Tanzania and Indonesia. Previously, he qualified with a major Australian law firm to practice as a barrister and solicitor.

Steven Robert O'Connell (Director)

Mr O'Connell has over 30 years' extensive finance industry experience in life insurance, asset management, custodial services, financial planning and superannuation (consulting, administration and trustee services). He has headed the compliance and risk management functions for several large multi-national asset managers. Mr O'Connell has been appointed company secretary for a number of asset managers, headed custodial operations for corporate actions, reconciliations and unlisted trust management and was a key person in the eventual sale of Mellon Australia's superannuation and administration consulting businesses in 2005. He has held Board positions at one of Australia's leading asset management companies, chairs Compliance Committees for leading asset managers and continues to be a Responsible Manager for a number of asset management companies.

Mr O'Connell also sits on the Board of a number of small businesses within the finance industry.

Richard Damon Morrow (Director)

Mr Morrow is an equity partner with Melbourne-based stockbroker Baillieu Holst and is honorary Chairman of the Melbourne Mining Club. He has more than 30 years' experience as a sharebroker in Melbourne and in London, with a particular interest in the resources space. Mr Morrow is a Master Stockbroker with the Stockbrokers and Financial Advisers Association (MSAFAA) and qualified as an accredited dealer in derivatives (ADA2).

5.4 Investment Committee

The members of the Investment Manager's investment committee are David Hobday and John Forwood.

6. BENEFITS OF INVESTING IN THE FUND

6.1 Investment Expertise

The Fund aims to provide unitholders with exposure to the low-capitalisation mining and energy sectors, and provide above-average absolute returns to the unit holders. The Portfolio is managed by an experienced Investment Committee comprising David Hobday and John Forwood, supported by the Directors of the Investment Manager. Descriptions of the Investment Manager's management experience as investment manager of the Fund and the experience of the Directors of the Investment Manager are outlined in Section 5.

6.2 Annual Distributions

The Fund's investment objective is to maximise absolute returns to its unitholders over the medium to longer term, along with annual distribution payments contingent on the Fund generating a taxable profit for the term. Because the Fund's primary objective is capital growth from investment in a select group of junior mining and energy companies, performance cannot be readily referenced to a widely available benchmark or market index. The junior resource sector tends to be highly volatile, which from time to time enables the Investment Manager to sell down overpriced stocks to lock in capital gains, most of which are intended to be distributed to unitholders, on an annual basis.

6.3 Distribution Re-investment Plan

Unitholders can have their distributions automatically re-invested into additional Units of the Fund. Investors applying for Units as part of the Initial Offer will be automatically included for participation in the distribution reinvestment plan unless they opt out by notifying the Responsible Entity that they wish to have their distributions paid into an Australian dollar bank account of the investor's choice. Information on the distribution reinvestment plan will be made available to investors on www.cremornecapital.com.

6.4 Trading on the ASX market

An application has been made to the ASX to quote the Units on the ASX market. This means that Unitholders can buy and sell Units on the ASX market through a stockbroker or share trading account. Investors will also be able to see the prices at which other investors are prepared to exchange Units.

Settlement of Units traded on the ASX market will occur via the CHESS settlement service.

6.5 Tracking your investment

The Responsible Entity will calculate the Fund's Net Asset Value (NAV) per Unit on a weekly basis, after close of market. The Fund's NAV will be published to the ASX in accordance with the Listing Rules, and uploaded on the Responsible Entity's website.

6.6 Holding Statements

Holders will receive a holding statement showing the number of Units that they own. Holders will receive an updated holding statement upon the occurrence of any changes to their holding.

6.7 Regular Reporting

In addition to the information provided by the regular reporting set out in Section 4.8, the Investment Manager may produce investment reports, which will be lodged with the ASX and sent to Unitholders. All reports will also be available at www.cremornecapital.com.

7. INVESTING IN THE FUND

Investors can invest in the Fund during the Initial Offer, or subsequently, by purchasing Units on the ASX Market through a stockbroker or share trading account.

7.1 The Initial Offer

The Initial Offer will be used to raise additional funds to invest in the resources sector. Following the closure of the Initial Offer, and subject to confirmation of admission to trading status by the ASX, the Units will then be quoted on the ASX market.

To invest prior to the closure of the Initial Offer, investors must:

1. Read this PDS; and
 - a. For online applications, complete the Online Application Form available on <https://investor.automic.com.au/lowellresourcesfundipo.html>;
 - b. For postal applications, complete and submit the Application Form; and
2. Make payment of the Application Monies.

7.2 Use of funds

	Minimum subscription (\$0)	Maximum Subscription (\$5m)	Maximum Subscription (\$5m) plus Maximum Oversubscription (\$5m)
Proceeds from offer	-	5,000,000	10,000,000
Less expenses of the offer	(462,082)	(742,583)	(1,023,086)
Proceeds available for investments and working capital	(462,082)	4,257,417	8,976,914

7.3 Purchasing Units On-Market

Following the closure of the Initial Offer and subject to confirmation of admission to trading status by the ASX, the Units will be quoted on the ASX market.

Investors can invest in the Fund by purchasing Units on the ASX market through a stockbroker or share trading account. There is no minimum number of Units investors can buy on the ASX market. The purchase of Units on-market is settled through the CHESS settlement service, and investors will not need to complete any application form.

The cost of investing in the Fund on-market will be the price at which you purchase Units on the ASX market, plus any brokerage fees you incur. Investors can purchase additional Units on the ASX market at any time, through a stockbroker or share trading account.

Investors do not have a right to a cooling off period for Units purchased on the ASX market.

7.4 Selling Units On-Market

Holdings can sell Units on the ASX market through a stockbroker or share trading account. Proceeds from any sale of Units will be delivered through the ASX CHESS settlement service.

8. RISK FACTORS

Investment in the Fund should be regarded as high risk. In addition to the risks normally associated with the equity investments, the resource sector in which the Fund's assets are primarily invested is exposed to volatility in commodity prices. Movements in commodity prices tend to be magnified in small-cap resource stocks. Furthermore, many junior stocks are thinly traded and relatively illiquid, especially during depressed market conditions.

8.1 Investment Strategy Risk

The Fund's investment activities will expose it to a range of risks. The Fund has identified a number of these risks below, and have regarded them as being particularly relevant in formulating its investment strategy.

Portfolio Risks

The leverage to commodity prices inherent in junior resource stocks accentuates share price movements, both up and down. This leverage provides opportunities for profits, but also increases the potential for losses in adverse market conditions. The Portfolio includes resource companies operating or domiciled outside Australia, with the additional sovereign risks of exchange rate, security of tenure, foreign legal systems, logistical problems, and more difficult monitoring of investments.

Specifically, the resources sector is subject to volatility and unanticipated price weakness arising from potential risks, such as the following:

- An unexpected weak, deflationary global economy that could arise from convergence of negative factors and a contraction in global credit;
- An economic slowdown in China that might have a negative impact on Australian mining and energy companies;
- Sustained reversals in primary commodity prices;
- Economic recession and an abrupt share market downturn;
- Market crisis such as a major sovereign debt default, insurrection or acts of terrorism;
- Accelerated central bank gold sales or disposal of other metal inventories by large holders;
- Sovereign risk adversely affecting security of tenure or fiscal regime governing mining titles;
- Significant Australian currency appreciation, decreasing the local value of commodities priced in US dollars; and
- Potential adverse tax, regulatory and royalty changes in Australia and overseas countries.

Reliance on the Investment Manager

The Fund's success and profitability relies almost entirely on the Investment Manager's ability to successfully identify, purchase and realise investments in the resources sector. Due to the volatility in the junior resource sector, the Investment Manager is able to lock in capital gains from the sale of temporarily overpriced shares from time to time. Poor stock selection by the Investment Manager could mean that the assets held by the Portfolio will continue to trade at discounts to their underlying value. This could have an adverse impact on the Fund's financial performance.

Equity Market Risk

Equity market risk is the risk of fluctuations in the market price of assets held by the Fund, which results from moves in the wider equity markets. The Fund will hold investments listed on a variety of stock exchanges, predominantly the ASX, and an overall decline in any of these markets could reduce the value of the Investments.

Concentration Risk

Due to the Portfolio holding only a limited number of junior mining stocks, there is a risk of a significant decrease in the Value of the Portfolio as a result of a significant decline in the market price of any single investment or related group of investments. If a single investment makes up a high percentage of the Portfolio's value, an abnormal movement in its market price may have a correspondingly high impact on the Value of the Portfolio. The Investment Manager will actively monitor the Portfolio and continuously change the weightings of its investments and cash holdings accordingly.

Liquidity Risk

The Fund predominantly invests in junior mining and energy stocks which, on average, have lower liquidity than stocks with greater market capitalisations. Liquidity risk is the risk that a Portfolio investment may be difficult or impossible to sell in a timely fashion when required, or that the price at which such a sale may be made differs substantially from what the Investment Manager considers to be fair market value. Liquidity risk is compounded by the risk that Portfolio investments may become illiquid after their purchase. If the Investment Manager is unable to sell assets, or can only sell assets at a discount to fundamental value, the Value of the Portfolio is likely to be negatively affected.

Small Resources Company Risk

The Fund will typically invest in junior mining and energy stocks whose exploration, development and mining activities are at varying stages, ranging from grassroots to mature. The Fund is indirectly exposed to the risks associated with its investee companies. The exploration stage is generally a highly speculative endeavour, which may not result in the investees finding economic deposits. Financing and construction risks may be encountered during the development stage. The operations of a portfolio company may be affected by various factors including, for example, failure to achieve predictable grades in exploration and mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems affecting extraction costs, adverse weather conditions, industrial and environmental accidents, environmental events generally, industrial disputes, civil disputes or unrest, and unexpected shortages or increases in the cost of labour, consumables, spare parts, plant and equipment.

Market and Economic Risk

Economic, technological, social, political or legal conditions, interest rates and market sentiment can (and do) change. These and other factors including changes in the value of investment markets can affect the value of the investments in the Fund.

General economic conditions, movements in interest and inflation rates, and currency exchange rates may have an adverse effect on the Fund's performance. Furthermore, securities market conditions may affect the Fund's performance and/or the value of Units. Securities market conditions are affected by many factors, such as:

- General economic outlook, both locally and abroad;
- Interest rates and inflation rates;
- Currency fluctuations;
- Changes in investors sentiment toward a particular market sector; and
- The demand for, and supply of, capital.

Interest Rate Risk

Changes in interest rates may have a negative impact, either directly or indirectly, on Portfolio investments, and overall investment returns.

Asset Risk

A particular commodity, asset or security that the Fund invests in may fall in value for many reasons, such as changes in a business's internal operations or management, or in the business environment. Adverse movements in the price of investments held by the Fund may result in a reduction of the value of investments in the Fund.

8.2 ASX-Related Market Risks

Unit Trading Price

The trading price of any listed security may change in response to entity-specific factors, and to external factors such as market sentiment and buyer interest. Units may not trade at or near the net asset value of the Units.

Volatility of Units

When listed on ASX, Units in the Fund may be traded sparingly or heavily, and could therefore be very volatile without regard to any changes to the underlying NAV per Unit.

ASX Liquidity Risk

When listed on ASX, Units are generally expected to have secondary market liquidity, however it is not guaranteed that such an active trading market will develop with sufficient liquidity, or which will sustain a price relative to the NAV per Unit. As a listed investment trust, there will be no regular redemption facility for Units in the Fund.

ASX Counterparty Risk

When Units are sold on-market, reliance is placed on the central system for clearing and settling trades on ASX (CHES) to ensure that settlement funds are received. As well as this, Unitholder also rely on the creditworthiness of any broker used to make on-market trades of Units.

8.3 Operational Risks

Investment Manager Risk

The Investment Manager can be wound up or liquidated, it can cease to manage the Fund or be replaced, it can make poor investment decisions, poorly manage operational risks and any funds under its management can perform poorly. Moreover, a small number of investment professionals are responsible for managing the investments of the Fund and may make an investment decision that negatively affects the Fund.

Key Personnel Risk

The key personnel of the Responsible Entity and the Investment Manager are outlined in Sections 4 and 5. If any one or more of these persons were to cease to be employed by the relevant employer, this may negatively affect the Fund and the operational capabilities of the Fund's management.

Counterparty Risk

There is a risk that a counterparty to a transaction or agreement entered into on behalf of the Fund may default on or breach their obligations under that transaction or agreement which may lead to the Fund experiencing an adverse investment outcome or liability.

Currency Risk

The Fund will invest in securities priced Australian dollars and securities priced in currencies other than Australian dollars. It will also invest in entities listed on a range of global security exchanges, which may themselves hold assets either listed or trading in different countries. This will expose the Portfolio's investments to movements in the relative values of different currencies.

Accounting Policy Risk

Changes in accounting policies may affect the way in which Fund investments are valued, and consequently may have a detrimental impact on the value of the Fund.

