



LINQ RESOURCES FUND

ASX ANNOUNCEMENT

IMC RECOMMENDED CASH OFFER AT \$0.70 PER UNIT

12 September 2012

The Board of the Responsible Entity for the LinQ Resources Fund (“**LRF**”) (“**Board**”) is pleased to announce that LRF has entered into a Bid Implementation Agreement (“**BIA**”) with IMC Resources Holdings Pte Ltd (“**IMC**”) in relation to a recommended off-market takeover bid by IMC (or a related company) for all the units in LRF which it does not already own (the “**Offer**”).

Under the Offer, LRF unit holders will be entitled to receive \$0.70 cash for each LRF unit, subject to satisfaction of the conditions to the Offer. LRF is an ASX-listed managed Fund which invests in small to medium sized resources companies through both equity and debt instruments. IMC is Singapore based and is LRF’s largest unit holder with a 17.5% holding. IMC Group first invested in LRF in 2005.

The Offer is unanimously recommended by the Independent Directors of the Board¹. Each member of the Board will accept the Offer in respect of the LRF units they hold or control.

The Offer price of \$0.70 cash represents a substantial premium of:

- 39% to the closing of price of LRF units on the ASX on 7 September 2012 (the last trading day before a trading halt was called in relation to LRF units); and
- 39% to the volume weighted average price of LRF units on the ASX over the five trading days to 7 September 2012.

The conditions to the Offer are set out in the BIA and, among others, include:

- A 90% minimum acceptance condition;
- the ASX 300 Resources index not closing lower than 85% of the index level at the date of signing for three consecutive trading days;
- no material adverse change or prescribed occurrences occurring in relation to LRF; and
- the NTA of LRF not falling below \$0.765 per unit during the Offer period.

The BIA contains a number of customary provisions including “no shop” and “no talk” undertakings, mutual break fees and covenants under which the parties provide ongoing co-operation in relation to the timely implementation of the Offer. A full copy of the BIA will be made available to the ASX.

¹ The Independent Directors comprise Messrs Camarri, Lattimore and Fariss. Messrs Donner and Procter, as executives of the investment manager are therefore potentially personally interested in the outcome of the Offer, have declined to make a recommendation in relation to the Offer, but will accept the Offer in respect of the units they hold or control, in the absence of a superior proposal.

In light of the Offer, the meeting of unit holders convened for 17 September 2012 to consider the de-listing proposal and the date for acceptance of the redemption offer will be postponed to a date after the close of the Offer.

The Chairman of the LRF Board, Bruno Camarri AM, said:

“The Board is pleased to be able to recommend this offer to unit holders. The offer provides all unit holders with the opportunity to sell their entire holding in the Fund at an attractive price, and in a timely manner, which we consider to be particularly attractive given the prevailing challenging equity market conditions.

The Board has previously investigated a range of measures to assist in closing the gap between the market price of LRF units and the underlying NTA of the Fund, and this resulted in a proposal to de-list the Fund.

However, the Board considers that the liquidity provided by the offer represents a superior outcome to the de-listing proposal and we are pleased that we have the opportunity to recommend it to you.

IMC is the largest unit holder in LRF and has been an investor in the Fund since its inception. We welcome the offer and recommend it to our unit holders.”

Managing Director of IMC Investments Group Michael Chye said:

“IMC is pleased to be able to provide unit holders with the opportunity to sell all of their units at a strong premium to the market price.

We are very pleased that the independent directors of LinQ Capital have decided to unanimously recommend our offer to unit holders and look forward to progressing our offer to a successful close.”

It is expected that the Bidder’s Statement and Target’s Statement in relation to the Offer will be dispatched together by early October. The Offer will be open for a minimum of one month from the date of dispatch.

IMC will fund the Offer from internal cash reserves.

LRF is advised by Gresham Advisory Partners and Freehills.

IMC is advised by Macquarie Capital and Hardy Bowen.

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About IMC

IMC is part of the IMC Group, a global investor with significant investments in the mining and oil and gas sectors. IMC Group is privately owned with a diverse range of business interests worldwide. IMC Group's key interests include Investments, Industries and Lifestyle / Real Estate.

Currently headquartered in Singapore, IMC Group has more than 9,000 employees. It has offices in China, Thailand, Malaysia, Indonesia and Australia, as well as representative offices in Japan, Korea, Hong Kong, India and the Philippines.

www.imcgroup.info

About LinQ Group

The LinQ Group is a boutique investment house operating a Funds Management business and a separate Corporate Advisory division with office representation in Australia, Africa, UK and South America. The Funds Management Division includes the LinQ Resources Fund, an ASX-listed managed fund which invests generally in higher growth junior resource companies through both equity and debt instruments.

The Corporate Advisory Division provides traditional corporate advisory services including, strategic advice, capital raisings and arranging of initial public offerings predominantly in the resources sector. LinQ Group management includes executives with considerable financial and resources industry expertise. In addition, LinQ has a network of experienced technical and operational consultants that provide assistance where required.

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