



LOWELL RESOURCES FUND (ASX:LRT) (A.R.S.N. 093 363 896) DISTRIBUTION AND DIVIDEND REINVESTMENT PLAN

Dear Member,

Lowell Resources Fund pays distributions to all Unitholders at least annually based on your unit holding at close of business 30 June but may pay distributions more frequently if it is considered necessary by the Board of the responsible entity (Cremorne Capital Limited) of the Lowell Resources Fund.

For Members who wish to reinvest part or all of their Distribution receipts, Lowell Resources Fund offers a Distribution Reinvestment Plan ("DRP"). Through participation in the DRP, you may acquire new units in the Fund at a unit price calculated by the responsible entity on the effective date of the distribution.

The DRP constitutes an ongoing offer to all Members of Lowell Resources Fund, subject to the right of the Board to vary the terms of the DRP. Changes to the DRP will be announced to the ASX and placed on the Cremorne Capital Limited website (www.cremornecapital.com/).

Additionally, the Board reserves the right to suspend the DRP without giving any advance notice to Members. If this occurs, Lowell Resources Fund will make an announcement to the ASX as soon as the decision is taken and before the date the Distribution is paid. The result of any suspension of the DRP would be that the Distribution would be paid out in cash for that particular period only (rather than reinvested). Your participation in the DRP for future payments would not be affected.

The right to suspend the DRP is essential as the Board considers that it is extremely important that new issues benefit all Members, not only those Members who are able to reinvest their income.

Any action to suspend the DRP for one particular Distribution will not cancel your participation in the Plan.

If you are interested in the DRP, you should read the Terms and Conditions which are set out in this document. Briefly, the Terms and Conditions provide that:

- participation is entirely optional;
- you must use all of your future Income Distributions to acquire new units in Lowell Resources Fund;
- the election you make will apply to all future Income Distributions unless you advise Lowell Resources Fund by varying or cancelling these instructions;
- the purchase price of the re-invested units will be based on the ex-distribution price calculated by the responsible entity on the distribution calculation date;
- you will not pay any additional costs such as brokerage and stamp duty; and
- if you participate in the DRP, you will receive a statement of the income due to you and details of units allotted to you.



If you have any questions on any aspects of the DRP, please contact the Fund Administrator of the Lowell Resources Fund (being Lowell Accounting Services Pty Ltd) on (03) 9642 0655. Please note that the Application or Variation Forms must be received by the Lowell Resources Fund no later than the last day of the relevant distribution period, or such later date as the Board may determine and announce to the ASX. The last day of a distribution period will generally be 30 June.

We are pleased to offer the DRP to you and welcome your continuing participation with Lowell Resources Fund.

Kind regards,

Michael Ramsden
Chair
28 February 2018



DISTRIBUTION AND DIVIDEND REINVESTMENT PLAN

Terms and Conditions

DEFINITIONS

“ASX” means the Australian Securities Exchange.

“Board” means the Board of Directors of Cremorne Capital Limited.

“Constitution” means the Constitution of Lowell Resources Fund. “Corporation” means Cremorne Capital Limited.

“Directors” means directors of Cremorne Capital Limited.

“Distribution” means any distribution of income by Fund. “Dividend” means any dividend payable by the Corporation.

“DRP” or the “Plan” means the Distribution Reinvestment Plan of Lowell Resources Fund.

“Income Distribution” means a Distribution.

“Member” means a registered holder of a unit in Lowell Resources Fund.

“Participant” means a Member who is participating in the DRP.

“Register” means the register of the records details of Units held by Members.

“Responsible Entity” means Cremorne Capital Limited, in its capacity as responsible entity of the Trust.

“Fund” or “the Fund” means Lowell Resources Fund ARSN 093 363 896.

“Trust Constitution” means the latest amended form of the Deed of Trust establishing the Trust on 21st January 1986.

“Unit” means a fully paid ordinary unit in the Trust.