Dilution Risk

The Fund is a close-ended vehicle and as such will not be open for regular applications for new Units. In the event that the Responsible Entity decides to issue new Units in the future or engage in any form of capital raising approved under the Constitution which results in the issue of new Units and Unitholders do not participate (and Unitholders may not always be able to participate) or do not participate in proportion to their Unitholding, the value of their unitholding may be diluted.

Regulatory Risk

Any material changes in the policies (including taxation policies) of governments or certain regulatory bodies affecting the Fund or investments of the Fund have the potential to affect the viability and profitability of an investment in the Fund or the Fund's continued operation.

Risk Management

The Investment Manager will apply the investment approach as outlined in this PDS to all investment opportunities. Potential investments will be analysed not only on an individual risk and return level, but also in the context of the wider portfolio. The Investment Manager will constantly monitor risk on a portfolio-wide level for a range of potential risks, including equity market, liquidity and concentration risk.

Active management of the Fund thus requires ongoing review of the primary drivers of share price, whether industry-wide or stock-specific. External factors with a negative bearing on the sector as a whole are countered by a movement to cash; where the company itself displays preliminary evidence of weakness, this stock is immediately sold down. With increasing funds under management there may be a move up to invest in somewhat larger, less volatile, and more marketable stocks. This would provide another positive step in reducing portfolio risk. Conservative option strategies such as put option purchases may be considered in some situations to lock in gains and limit downside.

9. FEES AND OTHER COSTS

This Section 9 (including the tables in Sections 9.2 and 9.3) show the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund. Tax information is set out in Section 12 of this PDS.

9.1 Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website www.moneysmart.gov.au has a managed investment fee calculator to help you check out the different fee options.

9.2 Fees and other costs

This Section 9.2 provides a detailed description of the management fees and other costs payable from the Fund. The basis on which the management fees and costs describe in Tables 1, 2 and 3 below are calculated are detailed in the Constitution of the Fund.

Please see Section 9.3 for additional explanation of the fees and costs outlined in Tables 1 and 2.

You should read all of the information about fees and costs, because it is important to understand their impact on your investment.

TABLE 1: FEES AND OTHER COSTS

All fees outlined in the below table are inclusive of goods and services tax (GST) and are net of reduced input tax credits (RITC), where applicable.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the managed investment product		
Establishment Fee The fee to open your investment	Not Applicable	Not Applicable
Contribution Fee The fee on each amount contributed to your investment.	Not Applicable	Not Applicable
Withdrawal Fee: The fee on each amount you take out of your investment	Not Applicable	Not Applicable
Termination Fees The fee to close your investment	Not Applicable	Not Applicable
MANAGEMENT COSTS The fees and costs for managing your investment		
<i>Initial Costs</i>		
Equity Arranging Fee¹	5.5% of the gross proceeds raised by the Initial Offer	A one-off payment, payable after the close of the Initial Offer from the Fund
<i>Ongoing Costs</i>		
Management Fee²	<i>Where Total Gross Investments are equal to or less than \$50 million:</i> The higher of: (a) \$25,625 per month plus 0.627% per annum of the Total Gross Investments; or (b) 2.1645% per annum of the Total Gross Investments.	Calculated and accrues daily and is payable from the Fund to the Responsible Entity (and proportionately on-paid to the Investment Manger as described in Section 13.1) on a monthly basis in arrears

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
	<p><u>Where Total Gross Investments are greater than \$50 million:</u></p> <p>2.1645% per annum of the Total Gross Investments up to \$50 million plus 1.652% per annum of the Total Gross Investments that exceeds \$50 million.</p>	
Performance Fee³	17.9375% of the amount (in percentage terms) by which the change in the Net Asset Value of the Fund including distributions exceeds the base price of the Fund ⁴ .	Calculated daily and payable from the Fund to the Responsible Entity (and on-paid to the Investment Manager as described in Section 13.1) on a six-monthly basis in arrears
<p>Other Fund Costs (estimated)⁵ The fees and costs associated with the administration of the Fund and its investments that are paid by the Responsible Entity including, but not limited to, custody fees, registry fees, accounting fees and audit fees</p>	Up to 1.1275% per annum	Where such costs can be reliably estimated they are accrued throughout the financial year, reflected in the Unit price and deducted from the Fund at time of payment. Otherwise they are reflected in the Unit price upon invoice and deducted from the Fund at time of payment
SERVICE FEES		
<p>Switching Fee The fee for changing investment options</p>	Not Applicable	Not Applicable

¹ The equity and arranging fee is payable to the Financial Advisor (see “Equity Arranging Fee” under the heading “Additional Explanation of Fees and Costs”). The Financial Advisor will also be paid a listing success fee upon the Listing of the Fund, further details of which are set out in Section 9.4.

² The management fee is payable to the Responsible Entity (see “Management Fee” under the heading “Additional Explanation of Fees and Costs”). Part of the Management Fee is on-paid to the Investment Manager (see Section 13.1 under the heading “Remuneration of the Investment Manager” for further detail).

³ If the performance fee is payable, it is on-paid to the Investment Manager as described in Section 13.1 under the heading “Remuneration of the Investment Manager”. Investors should note the performance hurdle that must be met for this fee to become payable (see “Performance Fee” under the heading “Additional Explanation of Fees and Costs”). For worked examples of the performance fee see Table 3.

⁴ The base price of the Fund means the higher of the NAV per Unit at the end of the previous 6-monthly performance period (less any Performance Fee paid in respect of that period) and the NAV per Unit at the commencement of the previous 6-monthly performance period plus 5% (being the pre-incentive increase of 10% per annum pro-rata over the 6-month period).

⁵ This is an estimate only and comprises the anticipated ongoing costs of the fund such as recoverable expenses and indirect costs. This amount does not include costs that will be incurred in listing the Fund (such as legal fees and ASX listing fees). Further information about the costs of listing the Fund can be found in the “Estimated Expenses of the Offers” table in Section 11.

TABLE 2: EXAMPLE OF ANNUAL FEES AND COSTS

The figures outlined in the below table are inclusive of GST and are net of RITC, where applicable, and the table is based on Total Gross Investments of the Fund being less than \$50,000,000. The below table also assumes that the performance hurdle has been exceeded for the relevant 12-month period.

The table below gives an example of how fees and costs for this product can affect your investment over a one-year period. You should use this table to compare this product with other managed investment products. References to “you” being charged fees in the below table are included in accordance with the regulations of the Corporations Regulations 2001 (Cth), however all fees and costs in the below table are payable from the Fund.

Example		Balance of \$50,000 with a contribution of \$5,000 during the year ¹
Contribution Fees ²	Nil	For every additional \$5,000 you put in you will not be charged any contribution fee.
PLUS Management Costs ³	3.292% of Total Gross Investments of the Fund	And , for every \$50,000 you have in the Fund, you will be charged \$1,646 each year.
EQUALS Cost of Fund	Performance Fee ⁴	And , for every \$50,000 you have in the Fund, you will be charged \$1,182 each year. If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$2,828. What it costs you will depend on the fees you negotiate with your financial adviser.

¹ This example assumes the \$5,000 contribution occurs at the end of the year, therefore management costs for the year are calculated using the \$50,000 balance only.

² No contribution fees are payable by investors, however the equity arranging fee of 5.5% (inclusive of GST) of the gross proceeds of the Initial Offer will be payable from the Fund to the Financial Advisor

after the close of the Initial Offer (see “Equity Arranging Fee” under the heading “Additional Explanation of Fees and Costs”).

³ Management costs are expressed as a percentage of the Total Gross Investments of the Fund (for the ongoing management costs of a 2.1645% management fee of \$1,082.25 per annum and other fund costs of \$563.75 per annum (1.1275%)) plus an estimate of the performance fee.

⁴ The estimated performance fee of \$1,182 per annum in the above table is an estimate of the performance fee calculated based on the actual performance fees payable by an investor in the Fund for the year ended 30 June 2017 on an investment balance of \$50,000. This estimate is inclusive of GST and net of RITC. The estimate is provided as an example only and is not a representation of likely future performance. The actual performance fee and total management costs will depend on the performance of the Fund and may vary from this example. The performance fee is only payable if the required performance hurdle is met.

9.3 Additional Explanation of fees and costs

Equity Arranging Fee

The equity arranging fee of 5.5% (inclusive of GST) is charged only on any application monies received under the Initial Offer and is payable to the Financial Advisor under the Financial Advisor’s mandate with the Responsible Entity. Further details of the mandate can be found in Section 13.2.

The equity arranging fee is payable from the Fund will not be charged on existing or subsequent investments in the Fund.

Management Fee

The ongoing management costs for the Fund include a management fee which is payable from the Fund to the Responsible Entity.

The Responsible Entity on-pays some of the management fee to the Investment Manager, in accordance with the terms of the IMA, for assistance in managing the Portfolio of the Fund. For further details of the IMA see Section 13.1.

Performance Fee

The ongoing management costs for the Fund include a performance fee which is payable from the Fund. The performance fee is only payable if the performance hurdle (for the Fund) is met.

The performance fee is calculated on a six-monthly basis ending on 31 December and 30 June of each year.

The performance hurdle is a change in the Net Asset Value of the Fund (plus relevant distributions) for the six-monthly performance period that exceeds the base price (calculated at the commencement of the performance fee calculation period, or on receipt of an application during the period) plus pre-incentive increase for that six-monthly period. The pre-incentive increase is 10% per annum (5% pro rata for each six months).

If that performance hurdle is not met (where the Net Asset Value of the Fund for any six-monthly performance period (plus relevant distributions) does not exceed the base price plus the pre-incentive increase), no performance fee is payable.

If the performance hurdle is met, a performance fee of 17.9375% of the amount (in percentage terms) by which the change in the Net Asset Value of the Fund (including relevant distributions) exceeds the base price plus pre-incentive increase for the six-monthly period will be charged.

The performance fee of 17.9375% includes GST and the assumed entitlement to a reduced input tax credit of 75%.

If the Net Asset Value for any Performance Period plus Relevant Distributions does not exceed the Base Price plus the Pre-Incentive Increase, no performance fee is payable. If a performance fee is payable, it will be on-paid to the Investment Manager.

If a performance fee is payable, the Responsible Entity on-pays the performance fee to the Investment Manager in accordance with the terms of the IMA. For further details of the IMA see Section 13.1.

TABLE 3: WORKED EXAMPLES OF PERFORMANCE FEE

The following performance fee examples are based on scenarios where an investor has \$50,000 invested in the Fund.

They are provided for illustrative purposes only. The scenarios are not an indication of or representation in respect of potential unit prices or future performance. The actual performance fee (if any) will vary depending on the actual return of the Fund.

Example Scenarios	A Example Issue Price @ 28/2/18 (Base Price)	B Example Pre-Incentive Increase to 30/6/18	C Example End Price required for Performance Fee	D Example End Price @ 30/6/18	E Example Excess End Price over pre-incentive increase	F Example Performance Fee per Unit @ 17.9375%	G Example Base Price for next Performance Period @ 30/6/18 (Next Price)	H Example Performance Fee cost on \$50,000 invested
Example 1: Initial performance period (ending 30/6/18)		A x 5% x 92 days / 151 days	A + B		D - E	E x 17.9375%	D - F	
If End Price Exceeds Base Price plus pre-incentive increase	8.9441	0.2990	9.2431	9.5000	\$0.2569	0.0461	9.4539	257.71
If End Price Exceeds only Base Price	8.9441	0.2990	9.2431	9.2000	-\$0.0431	NIL	9.3913	NIL
If End Price is less than Base Price	8.9441	0.2990	9.2431	8.9000	-\$0.3431	NIL	9.3913	NIL

SUBSEQUENT PERFORMANCE PERIOD (COMMENCING 1/7/18) (using above Next Price outcomes as next Example Base Price)

	A Example Base Price @ 30/6/18	B Example Pre-Incentive Increase to 30/12/18	C Example End Price required for Performance Fee	D Example End Price @ 30/12/18	E Example Excess End Price over pre-incentive increase	F Example Performance Fee per Unit @ 17.9375%	G Example Base Price for next Performance Period @ 30/12/18	H Example Performance Fee cost on \$50,000 invested
Example 2: If the Next Price outcome for the previous performance period is \$9.4539								
If End Price Exceeds Base Price plus pre-incentive increase	9.4539	0.4727	9.9266	10.0000	\$0.0734	0.0132	9.9868	69.81
If End Price Exceeds only Base Price	9.4539	0.4727	9.9266	9.5000	-\$0.4266	NIL	9.9266	NIL
If End Price is less than Base Price	9.4539	0.4727	9.9266	9.0000	-\$0.9266	NIL	9.9266	NIL

A Example Base Price @ 30/6/18	B Example Pre-Incentive Increase to 30/12/18	C Example End Price required for Performance Fee	D Example End Price @ 30/12/18	E Example Excess End Price over pre-incentive increase	F Example Performance Fee per Unit @ 17.9375%	G Example Base Price for next Performance Period @ 30/12/18	H Example Performance Fee cost on \$50,000 invested
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Example 3: If the Next Price outcome for the previous performance period is \$9.3913

If End Price Exceeds only Base Price	9.3913	0.4696	9.8609	10.0000	\$0.1391	0.0250	9.9750	133.10
If End Price Exceeds only Base Price	9.3913	0.4696	9.8609	9.5000	-\$0.3609	NIL	9.8609	NIL
If End Price is less than Base Price	9.3913	0.4696	9.8609	9.0000	-\$0.8609	NIL	9.8609	NIL

Note to table: The examples and figures in the above table are provided as examples only and are not a representation of likely future performance or a guarantee of any future return on an investment in the Fund. The actual performance fee payable will depend on the performance of the Fund and may vary from the above examples, and the performance fee is only payable if the required performance hurdle is met.

Other Fund Costs

The Responsible Entity is entitled to be reimbursed from the Fund for all costs, charges and fees properly incurred in the course of its duties in connection with the administration or management of the Fund except salary related expenses. These costs include custody, registry, accounting and audit.

The Responsible Entity currently estimates that these costs total 1.1275% of the Total Gross Investments of the Fund per year, equating to a cost to Unitholders of approximately \$563.75 on an average investment balance of \$50,000.

9.4 Advisor Remuneration

The Responsible Entity will pay the Financial Advisor the equity arranging fee of 5% (plus GST) of any application monies received under the Initial Offer (described in Section 9.3 above) and a success fee payable upon Listing (being a fee for structuring and arranging the Fund for listing) of 1% (plus GST) of the Total Gross Investments of the Fund immediately prior to the issue of new Units to successful applicants under the Initial Offer. These fees will be deducted from the Fund.

Other than the equity arranging fee and success fee, no commissions will be paid by the Responsible Entity to financial advisors. The Financial Advisor is also entitled to be reimbursed for costs and expenses reasonably incurred in connection with performance of its role as Financial Advisor, such costs and expenses to be treated as expenses of the Offers deducted from the Fund (see Section 11.1 for further details of the estimates expenses of the Offers).

You may incur a fee for the advice provided to you by your personal financial advisor, but this is not an amount charged by the Responsible Entity for investing in the Fund nor is it an amount that is paid or deducted from the Fund.

9.5 Changes in Fees and Costs

The management fees and costs outlined above are based on the Responsible Entity's actual knowledge or a reasonable estimate of the fee or costs, where appropriate. Such estimates are based on a number of factors which may be subject to change, such as changes in industry or regulatory requirements, which may result in a change in the actual fees and costs from time to time.

The management fee and performance fee are capped by the Constitution, and the management fee and performance fee disclosed in Table 2 above are the maximum permitted by the Constitution and as such any increase would require Unitholder approval.

10. MANAGEMENT AND CORPORATE GOVERNANCE

10.1 Compliance Plan

The Fund has a Compliance Plan which sets out how the Responsible Entity will ensure compliance with both the Act and the Constitution, and provides the mechanisms for monitoring compliance with the relevant laws and the Constitution. It further sets out the procedures to be followed by the Responsible Entity if an event occurs which requires action. This plan is overseen by a Compliance Committee and the Responsible Entity's compliance with is audited annually by the Compliance Plan Auditor.

10.2 Compliance Committee

The Responsible Entity has established the Compliance Committee to monitor compliance with the Compliance Plan. The majority of its members are independent of the Responsible Entity. In addition, the Compliance Committee must regularly assess the adequacy of the Compliance Plan and report any breaches of the Act or the Constitution to the Responsible Entity. If the Responsible Entity does not take appropriate action to deal with the breach, the Compliance Committee must report relevant details of the breach to ASIC.

Details of the current members of the Compliance Committee are set out below:

Steven Robert O'Connell

Mr O'Connell has over 30 years' extensive finance industry experience in life insurance, asset management, custodial services, financial planning and superannuation (consulting, administration and trustee services). He has headed the compliance and risk management functions for several large multi-national asset managers. Mr O'Connell has been appointed company secretary for a number of asset managers, and has headed custodial operations for corporate actions, reconciliations and unlisted trust management. He has held board positions at one of Australia's leading asset management companies, chairs Compliance Committees for leading asset managers and continues to be a Responsible Manager for a number of asset management companies.

Mr O'Connell also sits on the board of a number of small businesses within the finance industry and has been a member of the Responsible Entity's Compliance Committee for over 10 years. He is also a director of Lowell Resources Funds Management Ltd.

John Taylor

John is a compliance practitioner with over 25 years' experience in the finance industry. Sectors he has experience in include managed funds, listed trusts, superannuation, trustee companies and building societies. As Executive Director of Intertextual Pty Ltd, John led a team which developed a risk and compliance management software program currently being used by many of Australia's major superannuation funds. John is originator and co-convenor of the Independent Compliance Committee Forum.

John is also Chairman of the Responsible Entity's Compliance Committee, a position he has held for more than 10 years.

Neil Busse

Mr Busse has over 25 years' experience in the finance industry including the management of a corporate trustee business, extensive experience in the life and general insurance operations. Mr Busse has been a senior manager of a national financial planning company and he has been a member of the Responsible Entity's Compliance Committee for more than 10 years.

10.3 Corporate Governance

Responsibility for the Fund's proper corporate governance rests with the Responsible Entity. The Responsible Entity's guiding principle in meeting this responsibility is to act honestly, in good faith and in the best interests of the Fund as a whole, in accordance with the law and the Code of Conduct adopted by the Responsible Entity.

The Responsible Entity has entered into an Investment Management Agreement (**IMA**) with the Investment Manager pursuant to which the Investment Manager will provide certain investment management services to the Fund.

The Responsible Entity, with reliance upon the Investment Manager, will monitor the operational and financial position and performance of the Fund. The Responsible Entity is committed to maximising performance, generating appropriate levels of investor value and financial return, and sustaining the growth and success of the Fund. In conducting the Fund's business with these objectives through the Investment Manager, the Responsible Entity seeks to ensure that the Fund is properly managed to protect and enhance investor interests, and that the directors of the Responsible Entity and the Investment Manager operate in an appropriate environment of corporate governance.

Accordingly, the Responsible Entity has created a framework for managing the Fund, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Fund's business and which are designed to promote the responsible management and conduct of the Fund. Under the IMA, the Investment Manager agrees to assist the Fund to comply with all relevant laws, including the Listing Rules and the Corporations Act.

10.4 Corporate Governance Policies

The ASX Corporate Governance Council has developed and released the ASX Guidelines for Australian listed entities in order to promote investor confidence and to assist entities to meet stakeholder expectations. The ASX Guidelines are not prescriptions, but guidelines. However, under the Listing Rules, the Fund will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Guidelines in the reporting period. Where the Fund does not follow a recommendation, it must identify the recommendation that is not being followed and give reasons for not following it. Except as set out below, the Responsible Entity does not anticipate that it will depart from the ASX Guidelines; however, they may do so in the future if they consider that such departure would be reasonable.

The key elements of the Fund's corporate governance framework are set out below.

The Responsible Entity has adopted a number of corporate governance policies to ensure that the Fund is governed efficiently and effectively, and at a high level of integrity. These policies are summarised below:

- **Audit and Risk Committee Charter** – The Audit and Risk Committee Charter sets out the parameters, function and responsibilities of any Audit and Risk Committee established by the Board of the Responsible Entity. The Audit and Risk Committee is responsible for reviewing the integrity of the Fund's financial reporting and overseeing the independence of the Fund's external auditors.

- Code of Conduct – The Code of Conduct applies to all employees, officers and directors of the Responsible Entity and sets out certain principles on how the Responsible Entity conducts its business.
- Communication and Disclosure Policy – The Communication and Disclosure Policy sets out the accountability, policies and procedures that govern the Responsible Entity’s handling of information, continuous disclosure and communications. The Responsible Entity aims to provide timely, transparent and accurate information to the Unitholders of the Fund, regulators and wider stakeholders. The Communication and Disclosure Policy also aims to promote effective communication with Unitholders and other stakeholders, and to encourage and facilitate participation at the Fund’s general meetings and promptly deal with enquiries from Unitholders and other stakeholders.
- Risk Management Plan – The Risk Management Plan defines the Responsible Entity’s processes for managing risk including the implementation, monitoring, reviewing and improvement of risk management.
- Securities Trading Policy – The Responsible Entity’s Securities Trading Policy regulates dealings in the Fund’s Units by certain restricted persons who may acquire inside information through their position or dealings with the Fund or the Responsible Entity.

10.5 ASX Corporate Governance Council Principles and Recommendations

Responsibility for the Fund’s proper corporate governance rests with the Responsible Entity. The Responsible Entity has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Responsible Entity’s policies and procedures for the Fund with openness and integrity, pursuing corporate governance commensurate with the Fund’s needs.

To the extent applicable, the Responsible Entity has adopted the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (**Recommendations**). As an externally managed listed entity, there are certain of the Recommendations that do not apply where the Fund’s corporate governance is required. The Fund’s compliance with, and any key departures from, the applicable Recommendations, are set out below.

In light of the Fund’s size, structure and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Fund. As the Fund’s activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Responsible Entity’s main corporate governance policies and practices for the Fund as at the date of this PDS are detailed in the above section and are also available at <http://www.cremornecapital.com/lrf-profile/>.

A. Principle 1 – Lay solid foundations for management and oversight

The Responsible Entity has not adopted a formal board charter in relation to the Fund. In operating the Fund, the Responsible Entity’s overarching principle is always to act in good faith and in the best interests of the Fund’s unitholders in accordance with its fiduciary duty. The Responsible Entity’s duties and obligations in relation to the Fund principally arise from the Constitution of the Fund, the Compliance Plan for the Fund, the Recommendations, the general regulatory requirements of the Australian Securities and Investments Commission (ASIC) and ASX and

legislative and regulatory requirements of jurisdictions in which the Fund and the Responsible Entity operate.

The Board, in consultation with management and the Compliance Committee (established under the Fund's Compliance Plan), determine appropriate corporate governance practices, taking into account the matters outlined in the preceding paragraph. The Responsible Entity delegates particular functions to the Investment Manager as set out in the Investment Management Agreement, including assistance with the day-to-day management of the Fund. As described earlier in this PDS, the Responsible Entity and Investment Manager have together managed the Fund and the Assets since 2004.

The Responsible Entity has adopted an Audit and Risk Committee Charter and a Risk Management Plan. Having regard to the size and nature of the Fund, at present the Board fulfils the role of the Audit and Risk Committee in accordance with the policies and procedures set out in the charter.

As part of the governance process, the Board and the Compliance Committee periodically review the Fund's policies and practices to provide reasonable assurance that they meet the requirements of stakeholders and the Responsible Entity's Code of Conduct, and that there is a process of continual improvement in governance standards.

B. Principle 2 – Structure the board to add value

At present, the Board consists of three non-executive directors, one of whom is the Chairman. One of the Directors, Oliver Carton, is independent. Further information about the Directors is set out in Section 4. The Board meets regularly (and as often as is required to consider matters in relation to the Fund) and considers that the composition and mix of skills of the Directors are appropriate for the Directors to understand the Responsible Entity's business and to discharge the duties of the Responsible Entity.

The Directors are completely independent of the Investment Manager, who has been engaged by the Responsible Entity to manage the investments of the Fund, and adds value in this way in terms of the best interests of the Unitholders. There are no common directors and no related party interests between the Responsible Entity and the Investment Manager, avoiding any conflict of interest where discretionary decisions are required of either in their respective capacities.

The Board is provided with regular detailed reports on the financial position, financial performance and business of the Responsible Entity and the Fund to allow the Board to effectively fulfil its responsibilities. The Directors have access to the management, staff and advisers of the Responsible Entity and Perpetual as necessary if they require additional information. The Directors also have access, as and when required, to the service providers engaged by the Responsible Entity, such as the Investment Manager.

C. Principle 3 – Act ethically and responsibly

The Responsible Entity has a Code of Conduct that applies to all directors, senior executives, employees, service providers and representatives and requires all such persons to act honestly in the exercise of their duties and, where possible and appropriate, follows the Recommendations. The purpose of this Code is to set out the ethical principles and professional standards of conduct which guide the Responsible Entity and its employees in its business activities.

The Code also sets out standards and restrictions in relation to:

- the avoidance and management of actual or potential conflicts of interest;
- preventing the offering or acceptance of bribed and other unlawful or unethical payments or inducements;
- the non-tolerance of any act of harassment or discrimination; and
- compliance with the letter and spirit of all Commonwealth and State or Territory trade practices laws.

The Board of the Responsible Entity has also adopted a Securities Trading Policy that sets out the circumstances in which certain restricted persons (which includes all directors and employees of the Responsible Entity and the Investment Manager) may trade in Units in the Fund. The trading policy prohibits those restricted persons from dealing in Fund securities when they are in possession of price-sensitive information that is not generally available to the market and also places restrictions and notification requirements on dealing with Fund securities, including the imposition of blackout periods and the need to obtain pre-trade approval.

The Responsible Entity is also subject to the AFSL licensing requirements.