ADMINISTRATION OF THE DRP

The Directors of Cremorne Capital Ltd shall be responsible for the administration of the DRP.

Subject to the terms and conditions detailed in this document, the offer set out in this document constitutes an ongoing offer to all Members. The right to participate cannot be transferred to any other person.



VARIATIONS TO THE TERMS AND CONDITIONS

Cremorne Capital Ltd may vary or withdraw the Plan in respect of a particular Income Distribution provided that Cremorne Capital Ltd announces the variation or withdrawal to the ASX not later than the date that Cremorne Capital Ltd announces the amount of the estimated distribution. Cremorne Capital Ltd will also place any variation or withdrawal announcement on its website (www.cremornecapital.com/).

SUSPENSION OF THE DRP

Cremorne Capital Ltd has the right to temporarily suspend the operation of the DRP without giving advance notice to Members.

Cremorne Capital Ltd will only suspend the operation of the DRP in circumstances where, in its opinion, all or some Members may be disadvantaged by the issue price of any reinvestment under the Plan.

If Cremorne Capital Ltd decides to suspend the DRP, it will make a public announcement immediately. During any period of suspension of the DRP, all Income Distributions will be paid to Members rather than reinvested. The suspension will automatically end on the day following such payment.

PARTICIPATION IN THE DRP

Participation in the DRP is available to all Members of Lowell Resources Fund registered at the close of business on the day which is not later than the last day of the relevant distribution period for an Income Distribution, or such later date as the Directors may determine and announce to the ASX. The last day of a distribution period for an Income Distribution will generally be 30 June.

All members who were participating in dividend re-investment at the time of listing of Lowell Resources Fund will automatically be considered as participants of the DRP from that date unless the member notifies Cremorne Capital Ltd otherwise.

It is important to note that the issue price of units issued under the DRP will ordinarily be set after the deadline for you to lodge, withdraw or amend your participation in the DRP. This means that ordinarily you will not know the issue price for units under the DRP when you commit to participate in the DRP.

Unitholders can elect to participate in the DRP by logging into the Automic InvestrOnline portal, which is accessible through the following link, <https://investor.automic.com.au/#/home>. Any instructions received by the Automic after the closing date will not apply until the following Income Distribution.

Members with registered addresses in countries other than Australia and New Zealand, may not be eligible to participate in the DRP because of legal requirements applying in such countries. As a result the opportunity to participate in the DRP is currently only available to residents of Australia and New Zealand.



DEGREE OF PARTICIPATION

No Participation

New members who do not wish to participate need do nothing. Payment of the Income Distribution at the rate declared by Cremorne Capital Ltd will be made to such Members no later than the last day of August each year.

Full Participation

New Members who elect to apply the full amount of future Income Distributions towards the purchase of units under the DRP should indicate this intention by ticking the appropriate boxes of the Application Form and by signing where provided, having regard to the signing instructions.

The Application Form should be mailed to:

Lowell Resources Fund
c/- Automic
P.O. Box 2226
Strawberry Hills NSW 2012

Part Participation

Members may elect to apply only part of future Income Distributions towards the purchase of units pursuant to the DRP, and to receive payment for the balance.

To reinvest part of future Income Distributions, Members must nominate a certain number of units (being part of their total holding) or a percentage of their holding to participate. From that time onwards, all income Distributions payable in respect of the nominated units will be reinvested in new units and future Income Distributions from the new units will be reinvested in the same way.

Income Distributions payable in respect of the balance of the units held will be paid in the normal manner.

Members who are uncertain of the number of units registered in their name should contact the Automic on toll free on 1300 288 664.

For part participation, Members should tick the appropriate boxes in the Application Form and enter the number of units that they wish to have participate in the DRP. The Application Form should then be signed, having regard to the signing instructions, and mailed to Automic as soon as possible.