D. Principle 4 – Safeguard integrity in corporate reporting

The Responsible Entity has established a Compliance Committee to monitor compliance with the Fund’s Compliance Plan. The members of the Compliance Committee are Steven O’Connell, John Taylor and Neil Busse. The majority of the members of the Compliance Committee are independent of the Responsible Entity. Further information about the members of the Compliance Committee is set out in Section 10.2 of this PDS.

The Compliance Committee regularly assesses the adequacy of the Fund’s Compliance Plan and must report any breaches of the Act or the Constitution to the Responsible Entity.

Having regard to the size and nature of the Fund, at present the Board fulfils the role of the Audit and Risk Committee in accordance with the policies and procedures set out in the Audit and Risk Committee Charter. The Audit and Risk Committee will meet at minimum twice a year. Some of the key roles of the Audit and Risk Committee are to:

- oversee the Responsible Entity’s responsibilities relating to financial reporting, relevant statutory requirements, statutory external financial audits and audits of the Fund;
- monitor and review the propriety of any related party transactions;
- meet with the external auditor of the Fund at least annually and review the appointment of the external auditor of the Fund;
- enhance credibility and objectivity of financial reports;
- establish procedures for complaints and reports regarding accounting, internal accounting controls and auditing matters relating to the Fund;
- evaluate the adequacy and effectiveness of the administrative, operating and accounting policies for the Fund; and
- review at least twice annually the risk management systems of the Fund in relation to some aspects of the risk management and compliance frameworks.

Prior to the approval of any financial statements, the Audit and Risk Committee Charter requires that the Responsible Entity's Chairman and the party responsible for preparation of the Fund's financial records make a declaration to the Audit and Risk Committee that the financial records of the Fund have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Fund, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Fund's external auditor will be requested to attend any annual general meeting of the Fund, and to be available to answer any questions from Unitholders in relation to that year's audit.

E. Principle 5 – Make timely and balanced disclosure

The Responsible Entity's has adopted a Continuous Disclosure Policy for the Fund that assists with clear and effective communication to Unitholders by ensuring:

- the Fund, at a minimum, complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules;
- the Fund provides unitholders, together with the market, timely, direct and equal access to information issued by it; and
- information which is not generally available and which may have a material effect on the price or value of the Fund's Units is identified and appropriately considered for disclosure to the market.

The Responsible Entity requires various service providers, including the Investment Manager, to assist the Responsible Entity to comply with the Continuous Disclosure Policy. The Investment Management Agreement also requires the Investment Manager to provide information as required to enable the Responsible Entity to comply with the Continuous Disclosure Policy.

F. Principle 6 – Respect the rights of security holders

The Responsible Entity recognises that Unitholders are entitled to accurate, timely and relevant information and should be fully informed of material matters that affect the Fund's position and prospects. Any prospective investors should be able to make informed investment decisions regarding the Fund. The Responsible Entity seeks to accomplish this through the periodic release of timely, market sensitive information in relation to the Fund. After it has been disclosed to the ASX, all information will be made publicly available online.

The Responsible Entity will seek feedback from Unitholders to facilitate effective two-way communication and recognises the importance of Unitholder interaction and supports the principle of participation. If any meetings are held, the Responsible Entity will provide the required documents to, and inform Unitholders of such documents, run the meeting as required and make the required ASX disclosures.

The Responsible Entity also recognises the benefits of the use of electronic communications and unitholders have the option to receive communications from, and send communications to, the unit registry electronically.

G. Principle 7 – Recognise and manage risk

The Audit and Risk Committee Charter, combined with a Risk Management Plan adopted by the Responsible Entity and Fund's Compliance Plan, provide the framework that the Responsible Entity has adopted to oversee and manage risk in relation to the Fund. The Board and the Compliance Committee otherwise have oversight of the operational risk and compliance frameworks as they consider risk management matters should be a strong focus of the management of the Fund.

The Risk Management Plan sets out a policy for risk oversight and management within the Responsible Entity, in particular in relation to the activities of its employees in respect of the Fund. The Risk Management Plan is reviewed by the Fund Compliance Manager and updated at least annually, with quarterly reports to the Board by the Compliance Manager of any matters affecting the plan. In the event of a material breach of the Risk Management Plan, or a material regulatory change affecting the Responsible Entity or the Fund, the Risk Management Plan (or the risk assessment contained therein) will be reviewed and amended as necessary.

The Company does not have an internal audit function. The Responsible Entity is the holder of AFSL 241175 and is subject to the regular requirements imposed upon AFSL holders. The Responsible Entity has appointed an external auditor of the Fund, and these external audits provide reasonable assurance on the design and operating effectiveness of the Fund's compliance and control environment. In addition, periodic monitoring of compliance with key policies and procedures is performed by the Responsible Entity and the results are reported to the Board.

The Boards and senior management of the Responsible Entity have the skills and expertise to understand and rigorously review and challenge the information provided and recommendations submitted for approval. Where additional assurance is desired, the Board can commission external independent advice and reviews as necessary.

The Responsible Entity acknowledges that whilst the industry in which the assets of the Fund are primarily invested in may have material exposure to environmental or social sustainability risks (resources sector), the Board does not consider the Fund currently has such material exposure.

H. Principle 8 – Remunerate fairly and responsibly

The fees and expenses which the Responsible Entity is permitted to pay out of the assets of the Fund are set out in the Constitution and in this PDS.

Fees and expenses paid out of the Assets are unrelated to the remuneration of the Responsible Entity's directors, management and staff which is separately determined.

11. FINANCIAL INFORMATION AND INVESTIGATING ACCOUNTANT'S REPORT

11.1 Introduction

Unaudited Pro Forma Statements of Financial Information

The Pro Forma Financial Information set out below has been prepared to illustrate the financial position of the Fund following completion of the Initial Offer and the expenditure of funds associated with the Initial Offer as if such events had occurred as at 30 September 2017. The Initial Offer assumes a minimum subscription of \$0 (nil), a maximum subscription of \$5 million, and an oversubscription of \$10 million. The Pro Forma Financial Information is intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the completion of the offer. The Pro Forma Financial Information has been prepared in accordance with the principles and significant accounting policies set out in Section 11.2.

	Audited accounts	Management accounts	Minimum subscription (\$0)		Maximum subscription (\$5m)		Oversubscription (\$10m)	
	30 June 2017	(unaudited, not reviewed) 30 September 2017	Adjustments	Pro forma	Adjustments	Pro forma	Adjustments	Pro forma
Assets								
Cash and cash equivalents	2,269,472	1,601,490	(462,082)	1,139,408	4,257,417	5,858,907	8,976,907	10,578,404
Receivables	86,463	13,334	10,739	24,073	10,739	24,073	10,739	24,073
Financial assets	17,852,769	19,229,467	-	19,229,467	-	19,229,467	-	19,229,467
Total assets	20,208,704	20,844,290		20,392,947		25,112,446		29,831,944
Liabilities								
Accounts payable	1,243,985	577,901	-	577,901	-	577,901	-	577,901
Total liabilities	1,243,985	577,901		577,901		577,901		577,901
Net assets attributable to unitholders	18,964,719	20,266,389		19,815,046		24,534,545		29,254,043

The Pro Forma Statements of Financial Position have been derived from the unaudited, not reviewed historical statement of financial position of the Fund as at 30 September 2017 adjusted for the effects of the pro forma adjustments described below:

- application of the significant accounting policies set out in section 11.2;
- the column headed 'Minimum subscription (\$0)', has been prepared on the basis of no subscriptions for Units;

- c) the column headed 'Minimum subscription (\$0)', has been prepared on the basis of no subscriptions for Units;
- d) the column headed 'Maximum subscription (\$5m)', has been prepared on the basis of subscriptions for 633,871 Units by Applicants under this PDS at an issue price of \$7.89 per Unit;
- e) the column headed 'Oversubscription (\$10m)', has been prepared on the basis of subscriptions of 1,267,742 Units by Applicants under this PDS at an issue price of \$7.89 per Unit;
- f) expenses related to the Offer will be paid out of the assets of the Fund; and
- g) no interest is earned by the Fund on Application Monies during the Offer period.

Capital Structure

Set out below is the anticipated capital structure of the Fund on completion of the Offer under the different indicated subscription amounts.

Options are issued to existing unitholders in the Fund in accordance with Section 2.14.

	30 June 2017	30 September 2017	Minimum subscription (\$0)	Maximum Subscription (\$5m)	Oversubscription (\$10m)
Units	2,391,276	2,440,794	2,440,794	3,074,665	3,708,536
NAV per unit	7.93	8.30	8.12	7.98	7.89
Options on issue	-	-	1,221,594	1,221,594	1,221,594

The Fund's number of units increased between 30 June 2017 and 30 September 2017 predominantly due to distribution reinvestments.

Pro Forma Cash

	Minimum subscription (\$0)	Maximum Subscription (\$5m)	Oversubscription (\$10m)
Cash balance at 30 September 2017	1,601,490	1,601,490	1,601,490
Cash proceeds from Offer	-	5,000,000	10,000,000
Expenses of Offer (net of GST receivable)	(462,082)	(742,583)	(1,023,086)
Estimated net cash position	1,139,408	5,858,907	10,578,404

Estimated Expenses of the Offers

	Minimum subscription (\$0)	Maximum Subscription (\$5m)	Oversubscription (\$10m)
ASX fees	87,398	92,899	98,402
Advisory and brokerage fees	343,784	618,784	893,784
Other fees	30,900	30,900	30,900
Total estimated gross expenses of the Offer (incl. GST)	462,082	742,583	1,023,086
GST receivable	10,739	10,739	10,739

11.2 Significant Accounting Policies

Basis of Preparation

The Pro Forma Financial Information has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law. The functional currency is in Australian Dollars and the level of rounding is to the nearest dollar.

Foreign Currency Transactions

All transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to Australian dollars at the foreign currency closing exchange rate ruling at the balance sheet reporting date.

Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to Australian dollars at the foreign currency closing exchange rates ruling at the dates that the values were determined.

Foreign currency exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains and losses on investments and net gain/loss on derivatives, respectively. All other foreign currency exchange differences relating to monetary items, including cash and cash equivalents are presented separately in the income statement.

Financial Instruments

Purchases and Sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the fund commits to purchase or sell the asset.

Measurement

Investments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through the profit and loss are expensed immediately, while on other assets they are amortised.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss is measured at fair value with changes in their fair value recognised in profit or loss.

The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices at the balance sheet date without any deduction for estimated future selling costs.

For investments with no active market such as unlisted equity securities, fair values are determined using discounted cash flow models or other appropriate valuation methodologies. These models use inputs that include growth forecasts, dividend ratios, capital expenditure and terminal values.

Additionally where limited data exists for certain assets, prices are interpolated using historic and long-term pricing relationships.

Financial liabilities arising from the redeemable units issued by the Fund are carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets, effectively fair value at reporting date.

Cash and Cash Equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments readily convertible to known amounts of cash, subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or any other purposes

Investment Income

Interest income is recognised in the income statement as it accrues, using the effective interest method of the instrument calculated at the acquisition date. Interest income includes amortisation of any discount, transaction costs or any other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Dividend income is recognised in the income statement on the ex-dividend date.

The Fund may receive or choose to receive dividends in the form of additional shares rather than cash. The Fund recognises the dividend income for the amount of the cash dividend alternative with the debit treated as an additional investment.

Expenses

All expenses, including management fees and custodian fees, are recognised in the income statement on an accruals basis.

Distributions

In accordance with the Fund's constitution, the Fund fully distributes its distributable income to unit holders by way of cash or reinvestment into the Fund. Distributions to unit holders comprise the taxable income of the Scheme to which the unit holders are presently entitled.

Income Tax

Under current income tax legislation the Fund is not liable to pay income tax as the net income of the Fund is assessable in the hands of the beneficiaries (the unit holders) who are 'presently entitled' to the income of the Fund. There is no income of the Fund to which the unit holders are not presently entitled and additionally, the Fund Constitution requires the distribution of the full amount of the net distributable income of the Fund to the unit holders each period.

As a result, deferred taxes have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that taxable gains are realised by the Fund, these gains would be included in the taxable income that is assessable in the hands of the unit holders as noted above.

Realised capital losses are not distributed to unit holders but are retained within the Fund to be offset against any realised capital gains. The benefit of any carried forward capital losses are also not recognised in the financial statements. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income that is assessable in the hands of unit holders in that period and is distributed to unit holders in accordance with the requirements of the Fund Constitution.

Unit Prices

The unit price is based on unit price accounting outlined in the Fund's constitution.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC) except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from the Australian Taxation Office is included in receivables in the balance sheet.

Payables

Trade payables and other accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods & services.

Receivables

Trade receivables and other receivables are recorded at amortised cost less impairment.

11.3 Investigating Accountant's Report

A copy of the Investigating Accountant's Report by Nexia Corporate Melbourne Pty Ltd in relation to the historical financial information and pro forma financial information of the Fund is set out on the following pages.