VARIATION OR TERMINATION OF PARTICIPATION BY NOTICE

Participants may vary or cancel their participation in the DRP by logging into the Automic InvestrOnline portal, which is accessible through the following link, <https://investor.automic.com.au/#/home>. Any such notice must be received no later than one week prior to the last day of the relevant distribution period for the Income Distribution, or such other date as the Directors may determine and announce to the ASX.



REINVESTMENT PRICE

The price at which each unit shall be allotted to Participants in the DRP will be calculated as either:

- ☐ the average of the daily volume weighted averages of the selling price for the Lowell Resources Fund recorded on each of the five (5) trading days immediately preceding the date determined by the Directors and announced to the ASX in respect of that Income Distribution, except for sales otherwise than in the ordinary course of trading on less a discount determined by the Board from time to time (which may be up to a maximum of 10%), rounded to the nearest whole cent and subject to any adjustment under the Constitution and/or the Trust Constitution; or
- ☐ such other formula or amount determined by the Directors.

The determination by Cremorne Capital Ltd of the price at which units shall be issued under the DRP and in accordance with the above-mentioned formula shall be binding on all Participants.

COST TO MEMBERS

Members participating in the DRP will not pay brokerage, commissions, stamp duty or any other costs. Units will be issued at the price calculated on the basis outlined above.

ALLOTMENT OF UNITS

Cremorne Capital Ltd shall apply the Income Distributions withheld on behalf of Participants to a subscription for fully paid units on behalf of such Participants at the issue price determined by the method detailed above.

The number of units issued will, if necessary, be rounded down to the next whole number, with the balance being paid directly to relevant participants or carried forward to fund future DRP entitlements at Cremorne Capital Ltd's sole discretion.

Units to be issued pursuant to the DRP will only be issued in the name of Participants. The issue date for Units under the DRP will be the date on which the Income Distribution is payable, which will ordinarily be the last business day of August each year.

Units issued pursuant to the DRP will rank for Income Distributions from the date determined by the Directors or, in the absence of such a determination the units will rank for Income Distributions equally with all existing units.

Confirmation of Members' holding of units issued pursuant to the DRP will be mailed to Members in accordance with prevailing ASX rules.



STATEMENTS TO PARTICIPANTS

Cremorne Capital Ltd will send a statement to Participants in the DRP detailing the following:

- a) the total number of fully paid units held on the date of closure of the Register;
- b) the number of units participating in the DRP;
- c) from the Income Distribution payable on those units:
 - i. the amount comprising dividends on Shares and the extent to which the dividend is franked;
 - ii. the amount comprising distributions on Units; and
 - iii. the amount of any deduction made from the Income Distribution; and
- d) the number of additional units issued under the provisions of the DRP and the price at which they were issued and the amount applied towards the Participants residual positive balance.

This statement will be issued as near as practicable after each issue of units under the DRP, together with payment of the balance payable in the case of part participation.

TAXATION

Under current income tax legislation, we understand the taxation position of Members to be:

Australian Residents

Distributions from the Trust are assessable for income tax purposes as if received in the normal way, and should be included in Members' taxation returns for the period in which the income was earned as indicated in the Annual Tax Statement issued at the end of August each year.

Dividend payments by the Corporation are also assessable as if received, but credits will be available in respect of the franked portion under the dividend imputation arrangements.

Dividends, and the relevant imputed credits, should be included in Members' taxation returns for the period in which the dividend is received or deemed to be received, if re-invested.

The amount of the Distribution applied to acquire new units is net of any applicable Australian withholding taxes. Australian resident Members are subject to withholding tax at 47% on the gross distribution from the Trust and any unfranked dividends from the Corporation, where no tax file number, exemption or Australian Business Number has been recorded.

Non-Residents

Australian income tax and withholding tax, where applicable, must be deducted from Distributions from the Trust before determining the amount to be applied towards the purchase of Units. Withholding tax, where applicable, must be deducted from Distributions from the Corporation before determining the amount to be applied towards the purchase of Units.

Members should consult their own professional advisors if uncertain of their taxation position.