17 January 2018

Board of Directors
Cremorne Capital Ltd as Responsible Entity for Lowell Resources Fund
8 Chapel Street
CREMORNE VIC 3121

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT

Nexia Corporate Melbourne Pty Ltd has been engaged by Lowell Resources Fund ('the Fund') to prepare this Investigating Accountant's Report ('Report') in relation to the historical financial information and pro forma financial information of the Fund, for inclusion in a Product Disclosure Statement to be dated on or about 16 January 2018 ('Product Disclosure Statement') relating to a public offering to raise \$5 million before costs, at an issue price based on the calculation set out in Section 2.4, ('Full Subscription'). The minimum subscription will be \$0 (Zero) ('Minimum Subscription'). The Fund reserves the right to accept over subscriptions.

Unless stated otherwise in this Report, expressions defined in the Product Disclosure Statement have the same meaning in this Report.

This Report has been prepared for inclusion in the Product Disclosure Statement. We disclaim any assumption of responsibility for any reliance on this report or on the historical and pro-forma financial information to which it relates, for any purpose other than that for which it was prepared.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License (AFSL) under the Corporations Act 2001. Nexia Corporate Melbourne Pty Ltd holds the appropriate AFSL under the Corporations Act 2001.

Background

The Lowell Resources Fund is a registered Managed Investment Scheme structured as a unit trust, which has been registered with ASIC. The Fund was established on 21 January 1986 and prior to admission to the official list of ASX, the Fund has operated as an unlisted fund.

The Fund focuses on investing in shares and other financial products issued by predominantly small capitalisation resources companies listed or seeking to list on Australian and overseas stock exchanges.

The Manager is the investment manager of the Fund and has acted as investment manager of the Fund since June 2004.

About the Responsible Entity

The responsible entity of the Fund is Cremorne Capital Limited. It has been the Responsible Entity of the Fund since June 2000. The Responsible Entity holds an AFSL (AFSL No. 241175) issued by ASIC, which authorises it to operate the Fund.

Role of the Responsible Entity

The Responsible Entity is bound by the constitution of the Fund, the Corporations Act and the Listing Rules. The Responsible Entity has lodged a compliance plan with ASIC which sets out the key measures which the Responsible Entity will apply to comply with the Constitution, the Corporations Act and the Listing Rules. The Responsible Entity has established a Compliance Committee with a majority of external members. The compliance plan is overseen by the Compliance Committee and is audited annually with the audit report being lodged with ASIC.

The Responsible Entity has the power to delegate certain aspects of its duties.

The Responsible Entity has appointed the Manager as the investment manager of the Fund. There are no unusual or materially onerous terms in the agreement under which the Manager has been appointed.

Scope

Historical Financial Information

Lowell Resources Fund has requested Nexia Corporate Melbourne Pty Ltd to review the following financial information as set out in Section 11 of the Product Disclosure Statement:

- Statement of Financial Performance for the year ended 30 June 2017 and three month period ended 30 September 2017;
- Statement of Financial Position at 30 June 2017 and 30 September 2017;
- Statements of Cash Flows for the year ended 30 June 2017;

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australia Accounting Standards and the company's adopted accounting policies. The historical financial information has been extracted from the financial report of Lowell Resources Fund for the year ended 30 June 2017, which was audited by Nexia Melbourne Audit Pty Ltd in accordance with the Australian Auditing Standards. Nexia Melbourne Audit Pty Ltd issued an unmodified audit opinion on the 30 June 2017 financial report. The management accounts for the three month period ended 30 September 2017 have not been audited, however a review of the management accounts was undertaken as part of the investigating accountant's review process. The historical information is presented in the public document in an abbreviated form, insofar as it does not include all of the presentation and disclosure required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

Pro Forma Historical Financial Information

Lowell Resources Fund has requested Nexia Corporate Melbourne Pty Ltd to review the following pro forma historical Statement of Financial Position as at 30 September 2017 referred to as 'the pro forma historical financial information'.

The pro forma historical financial information has been derived from the historical financial information of Lowell Resources Fund, after adjusting for the effects of pro forma adjustments described in Section 11 of the public document. The stated basis of preparation is the recognition and measurement principles contained in Australia Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 11 of the public document, as if those events or transaction had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical information does not represent the company's actual or prospective financial position.

Directors' Responsibility

The directors of Cremorne Capital Ltd ('the Responsible Entity') are responsible for the preparation and presentation of the Financial Information, including the selection and determination of the notional adjustments, pro-forma adjustments and the applicable accounting policies. This includes responsibility for such internal controls as the directors deem necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence that we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in Section 11 of the public document, and comprising:

- The Statement of Financial Performance of Lowell Resources Fund for the year ended 30 June 2017 and the three month period 30 September 2017;
- The Statement of Financial Position of Lowell Resources Fund for the years ended 30 June 2017 and three month period ended 30 September 2017; and
- The Statement of Cash Flow for the year ended 30 June 2017;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 11 of the document.

Pro Forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical information being the Statement of Financial Position as at 30 September 2017 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 11 of the document.

Restriction on use

Without modifying our conclusions, we draw attention to Section 11 of the Product Disclosure Statement, which describes the purpose of the Financial Information, being for inclusion in the Product Disclosure Statement. As a result, the Financial Information may not be suitable for use for another purpose.

Nexia Corporate Melbourne has consented to the inclusion of this Report in the Product Disclosure Statement in the form and context in which it is included. At the date of the Report, this consent has not been withdrawn. However, Nexia Corporate Melbourne has not authorised the issue of the Product Disclosure Statement. Accordingly, Nexia Corporate Melbourne makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Product Disclosure Statement.

Disclosure of interest

Nexia Corporate Melbourne does not have any interest in the outcome of the Product Disclosure Statement other than in connection with the preparation of this Report for which professional fees will be received.



Nexia Corporate Melbourne Pty Ltd
AFSL No. 460 701



Vito Interlandi FCA
Director

Dated this 17 day of January 2018

12. TAXATION

The summary below is general in nature and is intended as a guide only. It summarises the Australian income tax implications applicable to the Fund and investors, based on the tax laws applicable as at the date of this PDS, but it does not constitute tax advice. As the tax rules in Australia are complex and are continuously changing, it is strongly recommended that investors obtain specific tax advice pertaining to their own circumstances prior to investing in the Fund.

In particular, the implications summarised apply only where investors are residents of Australia for income tax purposes and hold their investment on capital account for income tax purposes. They do not apply where investors are not resident of Australia for income tax purposes or where any gain in respect of the disposal of Units would be regarded as ordinary income or otherwise taxed on revenue account. Investors should obtain specific tax advice pertaining to their own circumstances prior to investing in the Fund.

12.1 How the Fund is Taxed

General

The Fund has been established as an Australian resident unit trust. In addition, it is the Responsible Entity's intention that the Fund's investments will not cause the Fund to be taxed as a public trading trust.

Investors should not be able to apply the Fund's tax losses or capital losses to reduce their other taxable capital gains or income, but such losses may accumulate in the Fund and may be offset against future assessable income or gains of the Fund provided certain loss recoupment tests are satisfied.

The Fund intends to continue to qualify as a 'managed investment trust' for Australian tax purposes. If the Fund so qualifies, it will be eligible to make a capital account election for the purposes of the managed investment trust regime under Australian income tax law. This election would mean gains and losses on the disposal of certain assets (such as shares in companies and units in unit trusts, rights and options over such assets but excluding assets that are debt interests or other financial arrangements) of the Fund will be subject to capital gains tax treatment.

The AMIT Taxation Regime

The AMIT regime has been introduced as a new tax system for managed investment trusts to increase certainty of income tax rules for such trusts and to ensure investors' rights to the income and capital of the Fund are clearly defined and cannot easily be materially diminished or expanded through the exercise of a power or right. Rather than determining taxation on a "present entitlement" basis, taxation under the AMIT rules is based on "attribution" of the Fund's income components to the investors without the investors necessarily having "present entitlements" to the income.

The AMIT rules may be applicable to the Fund from 1 July 2017 subject to the Fund satisfying the relevant eligibility requirements both as a managed investment trust and an AMIT, and

making an election to apply the AMIT rules. The Responsible Entity will assess whether the Fund qualifies as an AMIT and whether it will make an election to apply the AMIT rules to the Fund.

If the Fund elects into the AMIT regime, the Fund will be subject to the new rules in this regime and this would impact how the Fund and the investors are taxed. The Fund will be deemed to be a ‘fixed trust’ for income tax purposes, and the Fund’s income components will be ‘attributed’ to investors on a fair and reasonable basis. The Fund can also rely on specific legislative provisions to make adjustments to reflect any prior periods’ under-attributions or over-attributions of taxable income components, although administrative penalties may apply in certain circumstances. In broad terms, the income tax consequences under the AMIT rules are otherwise expected to be similar to the income tax consequences under the current general taxation rules on trusts.

It is noted that the AMIT rules codify an “unders and overs” provision, which means that any errors in determining taxable income can be carried forward to the following income year. This means that any incoming or outgoing investors may be taxable on these carried over forward amounts.

The Responsible Entity will monitor the impact of these proposed changes on the Fund to determine whether the Fund should elect to be an AMIT.

If the Fund cannot or does not elect into the AMIT rules, the general taxation rules on trusts will continue to apply to the Fund. If this is the case, it is intended that investors will be presently entitled to all of the income of the Fund for each Financial Year such that no taxation liability will accrue to the Responsible Entity.

12.2 How Australian Resident Investors are Taxed

Income from the Fund

As it is the Fund’s intention to either attribute (if the Fund is an AMIT) or otherwise distribute (if the Fund is not an AMIT) all income of the Fund to investors during each Financial Year, the Fund should not be subject to any Australian income tax.

Proceeds from withdrawals may also contain a component of taxable income as determined by the Responsible Entity.

The taxable components of (if the Fund is an AMIT) attributions or (if the Fund is not an AMIT) distributions – whether reinvested back into the Fund or not – should be taxable in the hands of the investors for the Financial Year to which the attributions or distributions relate. That is, investors will include their share of the taxable components of the Fund (i.e. the taxable income of the Fund) in their assessable income for that year.

Investors will be provided with a statement each year outlining the various components of the attribution or distribution, as the case may be. For example, the components of the distribution may include dividends, trading or capital gains, tax deferred income, any taxes withheld or franking credits attached.

Capital Gains or Losses Made by the Fund

To the extent that an investor's share of the income of the Fund is attributable to a net capital gain made by the Fund after utilising available current year or carried forward capital losses in the Fund, the investor will be treated as having made a net capital gain equal to that amount. Where such an amount qualifies as a discount capital gain, the investor's distribution and taxation statement will indicate a taxable component and a capital gains tax concession component. The concession component generally represents the capital gains discount (currently 50%) claimed by the Fund. For individuals and trusts that are entitled to the same capital gains tax discount percentage (50%) as the Fund, effectively the concession component is not assessable and does not reduce the cost base of units held. However, for companies and superannuation funds, the concession component is effectively wholly or partly assessable. Where the Fund is in an overall capital losses position, such capital losses cannot be attributed to the investor but can only be carried forward in the Fund to offset against future capital gains of the Fund.

Franked Dividends and Franking Credits

Any franking credits derived by the Fund should generally be available to be distributed to investors in the Fund. However, the eligibility of the Fund to distribute franking credits is subject to certain conditions such as whether the Fund is in a tax loss position and the holding period rule. An investor's individual circumstances will also be relevant in determining whether an entitlement to franking credits exists.

Where franking credits are distributed to an investor which is a resident individual or a complying superannuation entity, and those franking credits exceed the income tax otherwise payable by the investor, the excess franking credits may be refundable (i.e. the investor may get a cash refund rather than paying tax). In the case of corporate investors, in certain circumstances excess franking credits may give rise to tax losses.

Foreign Income

The Fund may derive income from sources outside Australia. An investor's share of the gross foreign income will be treated as foreign income in their hands. Any foreign taxes paid by the Fund may be able to be attributed to investors. Investors may be able to claim a foreign income tax offset for these amounts.

Taxation of Financial Arrangements Regime

The TOFA rules may apply to certain "financial arrangements" held by the Fund. In broad terms, in calculating the net income of the Fund, returns on certain financial arrangements may be recognised on an accruals basis rather than a realisation basis, and on revenue account rather than on capital account.

Cost Base Adjustments

The cash distribution that an investor receives (including distribution reinvested back into the Fund) may include amounts not otherwise assessable income in the income year received. The non-assessable cash distribution component of distributions received by investors is commonly

referred to as a tax deferred distribution, unless it relates to a discount capital gain that has been made by the Fund.

If the Fund has elected into the AMIT rules, the cost base and reduced cost base of an investor's investment in the Fund will need to be adjusted upwards or downwards, based on the attributed amounts of the Fund's income to the investor and the distribution being made to the investor.

If the Fund is not an AMIT, a tax deferred distribution received will result in a reduction in the cost base of Units.

Investors may have a capital gain once the cost base in the Units has been reduced to nil. An investor should confirm the treatment of tax deferred distributions with their taxation adviser as this will depend on their individual circumstances.

Disposal of Units in the Fund

Investors who hold their Units on capital account may also crystallise a capital gain or capital loss on disposal or redemption of their Units in the Fund. Any capital gains tax liability that arises may be reduced by the applicable capital gains tax discount where the Units disposed of or redeemed have been held for more than 12 months. The capital gains tax discount varies depending on whether the investor is an individual, trust or complying superannuation fund. Investors should seek their own taxation advice in relation to the capital gains implications that arise on disposal or redemption of Units.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the investor may have derived.

Goods and Services Tax

GST is not imposed on the acquisition or redemption of Units in the Fund. However, the services for which any fees are payable under the "Fees and other costs" section of this PDS, are likely to be subject to GST. The Fund is unlikely to be entitled to claim a full input tax credit for any GST paid on fees and other costs payable by it. The Fund may be entitled to claim a reduced input tax credit in relation to some of the GST payable in respect of certain expenses.

Any denial of input tax credit will be an additional cost to the Fund, which may affect the net income of the Fund and the distributions (if any) made by the Fund to investors.

Duty

Neither the acquisition of Units on initial application, nor the redemption of Units on a withdrawal, should attract stamp duty. However stamp duty may apply when transferring Units. Investors should confirm the duty consequences of transferring Units with their taxation adviser.

12.3 Tax File Number or Australian Business Number

It is not compulsory for an investor to quote their TFN or ABN. However, unless exempted, investors who have not provided a TFN, an ABN or details as to why the investor is exempt

from being required to have a TFN or ABN, may have tax deducted from their distributions at the highest marginal tax rate plus any levies (such as the Medicare Levy) which may apply from time to time. Investors may be able to claim a credit in the investors' tax return for any TFN/ABN tax withheld.

12.4 The Responsible Entity's Financial Reporting Obligations

The Responsible Entity is required to lodge annually an Annual Investment Income Report (AIIR) to the ATO containing investor identity details and investment income paid to investors for the relevant Financial Year.

FATCA in the US imposes certain due diligence and reporting obligations on non-US financial institutions, including Australian institutions, to report to the US Internal Revenue Service (IRS) information on US citizens with financial accounts. Australia and the US has signed an intergovernmental agreement to assist in the facilitation of FATCA for Australian financial institutions, including reporting the information via the ATO under the existing Australia-US tax treaty arrangements. In addition, under the new Common Reporting Standard (CRS) which is the single global standard for the collection, reporting and exchange of financial account information on non-residents, banks and other financial institutions will need to collect and report to the ATO financial account information on non-residents and the ATO will exchange this information with the participating foreign tax authorities of those non-residents.

The Responsible Entity may therefore be required to report information in relation to non-resident Unitholders to the ATO, to be provided to foreign tax authorities.

13. MATERIAL CONTRACTS

The Responsible Entity considers that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this PDS for the purpose of making an informed assessment of an investment in the Fund.

This section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this PDS.

13.1 Investment Management Agreement (IMA)

Under the IMA, the Responsible Entity has appointed the Investment Manager as the investment manager of the Fund. A summary of the material terms of the IMA are set out below.

Duties of the Investment Manager

Subject to the Corporations Act and the investment policies incorporated into the IMA, the duties of the Investment Manager include:

- making, managing and supervising the investment of the assets of the Fund in accordance with the Corporations Act and the investment policies of the Fund;
- providing such information to the Responsible Entity regarding the Investments to enable the Responsible Entity calculate the Value of the Portfolio in accordance with the timing requirements for such valuations of the then-current PDS of the Fund, or weekly as a minimum;
- advising the Responsible Entity of investments made concerning the assets of the Fund; and
- providing the Responsible Entity with any information in its possession which the Responsible Entity may require in order to comply with its obligations under the IMA, the Corporations Act and the Listing Rules.

Powers of the Investment Manager

Under the IMA, the Investment Manager is responsible for investing money on behalf of the Responsible Entity that constitutes the assets of the Fund, including money received from the disposal of such investments or by way of any dividend or other distribution. The Investment Manager also has the power to review, realise or dispose of the Fund investments.

The Investment Manager's investment powers under the IMA are subject to any restrictions imposed by the Corporations Act, any other applicable laws, the Constitution, the Listing Rules, the then-current PDS of the Fund and the investment policies pertaining to the IMA.

Discretions of the Investment Manager

The Investment Manager has absolute and unfettered discretion (subject to the Act) to manage the assets of the Fund (for investment purposes) and to do all things considered necessary or desirable in such management, including:

- the investigation, negotiation, acquisition or disposal of an investment or proposed investment;
- selling, realising or dealing with any investment or to vary, convert, exchange or add investments in lieu of those investments; and
- with the approval of the Responsible Entity, making or redeeming any mortgage, loan or other security.

Delegation

The Investment Manager may not delegate to any person any or all of its duties and obligations imposed by the IMA without the prior approval of the Responsible Entity. However, the Investment Manager may not delegate its role to provide advice and recommendations to the Responsible Entity in respect of the investment policies of the Fund. The Investment Manager may also engage consultants or professional advisors for the purpose of exercising its powers and performing its obligations under the IMA, or appoint any person to be its attorney or agent for such purposes as the Investment Manager sees fit. The Responsible Entity must ratify and confirm all transactions and appointments made by the Investment Manager.

Responsibility for fees

Subject to such fees, charges and moneys being authorised under a budget set from time to time by the Board of the Responsible Entity, all reasonable and proper fees, charges and moneys payable to any persons appointed or engaged by the Investment Manager for the purpose of exercising its powers and performing its obligations (and all disbursements, expenses, duties and outgoing properly chargeable in respect of those persons) must be paid by the Responsible Entity.

Expenses

The Investment Manager is entitled to have certain fees, costs and expenses (where properly incurred) reimbursed by the Responsible Entity, including:

- any fees payable to any financial market, ASIC or other regulatory body;
- all costs, duties, debits, taxes and legal fees, expenses, commissions and brokerage incurred in connection with managing, acquiring, selling, transferring, receiving etc. any investment of the Fund; and
- outgoings in relation to the investments of the Fund.

Limitation of the Investment Manager's Liability

The Investment Manager will not be responsible for any loss, costs, damage or inconvenience that may result from the exercise or failure to exercise of its powers, authorities and discretions under the IMA in the absence of gross negligence, other default, fraud or dishonesty.

Remuneration of the Investment Manager

The Investment Manager is entitled to an Investment Management Fee and a Performance Fee.

The Investment Management Fee is a fee payable to the Investment Manager on a monthly basis in return for the performance of its duties under the IMA.

The Investment Management Fee payable is the higher of (per month):

- \$25,000; or
- 1.5% of the Total Gross Investments (as that term is defined in the Constitution) divided by 365, calculated daily, on account of the Total Gross Investments up to and including \$50,000,000 PLUS 1% of the amount that the Total Gross Investments exceed \$50,000,000 (divided by 365 and calculated daily),

the above figures being exclusive of GST.

The Performance Fee is a fee payable to the Investment Manager based on the performance of the Fund. The calculation of the Performance Fee is set out in the Constitution and described in Sections 9.2 and 9.3 of this PDS.

Term

The term of the IMA is 5 years with two 5-year option extensions provided for, which are exercisable at the option of the Investment Manager subject to the approval of the ASX. However, the Responsible Entity will not be obliged to extend the IMA if the performance of the Fund in the preceding 5-year term was 30% less than the performance of the ASX Small Ordinaries Resources Index. The Responsible Entity and the Investment Manager may, by agreement, further extend operation of the IMA.

Termination by the Responsible Entity

The Responsible Entity has the right to immediately remove the Investment Manager and terminate the IMA for cause in the event of any of the following circumstances:

- an insolvency event occurs in relation to the Investment Manager;
- the Fund is not listed on ASX within 6 months of the making of any such application;
- the Investment Manager repeatedly fails to comply substantially with obligations under the IMA relating specifically to providing valuations to the Responsible Entity, the Investment Manager's warranties and undertakings, assignment of rights and confidentiality;
- the Investment Manager fails to materially comply with any duty or obligation imposed on it by a material term of the MA and the failure is not rectified within 7 days after receiving notice of such failure; and
- a change in control of greater than 50% of the voting shares of the Investment Manager, unless such change in control is approved by the Responsible Entity.

The Responsible Entity is not able to terminate the IMA without cause. If the Responsible Entity seeks to terminate the IMA other than for cause, the Investment Manager is entitled to be paid compensation in the order of the total amount of the Management Fee that would have been paid under the then-current term of the IMA based on the value of the Fund as at the date of termination, plus any Performance Incentive Fee accrued as at the date of termination.

Termination by the Investment Manager

The Investment Manager has the right to terminate the IMA for cause if:

- an insolvency event occurs in relation to the Responsible Entity; or
- the Responsible Entity fails to materially comply with any duty or obligation imposed on it by a material term of the IMA and the failure is not rectified within 7 days after receiving notice of such failure.

The Investment Manager is also able to terminate the IMA without cause on the giving of 6 months' notice (or such shorter period as the Responsible Entity and Investment Manager may agree).

Voting

The Investment Manager is authorised by the Responsible Entity to exercise any right to vote attached to a share or Unit forming part of any of the assets of investments of the Fund. In exercising this right, the Investment Manager shall take into account any direction received from the Responsible Entity but may exercise or not the right to vote as it sees fit.

The Responsible Entity is entitled to request from the Investment Manager any notice of meeting relating to any investment of the Fund.

Assignment

Neither the Responsible Entity nor the Investment Manager may assign any of rights under the IMA without the prior written consent of the other.

Amendment

The IMA may only be amended by agreement in writing of the Responsible Entity and the Investment Manager.

Exclusivity

Provided that the Investment Manager does not prejudice or otherwise derogate its responsibilities in the IMA, the Investment Manager may from time to time perform similar investment and management services for other persons. The Investment Manager is under no obligation to purchase, sell or recommend for purchase or sale for the account of the Responsible Entity any investment which the Investment Manager purchases or sells for its own account or for the account of any other person or entity, and the Investment Manager may give advice or take action in the performance of its duties under the IMA that differs from advice given or action taken in performance of its duties to others.

Avoidance of Conflicts

Under the terms of the IMA, the Investment Manager must:

- give priority to the Fund in all dealings if it intends dealing in the same securities as those in which it is, or intends, dealing on behalf of the Fund; and

- not acquire any asset from the Fund, or dispose of any asset to the Fund, unless on commercial arm's length terms and specifically agreed to in writing with the Responsible Entity.

Confidentiality

The Responsible Entity and the Investment Manager are subject to general obligations of to keep and cause to be kept confidential any of the matters, affairs and concerns of the other. The general obligations of confidentiality continue for a period of 5 years after termination of the IMA, but indefinitely in the case of intellectual property information rights.

Responsible Entity indemnity

The Responsible Entity must indemnify the Investment Manager against any losses or liabilities reasonably incurred by the Investment Manager arising out of, or in connection with, and any costs, charges and expenses incurred in connection with the Investment Manager (or any of its officers, employees or agents) acting under the IMA or on account of any bona fide investment decision made by the Investment Manager, except insofar as any loss, liability, costs, charge or expense is caused by the negligence, default, fraud or dishonesty of the Investment Manager or its officers or employees. This indemnity continues after termination of the IMA.

Investment Manager indemnity

The Investment Manager must indemnify the Responsible Entity against any losses or liabilities reasonably incurred by the Responsible Entity arising out of, or in connection with, and any costs, charges and expenses incurred in connection with any negligence, default, fraud or dishonesty of the Investment Manager (or any of its officers, employees, delegates, agents or independent contractors engaged by it) and against any breach of a duty or obligation under the IMA except insofar as any loss, liability, costs, charge or expense is caused by the negligence, default, fraud or dishonesty of the Responsible Entity or its officers or employees. This indemnity continues after termination of the IMA.

13.2 Financial Advisor Mandate

On 24 June 2016, the Responsible Entity engaged MP Capital Partners Pty Ltd (**MP Capital**) to act exclusively as Financial Advisor in relation to the Fund's initial public offer (IPO) pursuant to the terms of an Engagement Letter (**Mandate**). The Mandate remained in effect for an initial period of 12 months, and the terms set out in the Mandate were then renewed until 31 March 2018 by way of an Addendum Letter entered into on 25 July 2017.

Under the Mandate, MP Capital has provided the Responsible Entity with advice and assistance in the lead up to the IPO including undertaking a review of potential listing structures for the Fund and the listing requirements for the Fund, the performance of the Investment Manager, the potential growth prospects of the Fund and the Fund's existing fee arrangements (**Stage 1**).

Moving forward under the Mandate, as Financial Advisor, MP Capital will provide the Responsible Entity (and the Fund) with the following:

- corporate and financial advice;

- assistance with management of the ASX listing process;
- advising on potential capital raising associated with IPO;
- introduction to prospective investors;
- maintenance of existing and potential Fund investor relations and negotiations;
- organisation and maintenance of marketing materials;
- advising and assisting with overall project management of the IPO including assisting with the drafting of documents; and
- general advisory services as required (**Stage 2**).

For acting as Financial Advisor, MP Capital has/ is to receive:

- a fee of \$15,000 (plus GST) for providing services in relation to Stage 1; and
- a monthly retainer of \$15,000 (plus GST) for providing services in relation to Stage 2, for a maximum period of four (4) months.

MP Capital may receive the following subject to and conditional upon successful completion of the IPO:

- an equity arranging fee of 5% (plus GST) of funds raised under the Initial Offer; and
- a success fee payable upon Listing of 1% (plus GST) of the Total Gross Investments of the Fund immediately prior to the issue of new Units to successful applicants under the Initial Offer.

MP Capital is also entitled to be reimbursed for all costs and expenses reasonably incurred in connection with performance of its role under the Mandate. The Responsible Entity may terminate the Mandate without cause upon 30 days' written notice being provided to MP Capital. MP Capital will remain entitled to fees as provided for in the Mandate in relation to funding provided by investors in the event of termination or expiry of the Mandate. The Mandate otherwise contains terms consistent with similar arrangements, including clauses relating to confidentiality, the provision of information from the Responsible Entity to MP Capital for the conduct of its role as Financial Advisor and a limitation of liability and indemnity in favour of MP Capital.

14. ADDITIONAL INFORMATION

14.1 Summary of the Constitution

The Fund is governed by the Constitution. The Constitution was adopted by Unitholders of the Fund on 31 October 2017. A summary of the key rights and obligations attaching to Units and a description of the material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the terms of the Constitution. The rights and obligations attaching to ownership of Units are also governed by the Corporations Act and the Listing Rules.

If you invest in the Fund, you agree to be bound by the terms of the PDS and the Constitution. Copies of the Constitution are available, free of charge on request from the Responsible Entity. Please consider the Constitution before investing in the Fund.

Units

The Fund is divided into Units, each of which confers a proportionate, equal and undivided beneficial interest in the net assets of the Fund (except in certain limited circumstances). Each Unit is not tied to nor does it confer any interest in any particular asset of the Fund, rather a Unit confers an interest in the assets of the Fund as a whole.

A Unitholder's rights included in the Constitution rights to:

- receive income and other distributions attributable to Units held;
- transfer Units (whilst the Fund is listed, this right is subject to the Listing Rules);
- receive notices and other communications in relation to the Fund;
- attend and vote at meetings of Unitholders;
- participate in the winding up of the Fund.

No redemption of Units

The rights of Unitholders to redeem their Units in the Fund varies depending on the status of the Fund (i.e. whether the Fund is listed). When the Fund is listed on ASX, redemption or withdrawal of Units is permitted only in accordance with the Corporations Act and the Listing Rules.

Issue of Units

The Responsible Entity may issue additional Units, or grant rights to be issued additional Units, subject to the terms of the Constitution. The Responsible Entity can:

- issue classes of Units with any preferred, deferred or other special rights, obligations or restrictions;
- issue Units by way of a pro rata rights issue, placement or distribution reinvestment;
- suspend the issue of Units in limited circumstances and subject to the Listing Rules;
- make arrangements for any subscription of Units to be underwritten; and

- determine the application (issue) price of Units in accordance with the Listing Rules.

Responsible Entity's powers and duties

The Responsible Entity has all the powers in respect of the Fund that it is possible under the law and any applicable regulations to confer on a Responsible Entity as though it were the absolute owner of all of the assets of the Fund and acting in its personal capacity. The Responsible Entity can borrow or raise money, incur obligations and liabilities, invest, dispose of or otherwise deal with assets and liabilities of the Fund, authorise any person to act as its agent or delegate, hold Units in any capacity and take and rely upon advice, amongst other powers.

Retirement and removal of Responsible Entity

The Constitution does not grant Unitholders any additional rights in respect of the removal of the Responsible Entity than what is contained in the Corporations Act. The Responsible Entity may retire in accordance with the Corporations Act.

Limitation of liability and indemnity in favour of Responsible Entity's

If the Responsible Entity acts in good faith and without negligence, it is not liable in contract, tort or otherwise to Unitholders for any loss suffered in any way relating to the Fund. The liability of the Responsible Entity to any person other than a Unitholder in respect of the Fund is limited to the Responsible Entity's ability to be indemnified from the assets of the Fund. In addition to any indemnity allowed by law, the Responsible Entity is entitled to be indemnified out of the assets of the Fund for any liability (including any tax liability) incurred by it in properly performing or exercising any of its powers or duties, including (to the extent permitted by the Corporations Act) any liability incurred as a result of any act or omission of an agent appointed by the Responsible Entity. The indemnity in favour of the Responsible Entity endures until the Responsible Entity is removed or retires.

Liability of Unitholders

The liability of a Unitholder is limited to the amount, if any, which remains unpaid in relation to their Units.

Responsible Entity's remuneration and recovery of expenses

The Constitution permits the Responsible Entity to charge the fees summarised in Section 9 of this PDS. The Responsible Entity is also entitled to be reimbursed from the Fund for expenses properly incurred by it in its performance of its duties in respect of the Fund. Some of these expenses include:

- insurance premiums;
- costs and disbursements incurred in dealing with the Assets or Investments of the Fund;
- costs and disbursements incurred in respect of compliance with the Listing Rules; and
- fees and expenses of the auditor of the Fund.

Modification of the Constitution

The Responsible Entity may modify the Constitution by way of a deed. The Responsible Entity cannot make any modification to the Constitution which would result in the Responsible Entity acquiring a beneficial interest in the income of the Fund. No modification to the Constitution will take effect until it is lodged with ASIC by the Responsible Entity.

Duration of the Fund

The Fund terminates on the earlier of:

- 20 January 2066;
- the date specified by the Responsible Entity as the date of termination of the Fund in a notice given to Unitholders;
- two (2) months after a special resolution of Unitholders being passed resolving to wind up the Fund; or
- the date on which the Fund terminates in accordance any law.

The Constitution sets out the procedure for realisation and distribution of Fund assets upon termination.

Small holdings

In limited circumstances, the Responsible Entity may from time to time and in its discretion, sell or redeem any Units held which comprise less than a marketable parcel of Units as provided by the Listing Rules. The Responsible Entity can only exercise this power once in any 12-month period.

14.2 Terms of Existing Unitholder Options

The options will entitle the holder to subscribe for fully paid ordinary Units of the Fund on and subject to the following terms and conditions:

- Each option entitles the optionholder to one Unit upon and subject to exercising the option in accordance with these terms and conditions.
- The options will expire at 5:00pm (AEST in Melbourne, Victoria) 24 months after the date the Fund is admitted to the official list of ASX Limited (or its relevant subsidiary(ies)) (“ASX”) (or 24 months after the issue of the options if the Fund is not admitted to the official list within 2 years after the issue date) (“the Expiry Date”). Any option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- The amount payable upon exercise of each option will be at a 10% premium to the listing price (“the Exercise Price”).
- The options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- Optionholders may exercise their options by lodging with the Responsible Entity of the Fund for the time being (“the Responsible Entity”), before the Expiry Date:

- a written notice of exercise of options specifying the number of options being exercised; and
- a cheque or electronic funds transfer for the Exercise Price for the number of options being exercised. The Responsible Entity may from time to time specify or arrange additional methods for exercising options such as electronic notice and payment exercise facilities.
- An Exercise Notice is only effective when the Responsible Entity has received the full amount of the Exercise Price in cleared funds.
- Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Responsible Entity will issue the number of Units required under these terms and conditions in respect of the number of options specified in the Exercise Notice.
- The options are transferable subject to any restriction (escrow) obligations imposed by ASX Limited (or its relevant subsidiary(ies)) (“ASX”) or under applicable Australian securities laws.
- All Units issued upon the exercise of options will be fully paid Units and will have the same voting and other rights as the then existing Units of the Fund and upon issue will rank pari passu in all respects with other Units.
- If admitted to the official list of ASX at the time, the Responsible Entity will apply for quotation of all Units issued pursuant to the exercise of the options on ASX within 10 Business Days after the date of issue of those Units. The Responsible Entity is entitled to, but not obliged to, apply for quotation of the options on ASX at its discretion.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued units of the Fund prior to the Expiry Date, the number of options or the exercise price of the options or both shall be reconstructed in a manner consistent with the Corporations Act. If at the time of the reconstruction the Fund is admitted to the official list of ASX, any reconstruction of the options, the number of options or the exercise price of the options or both shall be in accordance with the listing rules of ASX applying to a reorganisation of capital at the time of the reconstruction.
- There are no participating rights or entitlements inherent in the options and the optionholder will not be entitled to participate in new issues of units offered to unitholders during the currency of the options. If the Fund is admitted to the official list of ASX, and then subject to any waiver granted by ASX, the Responsible Entity will send notices to optionholders within the time (if any) specified in the listing rules of ASX for offers of securities made to unitholders.
- An option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the option can be exercised.

The issue of options is subject to satisfaction of any restriction (escrow) or other conditions imposed by ASX. If ASX imposes restriction or other conditions, details of how these are to be satisfied (including, if applicable, a restriction agreement) will be provided to eligible existing unitholders with the application form.

14.3 Expenses of listing the Fund

The Fund will bear the initial expenses associated with its listing on the ASX. These expenses include legal, tax, accounting and other services for implementing the proposal to list the Fund on ASX, any fees or costs imposed by a regulator and initial ASX listing fees.

For further details see table headed “Estimated Expenses of the Offers” in Section 11.1.

14.4 Complaints resolution

The Constitution contains procedures for complaints handling. In most cases, a complaint can be handled by contacting the Compliance Manager on (03) 9642 0655.

If investors are dissatisfied with the response by the Compliance Manager, investors may lodge any complaints in relation to the Responsible Entity's conduct in its management or administration of the Fund, in writing to the Responsible Entity at the address shown on the inside front cover of this PDS.

If an investor is not satisfied with the response from the Responsible Entity, investors can complain to an independent complaints handling scheme **Financial Ombudsman Service** by telephone toll free on **1800 367 287** or by visiting the web-site <http://www.fos.org.au/resolving-disputes/before-you-lodge-a-dispute/>

14.5 Related party transactions and conflicts of interest

The Responsible Entity and the Investment Manager may use the services of related parties in the management of the Fund and pay fees for their services at arm's length commercial rates.

From time to time, directors and employees of the Responsible Entity and the Investment Manager may hold units in the Fund.

All related party transactions are conducted on arm's length normal commercial terms and conditions.

The Responsible Entity and the Investment Manager may be subject to conflicts of interest when performing their duties in relation to the Fund. Both the Responsible Entity and the Investment Manager have policies and procedures in place to appropriately manage these conflicts of interest.

14.5 Interests and Remuneration of Directors

As at the date of this PDS none of the Directors nor their associates hold any interests in Units or the Fund.

The fees and expenses of the Directors are paid by the Responsible Entity in its own right and will not be reimbursed out of the assets of the Fund.

14.7 Consents

To the extent that the PDS includes information about or statements by the Investment Manager or the Responsible Entity, or includes statements based on any statement of, information about or information provided by the Investment Manager or the Responsible Entity including but

not only information about personnel of either or details of the investment approach, strategy and philosophy applicable to the Fund, the Investment Manager and the Responsible Entity have consented to such information and statements being included in the PDS, in the form and context in which it is included and have not withdrawn that consent at any time prior to lodgement of this PDS.

Each of the following parties has given and, before lodgement of this PDS with ASIC, has not withdrawn its written consent to be named as performing the below role in the form and context in which it is so named.

Role	Name
Responsible Entity	Cremorne Capital Limited
Investment Manager	Lowell Resources Funds Management Ltd
Unit Registry	Automic Pty Ltd
Custodian	Equity Trustees Limited
Financial Advisor	MP Capital Partners Pty Ltd
Fund Administrator	Lowell Accounting Services Pty Ltd
Legal Adviser	Quinert Rodda & Associates Pty Ltd
Auditor	Nexia Melbourne Audit Pty Ltd
Investigating Accountant	Nexia Corporate Melbourne Pty Ltd

Each of the above parties has only been involved in the preparation of that part of the PDS where they are named. The Investigating Accountant has consented in writing to the inclusion of its Investigating Accountant's Report in Section 11.3 and references to the report in the form and context in which they are included in this PDS, and has not withdrawn that consent prior to lodgement of this PDS. Except to the extent indicated above, none of the above parties have authorised or cause the issue of the PDS and takes no responsibility for its contents.

14.8 Legal proceedings

To the knowledge of the Directors, there is no material current, pending or threatened litigation with which the Responsible Entity of the Fund is directly or indirectly involved with.

14.9 Fees and costs information

As part of the disclosures of fees and costs required by ASIC, certain fees and costs information disclosed within this PDS are based upon the actual fees and costs incurred by the Fund from prior Financial Years. Such fees and costs information are not indicative of the fees and costs that you may actually incur for your investment.

14.10 Electronic PDS

The PDS may be viewed online at www.cremornecapital.com/lrf-pds/. Any person accessing the electronic version of this PDS, for the purpose of making an investment in the Fund, must only access the PDS from within Australia, or any jurisdiction outside Australia where the distribution of the electronic version of this PDS is not restricted by law.

Any eligible person may obtain a paper copy of this PDS by contacting Julie Edwards on info@lowell.net.au.

14.11 No offer where Offer would be illegal

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units in any jurisdiction outside Australia or New Zealand. The distribution of this PDS outside Australia or New Zealand may be restricted by law and persons who come into possession of this PDS outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

14.12 Anti-money laundering and counter terrorism financing

The AML Act and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the Responsible Entity (AML Requirements), regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by AUSTRAC. In order to comply with the AML Requirements, the Responsible Entity is required to, amongst other things:

- Verify an investor's identity and the source of their application monies before providing services to them, and to re-identify them if they consider it necessary to do so; and
- Where an investor supplies documentation relating to the verification of their identity, keep a record of this documentation for 7 years.

The Responsible Entity and Fund Administrator as its agent (collectively, the **Entities**) reserve the right to request such information as is necessary to verify the identity of an investor and the source of the payment. In the event of delay or failure by the investor to produce this information, the Entities, may refuse to accept an application and the application monies relating to such application or may suspend the payment of withdrawal proceeds if necessary to comply with AML Requirements applicable to them. Neither the Entities nor their delegates shall be liable to the investor for any loss suffered by the investor as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring investors. As a result of the implementation of these measures and controls:

- Transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- Where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss investors suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and
- The Responsible Entity or Administrator may from time to time require additional information from investors to assist it in this process.

The Entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including

AUSTRAC. The Entities are not liable for any loss an investor may suffer as a result of their compliance with the AML Requirements.

14.13 Privacy

The Responsible Entity may collect personal information from you when you contact the Responsible Entity and from any other relevant forms to be able to administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, the Responsible Entity may not be able to properly administer your investment. Privacy laws apply to the handling of personal information and the Responsible Entity will collect, use and disclose your personal information in accordance with its privacy policy, which includes details about the following matters:

- the kinds of personal information the Responsible Entity collects and holds;
- how the Responsible Entity collects and holds personal information;
- the purposes for which the Responsible Entity collects, holds, uses and discloses personal information;
- how you may access personal information that the Responsible Entity holds about you and seek correction of such information (note that exceptions apply in some circumstances);
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds the Responsible Entity, and how the Responsible Entity will deal with such a complaint; and
- whether the Responsible Entity is likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for the Responsible Entity to specify those countries.

Your personal information in relation to your Unitholding will be dealt with in accordance with the privacy policy of the Registry. A copy of the Registry's privacy policy is publicly available at its website at www.automic.com.au.

The Investment Manager may also collect, use and disclose your personal information, including personal information provided to the Investment Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy. A copy of the Investment Manager's privacy policy is publicly available at www.lrfm.com.au/privacy-policy.html.

14.14 Diagrams

Diagrams used in this PDS are illustrative only.

14.15 Websites

Any references to documents included on the Responsible Entity's or Investment Manager's websites (if any) are provided for convenience only, and none of the documents or other information on those websites is incorporated by reference into this PDS.

15. GLOSSARY

15.1 Defined Words and Phrases

In this PDS these words and phrases have the following meaning unless the contrary intention appears:

Act means the Corporations Act 2001 (Cth).

AFS means Australian financial services.

AFSL means an Australian financial service licence.

Applicant means a person who submits a valid Application Form and required Application Monies pursuant to this PDS.

Application means an application for Units under the Initial Offer in this PDS.

Application Form means the application form attached to or accompanying this PDS for investors to apply for Units under the Initial Offer.

Application Monies means subscription monies submitted by Applications under the Initial Offer.

ASIC means the Australian Securities and Investments Commission or any regulatory body which replaces it or performs its functions.

Assets means all the property, rights and income of the Fund, but not application money or property in respect of which Units have not yet been issued.

Associate has the meaning given to that term in Division 2 of Part 1.2 of the Act.

ASX means ASX Limited (ACN 008 624 691).

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

ASX Settlement Operating Rules means the ASX Settlement Operating Rules and any other rules of ASX Settlement which apply while the Units are CHESS Approved Securities, each as amended or replaced from time to time.

Board means the board of directors of the Responsible Entity.

Business Day has the meaning given to that term as it appears in Chapter 19 of the ASX Listing Rules.

CHESS means the clearing house electronic sub-register system as defined in the ASX Settlement Operating Rules.

CHESS Approved Securities means securities approved under the ASX Settlement Operating Rules to participate in CHESS.

Closing Date means 28 February 2018.

Compliance Committee means the compliance committee established by the Responsible Entity in connection with the Fund.

Compliance Committee Member means a member of a Compliance Committee.

Constitution means the constitution of the Fund from time to time.

Custodian means the custodian appointed by the Responsible Entity to hold all or part of the Portfolio from time to time, initially being Equity Trustees Limited.

Director means a director of the Responsible Entity.

Existing Unitholder Options Offer means the existing unitholder options offer described in section 2.14 of this PDS.

Financial Advisor means MP Capital Partners Pty Ltd (ACN 159 200 503), the financial advisor to the Fund's IPO.

Fund means the Lowell Resources Fund (ARSN 093 363 986).

Fund Administrator means Lowell Accounting Services Pty Ltd (ACN 050 193 390).

GST means Goods and Services Tax.

IMA or Investment Management Agreement means the investment management agreement entered into between the Responsible Entity and the Investment Manager on 10 November 2017.

Initial Offer means the initial offer described in Section 2.2 of this PDS, comprising the Broker Firm Offer and the General Offer.

Investment means an investment for the time being forming part of or comprised in the Portfolio.

Investment Manager means the investment manager of the Fund, Lowell Resources Funds Management Ltd (ACN 006 769 982).

IPO means this initial public offer of the Fund's Units.

Issue Price means the amount which is a 5% discount to the figure which results from dividing the Net Asset Value of the Fund on the Business Day after the Closing Date by the number of Units on issue at that date.

Listed or Listing means admitted or admission to the official list of ASX.

Listing Rules means the listing rules of ASX.

Maximum Oversubscription means the maximum additional amount which may, subject to acceptance by the Directors, be raised under the Initial Offer, being \$5,000,000.

Maximum Subscription means the maximum amount (before oversubscriptions) which may be raised under the Initial Offer, being \$5,000,000.

NAV or Net Asset Value means the value of the Assets calculated in accordance with the Constitution less the liabilities of the Fund.

Offers means the Initial Offer and the Existing Unitholder Options Offer.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the Listing Rules.

PDS means this Product Disclosure Statement.

Portfolio means all monies (including cash), investments, additions or borrowings which may from time to time be paid or held by the Responsible Entity or the Investment Manager or the Custodian on behalf of the Fund (whether or not pending investment) and any investments for the time being representing them, any income derived from them and any capital accretions to them regardless of how they arise.

Recommendations means the ASX Corporate Governance Principles and Recommendations (3rd edition).

Record Date means, for the purposes of the Existing Unitholder Options Offer, 25 September 2017.

Register means the register of Unitholders kept by the Responsible Entity under the Act.

Registry has the same meaning as Unit Registry.

Relevant Interest has the meaning given to that term in section 608 of the Act.

Responsible Entity means Cremorne Capital Limited (ACN 006 844 588).

Restricted Securities has the same meaning as in the Listing Rules.

Tax means all kinds of taxes, duties, imposts, deductions and charges imposed by a government, together with interest and penalties.

Total Gross Investments means the value of all the investments and other Assets (including cash) forming part of the Fund (before subtraction of fees and other liabilities).

Securities means securities as defined in section 92(1) of the Act or an option over such a security.

Unit means an undivided share in the beneficial interest in the Fund as provided in the Constitution.

Unit Registry means Automic Pty Ltd trading as Automic Registry Services (ACN 152 260 814).

Unitholder means a unitholder of the Fund, from time to time.

Value of the Portfolio means, at any date that such value is required to be ascertained, the gross (before subtraction of fees and other liabilities) value of the Investments and Assets (including cash) of the Fund.

15.2 Currency

References in this PDS to currency are to Australian dollars unless otherwise indicated.

15.3 Time

All references to time in this PDS refer to the local time in Victoria, Australia unless stated otherwise.

16. DIRECTORY

Responsible Entity

Cremorne Capital Limited

8 Chapel Street
Richmond VIC 3121
AFS Licence No 241175
Tel: (03) 9665 2499

Investment Manager

Lowell Resources Funds Management Limited

Level 6, 412 Collins Street
Melbourne VIC 3000
AFS Licence No 345674
Tel: (03) 9642 0655

Fund Administrator

Lowell Accounting Services Pty Ltd

Level 6, 412 Collins Street
Melbourne VIC 3000
Tel: (03) 9642 0655

Auditor

Nexia Melbourne Audit Pty Ltd

Level 12, 31 Queen Street
Melbourne VIC 3000

Financial Advisor

MP Capital Partners Pty Ltd

Level 6, 412 Collins Street
Melbourne VIC 3000

Custodian

Equity Trustees Limited

Level 2, 575 Bourke Street
Melbourne VIC 3000

Investigating Accountant

Nexia Corporate Melbourne Pty Ltd

Level 12, 31 Queen Street
Melbourne VIC 3000

Legal Adviser

Quinert Rodda & Associates Pty Ltd

Suite 1, Level 6, 50 Queen Street
Melbourne VIC 3000

YOUR PRIVACY

Automic Pty Ltd (ACN 152 260 814) trading as Automic advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website - www.automic.com.au

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Units. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Responsible Entity. At least one full given name and surname is required for each natural person.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Health Club A/C>	Food Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PRODUCT DISCLOSURE STATEMENT ("PDS") CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This is an Application Form for Ordinary Fully Paid Units ('Units') in the Lowell Resources Fund (ARSN 093 363 893) ('the Fund'), made under the terms set out in the PDS dated 19/01/2018.

The PDS contains important information relevant to your decision to invest and you should read the entire PDS before applying for Units. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the PDS and any supplementary product disclosure statement (if applicable). While the PDS is current, the Responsible Entity will send paper copies of the PDS, and any supplementary product disclosure statement (if applicable) and (during the application period) an Application Form, on request and without charge.

1. Application amount - Enter dollar amount you wish to apply for. Your application must be for a minimum of A\$2,500. Applications for greater than A\$2,500 must be in multiples of A\$1,000. The number of Units you will receive if your application is successful (subject to any scale back - see Section 2.12 of the PDS) will be determined by dividing the dollar amount you apply for (as received in accordance with the instructions in the PDS, this form and/or online application process, as applicable) by the Issue Price, which will be determined after the Offer closes. See Section 2.4 of the PDS for further details.
2. Applicant name(s) and postal address - Note that ONLY legal entities can hold Units. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Responsible Entity. At least one full given name and surname is required for each natural person. You should refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
3. Contact Details - Please provide your contact details for us to contact you between 9:00am AEDT and 5:00pm AEDT should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
4. CHESSE Holders - If you are sponsored by a stockbroker or other participant and you wish to hold Units allotted to you under this Application on the CHESSE subregister, enter your CHESSE HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Responsible Entity and a "Securityholder Reference Number" (SRN) will be allocated to you.
5. TFN/ABN/Exemption - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
6. Payment - Payments for applications made through this application form can only be made by cheque. Payment can be made by both BPAY and EFT but only by making an online application, which can be accessed by following the web address provided on the front of the application form. Do not forward cash with this Application Form as it will not be accepted.

Your cheque must be made payable to "Lowell Resources Fund" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, YOU DECLARE THAT:

- you have received a copy of the PDS and any supplementary product disclosure statement (if applicable);
- all details and statements made on the form are complete and accurate;
- where information has been provided about another individual, that individual's consent has been obtained to transfer the information to the Responsible Entity;
- the Responsible Entity and its officers and agents are authorised to do anything on your behalf (including the completion and execution of documents) to enable the Units to be allocated to you;
- you agree to be bound by the constitution of the Fund;
- neither the Responsible Entity nor any person or entity guarantees any particular rate of return on the Units, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

The Offer is expected to open at 9.00am (AEDT) on 29 January 2018 and is expected to close at 5.00pm (AEDT) on 28 February 2018. The Responsible Entity may elect to extend the Offer or close it (after the Offer is open) at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible. Completed Application Forms and cheques must be:

POSTED TO:	DELIVERED TO (during business hours only - 9am to 5pm (AEDT)):
Lowell Resources Fund C/- Automic PO Box 2226 STRAWBERRY HILLS NSW 2012	Lowell Resources Fund C/- Automic Level 3, 50 Holt Street SURRY HILLS NSW 2010

Your Application Form must be received by Automic no later than 5.00pm (AEDT) 28 February 2018

If you have any enquiries in respect of this Application, please contact Automic by either phone on 1300 288 664 or at hello@automic.com.au.